

---

**TECHNICAL**

---

**Direct Tax**

**INCOME TAX (EXEMPTION) ORDER 2014**

The Income Tax (Exemption) Order 2014 [P.U.(A)150] has effect from the year of assessment (YA) 2014 until YA 2016.

The following are some of the main provisions of the Order:

**Exemption**

Under paragraph 3(1), a “qualifying company” is exempt from the payment of income tax in respect of its statutory income from a business of providing *fund management\** services to a *business trust\** or *real estate investment trust\** (REIT) in Malaysia which is managed according to *Syariah* principles and certified by the Securities Commission (SC).

*\* These words are defined in subparagraphs 3(2)(a), 3(2)(b) and 3(2)(c) respectively.*

**Qualifying Company**

A “qualifying company” is defined in paragraph 2 to mean a company which:

- (a) is incorporated under the Companies Act 1965 [Act 125];
- (b) is resident in Malaysia; and
- (c) Holds a Capital Markets Services License under the Capital Markets and Services Act 2007 [Act 671] to carry on the business referred to above.

**Separate Account**

Paragraph 4 provides that a separate account must be maintained for the business of the qualifying company which is exempt under paragraph 3(1) and the income from that business shall be treated as a separate and distinct business source of the qualifying company.

You may read the Order in full at the official website of the [Attorney-General's Chambers](#).

**Disclaimer**

This document is meant for the members of the Chartered Tax Institute of Malaysia (CTIM) only. CTIM has taken all reasonable care in the preparation and compilation of the information contained in this E-CTIM. CTIM herein expressly disclaims all and any liability or responsibility to any person(s) for any errors or omissions in reliance whether wholly or partially, upon the whole or any part of this E-CTIM.