

**Tajuk** : 140A. Power to substitute the price and disallowance of interest on certain transaction  
**Tarikh Kuatkuasa** :  
**Tarikh Tamat Kuatkuasa** :  
**Kategori** : Rujukan Perundangan\Akta Cukai Pendapatan 1967 - Seksyen\PART X - SUPPLEMENTAL\Chapter 2 - Controlled companies and powers to protect the revenue in case of certain transactions.\

## Rencana

### Akta Cukai Pendapatan 1967

#### (Akta 53)

### Pindaan Sehingga Akta A1349 Tahun 2009

**Tarikh Keluaran** :  
**Title** : Income Tax Act  
**Part** : PART X - SUPPLEMENTAL  
**Chapter** : Chapter 2 - Controlled companies and powers to protect the revenue in case of certain transactions.  
**Section** : 140A. Power to substitute the price and disallowance of interest on certain transaction

**140A.** (1) This section shall apply notwithstanding section 140 and subject to any rules prescribed under this Act.

(2) Subject to subsections (3) and (4), where a person in the basis period for a year of assessment enters into a transaction with an associated person for that year for the acquisition or supply of property or services, then, for all purposes of this Act, that person shall determine and apply the arm's length price for such acquisition or supply.

(3) Where the Director General has reason to believe that any property or services referred to in subsection (2) is acquired or supplied at a price which is either less than or greater than the price which it might

have been expected to fetch if the parties to the transaction had been independent persons dealing at arm's length, he may in determination of the gross income, adjusted income or adjusted loss, statutory income, total income or chargeable income of the person, substitute the price in respect of the transaction to reflect an arm's length price for the transaction.

(4) Where the Director General, having regard to the circumstances of the case, is of the opinion that in the basis period for a year of assessment the value or aggregate of all financial assistance granted by a person to an associated person who is a resident, is excessive in relation to the fixed capital of such person, any interest, finance charge, other consideration payable for or losses suffered in respect of the financial assistance shall, to the extent to which it relates to the amount which is excessive, be disallowed as a deduction for the purposes of this Act.

(5) The transactions or the financial assistance referred to in subsection (2) or (4) respectively, shall be construed as a transaction or financial assistance between—

- (a) persons one of whom has control over the other;
- (b) individuals who are relatives of each other; or
- (c) persons both of whom are controlled by some other person.

(6) In this section, "relative" and "transaction" have the same meanings assigned to them under subsection 140(8).

History

Section 140A is inserted by Act 693 of 2009 s 40, comes into operation on 1 January 2009.

