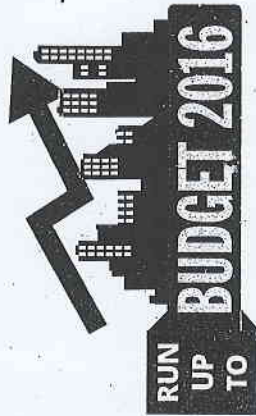


Call for extension of tax exemption



KUALA LUMPUR: The Federation of Investment Managers Malaysia (FIMM) hopes the tax exemption on managing fees for Islamic funds is extended for another three years in Budget 2016.

Chief executive officer Nazaruiddin Othman (*pic*) said the tax exemption had been one of the key boosters for the Islamic fund industry in Malaysia since it was granted in 2008.

The current tax exemption, which consists of 25% corporate tax, will end by 2016.

"In terms of percentage of Islamic funds against the total net asset value (NAV), it is still relatively low at only 14%, so we still have that impetus to grow the Islamic funds further.

"The Islamic fund growth rate has actually been better than the conventional for the last three to four years, growing by about 14%-16% annually, compared with 10% for conventional," he told a press conference at the

FIMM says this is to ensure steady growth of Islamic fund industry

FIMM Annual Convention here yesterday.

He said the current demand for Islamic funds was also very encouraging due to some investors' reluctance to get exposed to finance-based stocks in their investment portfolio.

Nazaruiddin said he expected the take-up for the private retirement scheme (PRS) to maintain its momentum despite the current economic challenge.

"The potential to grow the PRS is great.

"This (the PRS) is the third pillar for retirement purposes that the Government has come up with, after the pension and the Employees Provident Fund.

"I think the NAV of the PRS will continue to

grow due to some hindrance for them to take out their money easily," he added.

He said that the Private Pension Administrator Malaysia and FIMM would continue to hold awareness programmes to promote the PRS and its benefits to retirees.

Earlier in his speech, Nazaruiddin said Malaysians may need to rely on the investment management industry, whether for retirement or a college education, in order to generate the returns they needed.

"Through unit trust or PRS, an individual can easily and cheaply assemble a diversified portfolio of investments that provides exposure to a variety of asset classes," he said. — Bernama

