

e-CTIM No.5/2013

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TO ALL MEMBERS

TECHNICAL

ASEAN INFRASTRUCTURE FUND LIMITED (AIF) – TAX EXEMPTIONS

The Asian Development Bank (ADB) and nine ASEAN countries have recently set up the ASEAN Infrastructure Fund Limited (AIFL) in Malaysia for the purpose of funding the region's infrastructure needs. The AIFL is incorporated as a Labuan company limited by shares under Section 15(3) of the Labuan Companies Act 1990.

The following tax exemptions have been accorded to AIFL by the Malaysian Authorities:

1) **[Income Tax \(Exemption\) \(No.10\) Order 2012 \[P.U. \(A\) 447/2012\]](#)**

The Order grants exemption on the following:-

- (a) the ASEAN Infrastructure Fund Limited (AIFL) from all provisions of the Act; and
- (b) a non-resident employee from payment of income tax on all gains or profits derived from his employment with AIFL.

This Order is deemed to have come into force on 24 April 2012.

2) **[Exchange Control \(ASEAN Infrastructure Fund\) \(Exemption\) Order 2012 \[P.U.\(A\) 307/2012\]](#)**

The AIFL shall be treated as a non-resident for the purposes of the Exchange Control Act 1953 (ECA) and all transactions undertaken by AIFL in carrying out its purposes and functions are exempt from the obligations and prohibitions imposed under the ECA, except for three that are listed in the order.

This Order comes into operation on 24 April 2012

3) **[Real Property Gains Tax \(Exemption\) \(No.2\) Order 2012 \[P.U. \(A\) 448/2012\]](#)**

The Order exempts the ASEAN Infrastructure Fund Limited from all provisions of the Act in respect of any disposal of chargeable assets after 24 April 2012.

4) **[Stamp Duty \(Exemption\) \(No.5\) Order 2012 \[P.U. \(A\) 449/2012\]](#)**

The Order exempts all instruments executed by the ASEAN Infrastructure Fund Limited (AIFL) where the stamp duty due under the Stamp Act 1949 would ordinarily be payable by AIFL are exempted from such stamp duty chargeable under the Stamp Act 1949.

5) **[Labuan Business Activity Tax Act \(Exemption\) Order 2012 \[P.U. \(A\) 450/2012\]](#)**

The Order exempts the ASEAN Infrastructure Fund Limited from all provisions of the Act.

Members may view further details of the ASEAN Infrastructure Fund at the Asian Development Bank website (<http://www.adb.org/projects/documents/asean-infrastructure-fund-rfp>).

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