

TECHNICAL

Direct Taxation

[Income Tax \(Deduction For Premium To Malaysia Deposit Insurance Corporation\) Rules 2013 \[P.U.\(A\) 131/2013\]](#)

Scope and Effective Date -- These Rules were gazetted on 4 April 2013 and apply to a member institution specified in S.36(1) and (2) of the Malaysia Deposit Insurance Corporation (MDIC) Act, 2011. They are deemed to have effect from:

- (i) the year of assessment (YA) 2005 until the YA 2010 -
for a financial institution provided in S.36(1)(a) of the MDIC Act 2011;
- (ii) the year of assessment (YA) 2011 and subsequent YA -
for a financial institution provided in S.36(1) and a takaful operator or an insurance company provided in S.36(2) of the MDIC Act 2011.

Deduction – An amount equivalent to the amount of the first premium or annual premium paid by a member institution to the MDIC for a YA shall be allowed a deduction in ascertaining adjusted business income of the member institution. The amount of deduction shall be determined under -

- (i) S.42-44 of the MDIC Act 2005 -
for a financial institution provided in S.36(1)(a) of the MDIC Act 2011;
- (ii) S.47-49 or S.71-73 of the MDIC Act 2011 -
for a financial institution provided in S.36(1) and a takaful operator or an insurance company provided in S.36(2) of the MDIC Act 2011.

Revocation – The *Income Tax (Deduction for Premium to Malaysia Deposit Insurance Corporation) Rules 2011* [P.U.(A) 379/2011] are revoked.

Note:

The MDICA 2011 came into effect from 31 December 2010. The MDICA 2005 is repealed under section 210 of the MDICA 2011. Subsection 3(1) of the MDICA 2011 states:

“Notwithstanding the repeal of the Malaysia Deposit Insurance Corporation Act 2005 by section 210, the body corporate established under the repealed Act under the name of “Malaysia Deposit Insurance Corporation” shall continue to be in existence under and subject to the provisions of this Act.”

Please click on links to view:

[Income Tax \(Deduction For Payment of Premium to Malaysia Deposit Insurance Corporation\) Rules 2011 \[P.U.\(A\) 379/2011\]](#)

[Malaysia Deposit Insurance Corporation Act 2005 \(Act 642\)](#)

Malaysia Deposit Insurance Corporation Act 2011 (Act 720)

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