
TECHNICAL

Direct Tax

[INCOME TAX \(EXEMPTION\) \(NO.3\) ORDER 2015 \[P.U. \(A\) 61/2015\]](#)

The above Exemption Order [P.U. (A) 61/2015] dated 30 March 2015 was made pursuant to paragraph 127(3)(b) of the Income Tax Act 1967 (Act). It will take effect from the year of assessment (YA) 2015.

The main provisions of the Order are summarised below:

Para No.	Summary
2	<i>Application</i> This Order applies to <i>sukuk wakala</i> with the nominal value of up to USD1,500,000,000 (US dollars one billion, five hundred million), other than convertible loan stock issued by the Malaysia Sovereign Sukuk Berhad.
3	<i>Exemption</i> The Minister exempts any person from the payment of income tax in relation to gains or profits derived, in lieu of interest, from the <i>sukuk wakala</i> in accordance with the principle of <i>Wakala Bil Istithmar</i> in the basis period for a YA. Nothing in paragraph 3(1) of this Order shall absolve or is deemed to have absolved the person from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the Act.
4	<i>Non-application</i> <u>S.109</u> of the Act (requirement to deduct withholding tax from interest and royalty payments in certain cases) is not applicable to the income exempted under this Order.

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

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