

**e-CTIM TECH-DT 42/2020**

**10 June 2020**

**TO ALL MEMBERS**

**TECHNICAL**

**Direct Taxation**

**RECENT GAZETTED INCOME TAX ORDERS AND RULES**

No.	P.U. (A)	Title	Date Gazetted	Remarks (Please access the Orders and Rules for the full details)
1.	<a href="#">139/2020</a>	Income Tax (Exemption) Order 2020	4 May 2020	<p>This Order shall have effect from the year of assessment ("YA") 2020. [Para 1(2)]</p> <p>A religious institution or organization (*) is exempted in the basis period ("BP") for a YA from the payment of tax in respect of gross income derived from all sources for a period determined and subject to all the conditions imposed by the Minister. [Para 3(1)]</p> <p>An application for exemption under this Order shall be made to the Director General on or after 1 January 2020. [Para 3(2)]</p> <p>The religious institution or organization (*) is required to comply with any requirement to submit any return or statement of accounts or to furnish any other information, under the Act. [Para 3(3)]</p> <p>(*) "A religious institution or organization" means a religious institution or organization operating a place of worship and is a company limited by guarantee incorporated under the Companies Act 2016 and resident in Malaysia; its object is exclusively for the purpose of religious worship or the advancement of religion; and it is not operated or conducted primarily for profit. [Para 2]</p> <p>Note: The above Order is in relation to a proposal announced in the 2020 Budget.</p>
2.	<a href="#">141/2020</a>	Income Tax (Exemption) (No. 2)	5 May 2020	<p>This Order is deemed to have come into operation from YA 2018. [Para</p>

		Order 2020		<p>1(2)]</p> <p>A qualifying company ("QC") is exempted in the BP for a YA from the payment of income tax in respect of statutory income ("SI") derived from a qualifying project ("QP") referred to in Para 4(2), which is equivalent to the amount of qualifying capital expenditure ("QCE") incurred by that QC in the BP for that YA. [Para 4(1)]</p> <p>The QP referred to in Para 4(1) is -</p> <p>(a) a business of providing private healthcare services at a new private healthcare facility; or</p> <p>(b) a project of expansion, modernization or refurbishment of the existing business of providing private healthcare services, which has been approved by the Minister of Health and registered with the Malaysia Healthcare Travel Council. [Para 4(2)]</p> <p>The exemption in Para 4(1) shall be for 5 consecutive years commencing from the date of the first QCE incurred by the QC, as determined by the Malaysian Investment Development Authority ("MIDA"). [Para 4(3)]</p> <p>The exemption under Para 4(1) shall apply to an application for exemption which is received by MIDA on or after 1 January 2018 but not later than 31 December 2020 and such application has been approved by the Minister. [Para 4(5)(a)]</p> <p>The other paragraphs in the Order are on the definition of the terms used in the Order; QCE; details and conditions of the exemption; SI; disposal of asset within 5 years; determination of QCE for asset disposed to related company; withdrawal of the exemption; separate source and separate account; and non-application.</p> <p>Note: The above Order is in relation to a</p>
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				proposal announced in the 2018 Budget.
3.	<a href="#">153/2020</a>	Income Tax (Exemption) (No. 3) Order 2020	19 May 2020	<p>This Order shall have effect for YA 2020. [Para 1(2)]</p> <p>An individual is exempted from the payment of income tax in respect of withdrawal from a private retirement scheme ("PRS") by the individual before reaching the age of 55, which was contracted for by the individual with the PRS provider approved under S.139Q of the Capital Markets and Services Act 2007, for the period from 30 April 2020 until 31 December 2020. [Para 2(1)]</p> <p>The total amount of exemption granted under Para 2(1) is subject to a maximum of RM1,500 withdrawn from each PRS provider. [Para 2(2)]</p> <p>S.109G of the Act shall not apply to the income exempted under this Order. [Para 3]</p> <p>Note: The above Order is in relation to a proposal announced in the 2020 Budget.</p>
4.	<a href="#">162/2020</a>	Income Tax (Deduction for Expenses in relation to Secretarial Fee and Tax Filing Fee) Rules 2020	19 May 2020	<p>These Rules have effect from YA 2020. [Rule 1(2)]</p> <p>For the purpose of ascertaining the adjusted income of a person resident in Malaysia from his business in the BP for a YA, a deduction shall be allowed for the following expenses:</p> <p>(a) secretarial fee (*); and</p> <p>(b) tax filing fee (*),</p> <p>which are incurred and paid by the person in the BP for that YA. [Rule 2(1)]</p> <p>(*) Please refer to Rule 2(1)(a) and 2(1)(b) of the Order for the details of the secretarial fee and tax filing fee respectively that are allowed for a deduction.</p> <p>The total amount of deduction allowed under Rule 2 is subject to a maximum amount of RM15,000 for a YA. [Rule 2(2)]</p>

