
TECHNICAL

Direct Taxation

REMISSION OF INCOME TAX AND STAMP DUTY UNDER THE LOANS GUARANTEE (BODIES CORPORATE) ACT 1965 (ORDER #2)

[Loans Guarantee \(Bodies Corporate\) \(Remission of Tax and Stamp Duty\) \(No. 2\) Order 2016 \[P.U \(A\) 197/2016\]](#)

The above Order was gazetted on 14 July 2016 and came into operation on 15 July 2016.

The Order is issued under S10(1) of the Loans Guarantee (Bodies Corporate) Act 1965 (the Act). It provides for the following taxes to be remitted in full –

1. Income tax [Paragraph 2(1)]
Any tax payable under the Income Tax Act 1967 (ITA) by any individual or entity listed in subparagraphs 2(1)(a) to 2(1)(c) [see [Table 1](#) below] in respect of any money payable under any agreement, note, instrument or document in relation to the product, facility, programme and guarantee referred to in paragraph 4 of this Order [see [Table 2](#) below].
2. Stamp duty [Paragraph 3]
Any stamp duty payable under the Stamp Act 1949 in respect of any agreement, note, instrument or document in relation to the product, facility, programme and guarantee referred to in paragraph 4 of this Order [see [Table 2](#) below].

Table 1

Individuals and entities eligible for remission of tax under Paragraph 2(1)

| Para. 2(1) | Entity/ individual |
|------------|--|
| (a) | Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) to which the Act applies by virtue of the Loans Guarantee (Declaration of Bodies Corporate) (Perbadanan Tabung Pendidikan Tinggi Nasional) Order 2004 [P.U. (A) 408/2004]; |
| (b) | Any holder of the Islamic Medium Term (IMT) Notes (referred to in this Order as the “Sukuk Murabahah” (SM)) ; |
| (c) | Any other party to any agreement/ note/ instrument/ document in relation to the IMT Notes Programme, (referred to in this Order as the “GG Sukuk Programme”), or the guarantee provided / to be provided by the Government of Malaysia, including any party to whom such agreement, note, instrument or document is transferred or assigned. |

Table 2

Product, facility, programme and guarantee to which this Order is applicable (Para. 4)

| Para. 4 | Product/ facility/ programme/ guarantee |
|---------|---|
| (a) | The SM issued by the PTPTN pursuant to the GG Sukuk Programme in nominal value of up to 8 billion ringgit (RM8,000,000,000.00) |
| Proviso | <i>“Provided that, the combined aggregate of the outstanding nominal value of the SM and the outstanding principal amount under the Syndicated Revolving Credit-i Facility, which in this Order is referred to as the “SRC-i Facility”, shall not exceed eight billion ringgit RM8,000,000,000.00)”</i> |
| (b) | The SRC-i Facility in the aggregate principal amount of up to 2 billion ringgit (RM2,000,000,000.00) subject to the combined aggregate mentioned in subparagraph 4(a). |
| (c) | The GG Sukuk programme in nominal value of up to 8 billion ringgit (RM8,000,000,000.00). |
| (d) | The guarantee provided or to be provided by the Government of Malaysia relating to the SM and the SRC-i Facility. |

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

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