

e-CTIM No.171/2012

5 December 2012

TO ALL MEMBERS

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TECHNICAL

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**[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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