

e-CTIM No.171/2012

5 December 2012

TO ALL MEMBERS

TECHNICAL

INCOME TAX (DEDUCTION FOR CONTRIBUTION BY LICENSED INSURERS TO THE MALAYSIAN MOTOR INSURANCE POOL) RULES 2012 [P.U.(A) 419/2012]

The above rules were gazetted on 28 November 2012 and are deemed to have come into effect from the year of assessment 2011 until the year of assessment 2015.

Deduction for contribution to Malaysian Motor Insurance Pool

The Rules provide for a deduction in ascertaining the adjusted income of the general business of a licensed insurer for the basis period for a year of assessment, of an amount equal to twice the amount of contribution made by that insurer to the Malaysian Motor Insurance Pool in that basis period.

Definitions

A *licensed insurer* is defined under the Rules as “an insurer licensed under the Insurance Act 1996 [Act 553] to carry on general business as referred to in paragraph 4(1)(b) of the Insurance Act.

Malaysian Motor Insurance Pool means a high-risk insurance pool established collectively by licensed insurers to provide insurance for risks in respect of motor vehicles which are unable to obtain such insurance elsewhere.

Contribution means the payment to Malaysian Motor Insurance Pool by a licensed insurer in respect of the insurer’s share of the losses suffered by the Malaysian Motor Insurance Pool.

Members may read the full text of [the Rules](#) at the Official Portal of e-Federal Gazette.

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