

CIRCULAR

Date:	6 December 2023	Ref No.:	ID/UTMC/JW-TQ/009-23 (Total no. of pages: 2)
To:	UTMC		
Attn:	Chief Executive Officer/Authorised Representatives		

Data Collection for the Purpose of Presenting Empirical Unit Trust Data to the MOF for the reinstatement of Section 61 of Income Tax Act

In light of the impending changes proposed by the Ministry of Finance (MOF) to introduce the Finance Bill No. 2 2023 on Capital Gains Tax (CGT) and its potential impact on the Industry, we are actively collaborating with the Securities Commission (SC) to advocate for the preservation of Section 61 of the Income Tax Act, 1967 (“ITA”).

As you may be aware, Section 61 of ITA currently governs the taxation of the sale or realisation of investments by a Unit Trust Fund (UTF) will not be subject to income tax. The proposed introduction of the Finance Bill No. 2 2023 introducing CGT adversely impacts the gains/returns generated by UTF, vis-à-vis reduction in investment returns to the UTF’s unitholders.

In our joint initiative with the SC, we aim to build our industry case in supporting the preservation of Section 61 of the ITA and exempting UTF from foreign sourced income tax. Your valuable input is crucial to this endeavour.

To aid in our case, we urgently seek the following information:

- **Investor Composition:** Breakdown of Individual Investors versus Corporate/Institutional Investors of your Unit Trust Funds.
- **AUM Distribution:** Total Asset Under Management (AUM) for Unit Trust Funds with Foreign Exposure, Bonds/Sukuk Exposure, and Unlisted Shares Exposure.

Deadline for Submission: **8 December 2023 (Friday)**

Survey Link: <https://survey.alchemer.com/s3/7638022/CGT>

Your prompt response to this information request is essential in strengthening our case and working towards a favourable outcome for the UTS Industry.

Thank you in advance for your urgent attention and cooperation. Should you have any questions or require further clarification, please do not hesitate to contact Industry Development Department at ID@fimm.com.my.

Data Request Criteria

Scope: Unit Trust Funds (*excluding Wholesale Funds*)

Reference Date: Data as of 30 June 2023

Investor Classification: Individual Investors are those identified by NRIC.

Nominee Accounts: For Nominee accounts, kindly request your IUTA to provide the breakdown according to the stipulated questions in the survey.

Thank you.

Yours faithfully,

FEDERATION OF INVESTMENT MANAGERS MALAYSIA



JOYCE WEE

SENIOR MANAGER, INDUSTRY DEVELOPMENT