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**TECHNICAL**

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**Direct Tax**

**LHDNM'S CLARIFICATION ON THE INCOME TAX (ACCELERATED CAPITAL ALLOWANCE) (INFORMATION AND COMMUNICATION TECHNOLOGY EQUIPMENT) RULES 2014 [P.U. (A) 217/2014]**

We refer to our [e-CTIM TECH-DT 55/2014](#) regarding the gazette order [P.U. (A) 217/2014] on the Accelerated Capital Allowance (ACA) for Information and Communication Technology (ICT) Equipment.

Based on Sub-Rule 7(d) of the P.U. (A) 217/2014, a person who qualifies for a deduction under any other rules made under Section 154 of the Income Tax Act 1967 (e.g. a deduction for statutory audit fees expenditure under the P.U. (A) 129/2006) in the basis period for a year of assessment (YA) cannot claim the ACA for ICT Equipment in the same YA. In view of this, the Institute had submitted a [letter dated 8 October 2014](#) to the Lembaga Hasil Dalam Negeri Malaysia (LHDNM) to seek clarification on the interpretation of the Sub-Rule 7(d).

In the LHDNM's written responses dated [19 January 2015](#) and [24 February 2015](#), the LHDNM indicated that the P.U. (A) 217/2014 was in the process of being amended. The LHDNM also confirmed that pending the issuance of the relevant amendments to the P.U. (A) 217/2014, a person who qualifies for a deduction for statutory audit fees expenditure under the P.U. (A) 129/2006 (but not any other incentives on the asset) can claim the ACA under the P.U. (A) 217/2014 in the same YA as long as the Rules listed in the P.U. (A) 217/2014 have been complied.

Members can read the Institute's [letter dated 8 October 2014](#) and the LHDNM's written responses dated [19 January 2015](#) and [24 February 2015](#) in full on the Institute's website.

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