				<p>The <a href="#">Income Tax (Deduction for Expenses in relation to Secretarial Fee and Tax Filing Fee) Rules 2014 [P.U. (A) 336/2014]</a> is revoked. [Para 3]</p> <p>Note: The above Rules are in relation to a proposal announced in the 2020 Budget.</p>
5.	<a href="#">172/2020</a>	Income Tax (Exemption) (No. 8) 2017 (Amendment) Order 2020	28 May 2020	<p>This Order is deemed to have come into operation from YA 2018. [Para 1(2)]</p> <p>This Order amends the <a href="#">Income Tax (Exemption) (No.8) Order 2017 [P.U. (A) 253/2017]</a> as follows:</p> <ul style="list-style-type: none"> <li>• Para 3(a)(iv) is amended by substituting for the words “carried on a QP for” the words “been in operation for”;</li> <li>• Para 3(a)(v)(A) and 3(a)(vi)(A) are amended by substituting for the word “2017” the word “2023”;</li> <li>• Para 3(a)(v)(B) and 3(a)(vi)(B) are amended by substituting for the word “2020” the word “2023”;</li> <li>• Para 4(2) is amended by inserting after the words “all the conditions imposed” the words “by the Minister”; and</li> <li>• Para 9(c) is amended by substituting for the words “section 127” the words “paragraph 127(3)(b) or subsection 127(3A)”.</li> </ul> <p>[Para 2, 3 and 4]</p> <p>Note: The above Order is in relation to proposals announced in the 2018 and 2020 Budget.</p>
6.	<a href="#">173/2020</a>	Income Tax (Accelerated Capital Allowance) (Automation Equipment) 2017 (Amendment) Rules 2020	28 May 2020	<p>These Rules are deemed to have come into operation from YA 2018. [Para 1(2)]</p> <p>This Order amends the <a href="#">Income Tax (Accelerated Capital Allowance) (Automation Equipment) Rules 2017 [P.U. (A) 252/2017]</a> as follows:</p> <ul style="list-style-type: none"> <li>• Para 3(a)(iv) is amended by substituting for the words “carried on a QP for” the words “been in</li> </ul>

				<p>operation for”;</p> <ul style="list-style-type: none"> <li>• Para 3(a)(v)(A) and 3(a)(vi)(A) are amended by substituting for the word “2017” the word “2023”;</li> <li>• Para 3(a)(v)(B) and 3(a)(vi)(B) are amended by substituting for the word “2020” the word “2023”; and</li> <li>• Para 7(c) is amended by substituting for the words “section 127” the words “paragraph 127(3)(b) or subsection 127(3A)”.</li> </ul> <p>[Para 2 and 3]</p> <p>Note: The above Rules are in relation to proposals announced in the 2018 and 2020 Budget.</p>
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Members may read the above Orders and Rules in full at the official website of the [Attorney-General's Chambers](#).

You may write to the Institute at [technical@ctim.org.my](mailto:technical@ctim.org.my) or [secretariat@ctim.org.my](mailto:secretariat@ctim.org.my) in respect of any suggestions, concern or comments you may have on the above Orders and Rules.

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