

TO ALL MEMBERS

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TECHNICAL

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### Incentive Package for Treasury Management Centre (TMC)

The 2012 Budget **proposed** ([Paragraph 23](#) and [Appendix 8](#)) that a Treasury Management Centre (TMC) be given an incentive package, applicable from 8 October 2011 until 31 December 2016. The following Orders have been gazetted to give effect to the proposals:

1) [Income Tax \(Exemption\) \(No.3\) Order 2012 \[P.U. \(A\) 184/2012\]](#)

This Order exempts a non-citizen individual from the payment of income tax in respect of income derived from an employment with a TMC.

This order shall have effect from the **year of assessment (YA) 2012**.

2) [Stamp Act \(Exemption\) \(No.2\) Order 2012 \[P.U. \(A\) 185/2012\]](#)

This Order exempts from stamp duty, all instruments of loan agreements and service agreements, executed by a TMC on or after 8 October 2011 but not later than 31 December 2016 for the provision of qualifying financial and fund management services in Malaysia.

This Order is deemed to have come into operation on **8 October 2011** and shall continue to be in operation **until 31 December 2016**.

3) [Income Tax \(Exemption\) \(No.5\) Order 2012 \[P.U. \(A\) 240/2012\]](#)

This order exempts a TMC from the payment of income tax for five consecutive years of assessment in respect of the statutory income from the provision of qualifying services to its related companies, and at least three of which are located outside Malaysia.

This Order shall have effect from the **year of assessment 2012** and applies to any application made to the Malaysia Industrial Development Authority (MIDA) **not later than 31 December 2016**.

4) [Income Tax \(Exemption\) \(No.6\) Order 2012 \[P.U. \(A\) 241/2012\]](#)

This Order exempts a non-resident person from payment of income tax in respect of interest on borrowings to the TMC for the purpose of providing qualifying services during the exempt years of assessment as specified in Income Tax (Exemption)(No.5) Order 2012 [P.U.(A) 240/2012].

This Order shall have effect from the **year of assessment 2012**.

Please note that there is a slight **difference in the definition of TMC** in the Orders. For further information, please refer to [Incentive Package for Treasury Management Centre \(TMC\)](#) on our website. Members may also visit the [Attorney-General's Chambers](#) (AGC) website to view all the above Orders.

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