

TECHNICAL

Direct Taxation

REMISSION OF INCOME TAX AND STAMP DUTY UNDER THE LOANS GUARANTEE (BODIES CORPORATE) ACT 1965 (ORDER #3)

[Loans Guarantee \(Bodies Corporate\) \(Remission of Tax and Stamp Duty\) \(No. 3\) Order 2016 \[P.U. \(A\) 199/2016\]](#)

The above Order was gazetted on 15 July 2016 and came into operation on 18 July 2016.

The Order is issued under S10(1) of the Loans Guarantee (Bodies Corporate) Act 1965 (the Act). It provides for the following taxes to be remitted in full –

1. Income tax (Paragraph 2)
Any tax payable under the Income Tax Act 1967 (ITA) by any individual or entity listed in subparagraphs 2(a) to 2(j) [see Table 1 below] in respect of money payable under any agreement, note, instrument and document in relation to the product, facility, programme and guarantee referred to in paragraph 4 of this Order [see Table 2 below].
2. Stamp duty (Paragraph 3)
Any stamp duty payable under the Stamp Act 1949 in respect of any agreement, note, instrument and document in relation to the product, facility, programme and guarantee referred to in paragraph 4 of this Order [see Table 2 below].

Table 1

Individuals and entities eligible for remission of tax under Paragraph 2

Para. 2	Entity/ individual
(a)	The Public Sector Home Financing Board (PSHFB) to which the Act applies by virtue of the Loans Guarantee (Declaration of Bodies Corporate) (Public Sector Home Financing Board) Order 2016 [P.U.(A) 198/2016];
(b)	Any holder of the Islamic Commercial Papers (ICP) or Islamic Medium Term Notes (IMTN);
(c)	Any holder of the Conventional Commercial Papers or Conventional Medium Term Notes;
(d)	Any financier of the Syndicated Revolving Credit-i Facility, (referred to in this Order as "RC-i Facility")
(e)	Any financier of the Syndicated Credit Facilities, (referred to in this Order as the "Credit Facilities")
(f)	Any other party to any agreement/ note/ instrument/ document in relation to the ICP and IMTN Programme, or the guarantee provided / to be provided by the Government of Malaysia, including any party to whom such agreement, note etc. is transferred or assigned.
(g)	Any other party to any agreement, note, instrument and document in relation to the Conventional Commercial Papers and Conventional Medium Term Notes Programme, or the guarantee provided /to be provided by the Government of Malaysia, including any party to whom such agreement, note etc. is transferred or assigned.

(h)	Any other party to any agreement, note, instrument and document in relation the RC-i Facility, including any party to whom such agreement, note etc. is transferred or assigned.
(i)	Any party to any agreement, note, instrument and document in relation to the Credit Facilities, including any party to whom such agreement, note etc. is transferred or assigned;
(j)	Any party to any agreement, note, instrument and document in relation to the guarantee provided /to be provided by the Government of Malaysia, including any party to whom such agreement, note etc. is transferred or assigned.

Table 2

Product, facility, programme and guarantee to which this Order is applicable (Para. 4)

Para. 4	<i>Product/ facility/ programme/ guarantee</i>
(a)	The ICP and IMTN issued or to be issued by the PSHFB pursuant to the ICP and IMTN Programme.
(b)	The Conventional Commercial Papers and Conventional Medium Term Notes issued or to be issued by the PSHFB pursuant to the Conventional Commercial Papers and Conventional Medium Term Notes Programme;
(c)	The RC-i Facility obtained by the PSHFB;
(d)	The Credit Facilities obtained by the PSHFB;
(e)	<p>The guarantee provided or to be provided by the Government of Malaysia relating to ICP and IMTN, the Conventional Commercial Papers and Conventional Medium Term Notes, the RC-i Facility and Credit Facilities.</p> <p><i>“ Provided that the combined aggregate of the outstanding nominal value of the ICP and IMTN, the outstanding nominal value of the Conventional Commercial Papers and Conventional Medium Term Notes, the outstanding principle amount under the RC-i Facility and the outstanding principal amount under the Credit Facilities, shall not exceed twenty-five billion ringgit (RM25,000,000,000.00)”</i></p>

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

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