

TECHNICAL

Direct Taxation

[**INCOME TAX \(EXEMPTION\) \(NO. 3\) ORDER 2019 \[P.U.\(A\) 137/2019\]**](#)

[**INCOME TAX \(EXEMPTION\) \(NO. 4\) ORDER 2019 \[P.U.\(A\) 147/2019\]**](#)

The above Exemption Orders were recently gazetted. Their contents are summarized below: -

Para.	(No. 3) Order	(No. 4) Order
1.	<p><u><i>Citation and commencement</i></u></p> <ul style="list-style-type: none"> • Citation – as stated in heading above. • Deemed to have come into operation on 1/2/2019. 	<p><u><i>Citation and commencement</i></u></p> <ul style="list-style-type: none"> • Citation – as stated in heading above. • Deemed to have come into operation on 1/3/2019.
2.	<p><u><i>Exemption</i></u></p> <ul style="list-style-type: none"> • A person who is not resident in Malaysia is exempted from income tax on income derived from Malaysia in respect of payment received from any religious institution or organization for the following services throughout the period of service: - <ul style="list-style-type: none"> a) to provide religious lectures or study of a religious book including the translation of a holy book or related religious book; or b) to preside (over) prayers or rites of worship according to the rituals of each religion. • The following are conditions for exemption, i.e. the religious program or activity - <ul style="list-style-type: none"> a) is conducted and organised by the religious institution or organization exclusively for religious purposes and not for commercial or profit-making purposes; b) is conducted and organised without imposing any payment on participants; and c) has commenced on or after 1/2/2019. 	<p><u><i>Exemption</i></u></p> <ul style="list-style-type: none"> • A person who is not resident in Malaysia is exempted from income tax on income derived from Malaysia in respect of payments received for shrink-wrapped software, site-licence, downloadable software or software bundled with personal computer hardware, smartphone or tablet received from an end user who is an individual resident in Malaysia, who purchases software or acquires any right to use software for personal use and not for usage in his business. • Nothing in para. 2 shall / is deemed to absolve an individual from complying with any requirement under the ITA to submit a return or statement of account, or other information.

3.	<u>Return or statement of account to be furnished</u> Nothing in para. 2 shall / is deemed to absolve an individual from complying with any requirement under the ITA to submit a return or statement of account, or other information.	<u>Non-application</u> S109 of the ITA shall not apply to the income exempted under this Order.
4.	<u>Non-application</u> S109A of the ITA shall not apply to the income referred to in para. 2.	-

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

Disclaimer

This document is meant for the members of the Chartered Tax Institute of Malaysia (CTIM) only. CTIM has taken all reasonable care in the preparation and compilation of the information contained in this e-CTIM. CTIM herein expressly disclaims all and any liability or responsibility to any person(s) for any errors or omissions in reliance whether wholly or partially, upon the whole or any part of this e-CTIM.