

e-CTIM TECH-DT 90/2020

18 December 2020

TO ALL MEMBERS

TECHNICAL

Direct Taxation

Income Tax (Exemption) Orders 2020 [P.U. (A) 30/2020, 269/2020, 306/2020, 307/2020]

P.U. (A)	Remarks (Please access the Orders for the full details)
<p>30/2020</p> <p>Income Tax (Exemption) (No. 9) Order 2019 (Amendment) Order 2020</p>	<p><u>Amendment</u></p> <p>Income Tax (Exemption) (No.9) Order 2019 [P.U. (A) 226/2019] on the exemption of women returning to the workforce after a career break from payment of income tax on employment income (see our e-CTIM TECH-DT 89/2019 dated 17 October 2019) is amended by:</p> <ul style="list-style-type: none"> • Extending the effective year of assessment (“YA”), to YA 2024; • Extending the period in which at least 12 consecutive months of employment with the same qualifying employer falls [paragraph 2(1)(g) of the Order], to 31 December 2024; • Extending the deadline for making an application for the exemption under the Order, to 31 December 2023; and • Changing the phrase “residing in Malaysia” to “resident in Malaysia”.
<p>269/2020</p> <p>Income Tax (Exemption)(No.9) 2002 (Amendment) Order 2020</p>	<p><u>Amendment</u></p> <p>Income Tax (Exemption)(No.9) Order 2002 [P.U. (A) 57/2002] is amended in paragraph 4 so that the amount of statutory income of the business of a resident person for a YA which shall be exempted from tax is equal to the amount of income derived by that person from the export of qualifying services specified in the Schedule in the basis period for that YA which shall be equivalent to 50% (or 100% in the case of private health care services*) of the value of increased exports (or to the aggregate amount of any such value of increased export, as the case may be) for that YA but not exceeding 70% of the statutory income.</p> <p>*Subject to the following conditions: -</p> <ul style="list-style-type: none"> • At least 10% of its total patients consist of foreign clients who have obtained private health care services in each YA; and • At least 10% of its gross income is derived from foreign clients who have obtained private health care services in each YA. <p><u>With effect from</u></p> <p>*YA 2018 to 2020</p>

P.U. (A)	Remarks (Please access the Orders for the full details)
<p>306/2020</p> <p>Income Tax (Exemption) (No. 4) Order 2020</p>	<p><u>Exemption from payment of income tax</u> On any financial assistance fund received by the employer under the Employment Retention Program.</p> <p><u>With effect from</u> YA 2020</p> <p><u>Further details</u> See paragraph 2(2) - 2(4) and 3 of the Order.</p>
<p>307/2020</p> <p>Income Tax (Exemption) (No. 5) Order 2020</p>	<p><u>Exemption from payment of income tax</u> On any financial assistance received by an employee from his employer under the Employment Retention Program in ascertaining the gross income from his employment in the basis period for a YA.</p> <p><u>With effect for</u> YA 2020</p> <p><u>Further details</u> See paragraph 2(2) – 2(3) of the Order.</p>

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

You may write to the Institute at technical@ctim.org.my in respect of any suggestions, concern or comments you may have on the above Orders.

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