

e-CTIM TECH 100/2013

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TO ALL MEMBERS

TECHNICAL

Direct Taxation

INCOME TAX (DEDUCTION FOR TRAINING COSTS UNDER SKIM LATIHAN 1MALAYSIA FOR UNEMPLOYED GRADUATES) RULES 2013 [P.U.(A) 260/2013] (The Rules)

The above Rules were gazetted on 5 August 2013 and are deemed to have come into operation on 1 June 2012.

Deduction and amount

In ascertaining adjusted income from a business of a *qualifying company* for the basis period for a year of assessment, a deduction is allowed for *qualifying expenses* incurred [as specified in Rule 3(2)] during that period for conducting a *training scheme* [Rule 3(1)]. The amount of deduction is **twice** the amount of expenses allowed under the Rules [Rule 3(4)]

Qualifying expenses

The specified expenses allowed are expenditure incurred for each *training scheme* on –

- monthly training allowance (of not less than RM1000 paid to *trainees* for a maximum period of 12 months);
- training provided to *trainees*;
- food, travelling and accommodation allowances for *trainees* under the scheme;
- fees paid to trainer engaged to conduct soft-skills training.

The amount allowable for items (b), (c) and (d) for each *trainee* must not exceed RM5,000 for each *training scheme*.

Definitions (Rule 2)

Words	Meanings
trainee	An unemployed graduate of (<i>sic</i>) Malaysian citizen who undergoes a training scheme.
training scheme	The Skim Latihan 1Malaysia programme of 8 to 12 continuous months for the unemployed graduates approved by the Economic Planning Unit (EPU) under the Prime Minister's Department of Malaysia
qualifying company	A company – (a) incorporated in Malaysia under the Companies Act 1965 [Act 125]; and (b) approved by the EPU to participate in the training scheme.

Application (Rule 5)

To claim for deduction under the Rules, the qualifying company shall produce a letter from the EPU specifying that -

- (i) the training scheme has been approved by EPU where the date of approval begins from 1 June 2012 until 31 December 2016; and
- (ii) the implementation of the training scheme shall commence within 12 months from the date of approval by EPU.

[The Rules](#) can be viewed from the [Attorney General's Chambers](#) website.

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any concern or comments you may have on the Rules.

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