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## **EXEMPTING UNIT TRUSTS FROM CAPITAL GAINS TAX (CGT) AND FOREIGN-SOURCED INCOME (FSI) TAX**

**Kuala Lumpur, 17 January 2024:** On behalf of the Unit Trust industry, the Federation of Investment Managers Malaysia (FIMM) expresses its gratitude and welcomes the recent announcement by Finance Minister II, Datuk Seri Amir Hamzah Azizan, regarding the Government's decision to grant exemptions to Unit Trusts from the imposition of Capital Gains Tax (CGT) and Foreign-Sourced Income (FSI) Tax.

This decision is poised to positively impact over 13 million individual unitholders, including those who have invested directly in Unit Trust Funds or through their Employees Provident Fund (EPF) savings.

From our industry engagements, we observe that a significant number of these investors are pensioners and individuals approaching retirement age. The newly granted tax exemptions will tremendously assist in providing them with tax-free returns from their Unit Trust investments. This move is especially beneficial for those diligently replenishing their post-pandemic-depleted savings, whilst optimising their potential returns.

Unit Trust Funds have been major contributors to the capital market since the 90s, enabling millions of local individuals across diverse income segments to participate in the domestic and foreign capital markets without requiring a large initial investment amount to start. This has fostered inclusivity and accessibility.

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### **Note to Editors**

#### **About Federation of Investment Managers Malaysia**

The Federation of Investment Managers Malaysia (FIMM) was established on 7 August 1993. By a gazette order dated 20 January 2011, FIMM was recognised by the Securities Commission Malaysia (SC) as a Self-Regulatory Organisation (SRO).

As an SRO, FIMM regulates and supervises its members and registered persons to strive for the highest level of integrity and standards of practice that will best serve the investment management industry and promote investor protection.