
TECHNICAL

Direct Taxation

EXTENSION OF TAX EXEMPTIONS ON INCOME FROM MANAGING SHARIAH-COMPLIANT FUNDS

1. [Income Tax \(Exemption\) \(Amendment\) Order 2016 \[P.U \(A\) 104/2016\]](#)

The above Order was gazetted on 20 April 2016 and amends the Exemption Order on the tax exemption on statutory income (SI) derived from a business of providing fund management services to foreign investors in Malaysia in respect of a fund managed in accordance with Syariah principle certified by the Securities Commission (SC) as follows:

Amendment – Subparagraph 1(2) of the *Income Tax (Exemption) (No.15) Order 2007 [P.U. (A) 199/2007]* is amended by substituting for the words “until 2016” the words “**until the year of assessment 2020**”.

2. [Income Tax \(Exemption\) \(Amendment\) \(No.2\) Order 2016 \[P.U \(A\) 105/2016\]](#)

The above Order was gazetted on 20 April 2016 and amends the Exemption Order on the tax exemption on SI derived from a business of providing fund management services to local investors in Malaysia in respect of a fund managed in accordance with Syariah principle certified by the SC as follows:

Amendment – Subparagraph 1(2) of the *Income Tax (Exemption) (No.6) Order 2008 [P.U. (A) 255/2008]* is amended by substituting for the word “2016” the word “**2020**”.

3. [Income Tax \(Exemption\) \(Amendment\) \(No.3\) Order 2016 \[P.U \(A\) 106/2016\]](#)

The above Order was gazetted on 20 April 2016 and amends the Exemption Order on the tax exemption on SI derived from a business of providing fund management services to business trust or real estate investment trust in Malaysia which is managed in accordance with Syariah Principles and certified by the SC as follows:

Amendment – Subparagraph 1(2) of the [Income Tax \(Exemption\) Order 2014 \[P.U. \(A\) 150/2014\]](#) is amended by substituting for the word “2016” the word “**2020**”.

The above amendments arose from the 2016 Budget proposal to extend the tax exemptions on income from managing Shariah-compliant funds for another four years until the year of assessment 2020.

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

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