

TECHNICAL

Direct Taxation

[Deduction for Cash Contribution to Bantuan Pelajar Miskin 1Malaysia \(BPM1M\) Fund](#)

The Income Tax (Deduction For Cash Contribution To Bantuan Pelajar Miskin 1 Malaysia Fund) Rules 2013 [P.U.(A) 340/2013], gazetted on 15 November 2013, are effective from Year of assessment (YA) 2012 till YA 2017.

The salient points of the Rules are highlighted below:

Definition (Rule 2)

“BPM1M” is defined as “*a fund under the Tabung Pendidikan Tinggi Nasional administratively created by the Perbadanan Tabung Pendidikan Tinggi Nasional for the purpose of receiving cash contribution for Bantuan Pelajar Miskin 1 Malaysia.*”

Qualifying Person

“Qualifying person” (QP) is specified to be the following [Rule 3(1)(a) to (d)]:

- a) a resident of Malaysia who has income from a business only, or from a combination of business and other sources of income;
- b) a company incorporated in Malaysia under the Companies Act 1965;
- c) a limited liability partnership (LLP) established under the LLP Act 2012; and
- d) a cooperative society registered under the Cooperative Societies Act 1993.

Deduction (Rule 3)

A QP is allowed a deduction in ascertaining his adjusted income from a business source for the basis period for a YA, of an amount equal to twice the amount of cash contribution made by that person to BPM1M. An official receipt for the contribution (with details of date and amount) is required to be kept by the QP.

Disqualification from deduction (Rule 4)

The following are specifically disqualified from claiming the deduction:

- a) a business trust established under the Capital Market and Services Act 2007;
- b) an investment holding company under sections 60F and 60FA of the Income Tax Act 1967 (ITA);
- c) an insurance company licensed under the Financial Services Act (FSA) 2013;
- d) a takaful operator licensed under the Islamic FSA 2013; and
- e) a company that has claimed a deduction under any rules made under section 154 of the ITA.

The above Rules may be viewed at the [Federal Government Gazette](#) website. Information is also available at [Endowment BPM1M](#).

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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