

TECHNICAL

Direct Taxation

Income Tax Regulations 2020 [P.U. (A) 237/2020] and Rules 2020 [P.U. (A) 263/2020, 267/2020, 272/2020, 274/2020]

P.U. (A)	Remarks (Please access the Regulations and Rules for the full details)
<p>237/2020 Income Tax (Special Treatment for Interest on Loan) Regulations 2020</p>	<p><u>Gross income in the basis period for a year of assessment ("YA")</u></p> <p>a. Where a moratorium is approved by a bank or financial institution in respect of any amount of interest on a loan which is due and payable from 1 April 2020 until 30 September 2020 in the basis period for a YA, such interest shall not constitute the gross income of that bank or financial institution in the basis period for that YA.</p> <p>b. Notwithstanding (a), where any amount of interest on a loan –</p> <ul style="list-style-type: none"> • Is received from 1 April 2020 until 30 September 2020; or • becomes receivable on or after 1 October 2020, <p>by the bank or financial institution in the basis period for a YA, such interest shall be treated as the gross income of the bank or financial institution in the basis period for that YA.</p> <p><u>With effect from</u> YA 2020 onwards</p> <p><u>Further details</u> See regulation 2, 3, 5, 6 and 7 of the Regulations.</p>
<p>263/2020 Income Tax (Deduction for Expenses in Relation to Listing on Access, Certainty, Efficiency (Ace) Market or Leading Entrepreneur Accelerator Platform (Leap) Market of Bursa Malaysia Securities Berhad) Rules 2020</p>	<p><u>Deduction allowed</u></p> <p>On the following expenditure incurred by a technology-based company in relation to listing on the ACE Market or LEAP Market: -</p> <ul style="list-style-type: none"> • Payment of fees to Bursa Malaysia Securities Berhad and Securities Commission Malaysia as the authorities; • Payment of the following professional fees: <ul style="list-style-type: none"> ○ Advisory fee to the sponsor, being the main adviser for listing on the ACE Market, and approved adviser, being the main adviser for listing on the LEAP Market; and ○ In relation to the listing exercise, fees to the solicitor, company secretary, tax adviser, reporting accountant, auditor, valuer, independent market researcher, issuing house and share registrar; and • Payment of fees for underwriting, placement and brokerage services.

	<p><u>With effect from</u> YA 2020 to 2022</p> <p><u>Further details</u> See rule 2, 3, 4(2) – 4(5) and Schedule of the Rules.</p>
<p>267/2020 Income Tax (Automatic Exchange of Financial Account Information) (Amendment) Rules 2020</p>	<p><u>Amendment</u> Income Tax (Automatic Exchange of Financial Account Information) Rules 2016 [P.U. (A) 355/2016] (see our e-CTIM TECH-DT 20/2017 dated 3 March 2017), which was amended by Income Tax (Automatic Exchange of Financial Account Information) Rules 2017 [P.U. (A) 403/2017] (see our e-CTIM TECH-DT 99/2017 dated 29 December 2017), is further amended in Schedule 2 to omit a securities account which is a dormant account under rule 26.10 of the Rules of Bursa Malaysia Depository Sdn Bhd from the list of Excluded Accounts under rule 4(4)(b) of the P.U. (A) 355/2016.</p>
<p>272/2020 Income Tax (Deduction for Expenditure on Industry4WRD Readiness Assessment) Rules 2020</p>	<p><u>Deduction allowed</u> On the fee expenditure (amounting in total to not more than RM27,000) on the Industry4WRD Readiness Assessment program incurred (not earlier than 2 January 2019 but not later than 31 December 2020) by the qualifying company.</p> <p>The deduction allowed is subject to an application for deduction being made to the Minister of Finance through the Malaysia Productivity Corporation on or after 2 January 2019 but not later than 31 December 2021.</p> <p><u>With effect from</u> YA 2019 to 2021</p> <p><u>Further details</u> See rule 2 and 3(2) of the Rules.</p>
<p>274/2020 Income Tax (Prescribed Fees under Schedule 5 to the Act) Rules 2020</p>	<p><u>Prescribed fees payable under Schedule 5 to the Income Tax Act 1967</u> As specified in the Schedule to the P.U. (A) 274/2020.</p> <p><u>With effect from</u> 25 September 2020</p> <p><u>Revocation</u> Income Tax (Prescribed Fees Under Schedule 5 To The Act) Rules 1998 [P.U. (A) 497/1998] are revoked.</p>

Members may read the above Regulations 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 in respect of any suggestions, concern or comments you may have on the above Regulations and Rules.

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