

**TECHNICAL**

**Direct Tax**

**INCOME TAX (DEDUCTION FOR COST RELATING TO TRAINING FOR EMPLOYEES FOR THE IMPLEMENTATION OF GOODS AND SERVICES TAX) RULES 2014 [P.U. (A) 334/2014]**

These Rules were gazetted on **17 December 2014** and are made pursuant to paragraph **154(1)(b)** read together with paragraph **33(1)(d)** of the Income Tax Act 1967 (ITA). These Rules have effect for the **year of assessment (YA) 2014 and YA 2015**.

The following are the salient points of the Rules:

| <b>Rule</b>                      | <b>Contents</b>  |
|----------------------------------|--|
| Rule 2(1)<br>Deduction           | In ascertaining the adjusted income of a qualifying person from its business in the basis period for a YA, there shall be allowed a deduction on the expenditure incurred by the qualifying person in training its employees under an accounting or information and communication technology training programme which is conducted in Malaysia for the purposes of the implementation of the Goods and Services Tax (GST) Act 2014 as verified by the Director General of Customs and Excise.                                    |
| Rule 2(4)                        | The deduction allowed under Rule 2(1) is additional to a deduction allowable under <a href="#">Section 33 of the ITA</a> .   |
| Rules 2(2) & 2(3)<br>Definitions | <p>A qualifying person referred to in Rule 2(1) is a person who is:</p> <ul style="list-style-type: none"> <li>• A resident in Malaysia; and</li> <li>• A registered person or a taxable person as defined in the GST Act 2014 [Act 762].</li> </ul> <p>An employee referred to in Rule 2(1) is an employee who is:</p> <ul style="list-style-type: none"> <li>• A Malaysian citizen; and</li> <li>• A full-time employee of a qualifying person.</li> </ul>   |
| Rule 3<br>Non-application        | <p>These Rules shall not apply to a qualifying person in the basis period for a YA where the qualifying person has claimed:</p> <ul style="list-style-type: none"> <li>• A deduction in relation to the cost of training programme for that YA under the Income Tax (Deductions for Approved Training) Rules 1992 [P.U.(A) 61/1992]; or</li> <li>• The cost of training programme from the Human Resources Development Fund established under Section 22 of the Pembangunan Sumber Manusia Berhad Act 2001 [Act 612].</li> </ul> |

Members may read the Rules in full at the official website of the [Attorney-General's Chambers](#).

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