

e-CTIM No.108/2012

31 July 2012

TO ALL MEMBERS

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TECHNICAL

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**Income Tax (Amendment) Act 2012 – (Act A1429)**

The Income Tax (Amendment) Act 2012 (Act A1429), which was gazetted on 22 June 2012, provides the amendment to subsection 44(7) of the ITA 1967. The new paragraphs “aa” and “c” in the definition of “organization” have been inserted. For ease of reference, they are reproduced (in bold) below:

"organisation" means an organisation in Malaysia which is not operated or conducted primarily for profit and which is—

(aa). ***“an organization established and maintained exclusively to administer and augment a public or private fund established or held for the sole purpose of carrying out the objective in which the institution is operated or conducted”***; and

(c) ***“ an organization established and maintained exclusively to administer and augment a public fund established and held solely for the purposes of religious worship or the advancement of religion and such fund is to be used—***

***(i) for the construction, improvement or maintenance of a building in Malaysia which is—***

***(A) intended to be used (and, when constructed, is used) exclusively for those purposes; and***

***(B) intended to be open (and, when constructed, is open) to any member of the public for those purposes; or***

***(ii) to provide facilities to carry on the activity related to those purposes; or***

***(iii) to provide for the management of the activity related to those purposes.***

With the amendment, a taxpayer is now eligible to claim for a deduction in respect of any gift of money to an approved organization which is to be used to provide facilities to carry on the activities, and for the management of the activities related to religious purposes.

Members may recall our earlier [e-CTIM No. 42 of 2012](#), on the same matter

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