



INLAND REVENUE BOARD OF MALAYSIA

**VENTURE CAPITAL
TAX INCENTIVES**

PUBLIC RULING NO. 7/2022

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INLAND REVENUE BOARD OF MALAYSIA

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DIRECTOR GENERAL'S PUBLIC RULING

Section 138A of the Income Tax Act 1967 (ITA) provides that the Director General is empowered to make a Public Ruling in relation to the application of any provisions of the ITA.

A Public Ruling is published as a guide for the public and officers of the Inland Revenue Board of Malaysia. It sets out the interpretation of the Director General in respect of the particular tax law and the policy as well as the procedure applicable to it.

The Director General may withdraw this Public Ruling either wholly or in part, by notice of withdrawal or by publication of a new Public Ruling.

**Director General of Inland Revenue,
Inland Revenue Board of Malaysia.**

1. Objective

The objective of this Public Ruling (PR) is to explain the tax incentives in relation to the venture capital industry in Malaysia.

2. Related Provisions of the Law

- 2.1 This PR takes into account laws which are in force as at the date this PR is published.
- 2.2 The provisions of the Income Tax Act 1967 (ITA) related to this PR are sections 2, 7 and 8.
- 2.3 Relevant subsidiary laws referred to in this PR are as follows:
 - (a) Income Tax (Exemption) (No. 2) Order 2022 [P.U.(A) 115/2022]. This P.U.(A) replaced the Income Tax (Exemption) (No.11) Order 2005 [P.U.(A) 75/2005], the Income Tax (Exemption) (Amendment) (No. 2) Order 2006 [P.U.(A) 420/2006] and the Income Tax (Exemption) (Amendment) Order 2009 [P.U.(A) 159/2009];
 - (b) Income Tax (Exemption) (No. 3) Order 2022 [P.U.(A) 116/2022]. This P.U.(A) replaced the Income Tax (Exemption) (No.12) Order 2005 [P.U.(A) 77/2005]; and
 - (c) Income Tax (Deduction for Investment in a Venture Company or Venture Capital Company) Rules 2022 [P.U.(A) 117/2022]. This P.U.(A) 117/2022 replaced the Income Tax (Deduction for Investment in a Venture Company) Rules 2005 [P.U.(A) 76/2005].

3. Interpretation

The words used in this PR have the following meanings:

- 3.1 “Individual” means a natural person.
- 3.2 “Resident” means resident in Malaysia for the basis year for a year of assessment by virtue of section 7 or 8 of the ITA.
- 3.3 “Statutory income” in relation to a person, a source and a year of assessment, means statutory income ascertained in accordance with the ITA.

- 3.4 “Adjusted income” in relation to a source and a basis period, means the adjusted income ascertained in accordance with the ITA.
- 3.5 “Securities Commission Malaysia” means the Securities Commission Malaysia (SCM) established under section 3 of the Securities Commission Act 1993 [Act 498].
- 3.6 “Company” means a body corporate and includes anybody of persons established with a separate legal entity by or under the laws of a territory outside Malaysia and a business trust.
- 3.7 “Basis year” means the calendar year coinciding with a year of assessment.
- 3.8 “Year of assessment” means calendar year.

4. Venture Capital Industry in Malaysia

- 4.1 Venture capital is financial capital provided by individuals, companies or venture capital companies (VCC) to high potential and high risk growth start-up companies at early stage. Investors (individuals and companies, including VCC) referred to as venture capitalists take very high risks when investing in a start-up venture company (VC). In most cases, a VC provides the investors with profit sharing in the form of share equity in the VC.
- 4.2 A VCC means a company which is:
- (a) incorporated under the Companies Act 2016 [Act 777] to obtain funds from investors (equity capital) or loan capital, which are invested in one or more than one VC in the form of seed capital financing, start-up financing or early stage financing;
 - (b) is registered with the SCM; and
 - (c) has been verified by the SCM that the company has complied with the qualifying conditions under P.U.(A) 115/2022 or P.U.(A) 117/2022.
- 4.3 A VC means a company which is:
- (a) incorporated under the Companies Act 2016 [Act 777];
 - (b) resident in Malaysia in the basis year for a year of assessment; and

- (c) involved in utilising the seed capital financing, start-up financing or early stage financing for:
 - (i) activities or products promoted under the Promotion of Investment Act 1986 [Act 327] where a VC has been granted tax incentives such as pioneer status or investment tax allowance;
 - (ii) technology-based business activities as specified in the Venture Capital Tax Incentive Guidelines issued by the SCM;
 - (iii) products or activities which have been developed under the research and development scheme, approved by the Ministry of Science, Technology and Innovation; or
 - (iv) products, services or activities which have been developed under research, development and commercialization grant schemes approved by Malaysia Digital Economy Corporation Sdn Bhd.

4.4 A VCMC means a company which is:

- (a) incorporated under the Companies Act 2016 to manage on behalf of a VCC the investments in securities of a VC in different business stages, i.e. seed capital, start-up or early stage financing;
- (b) is registered with the SCM; and
- (c) for the purpose of tax exemption, has been verified by the SCM:
 - (i) to have an adequate number of full time employees in Malaysia; and
 - (ii) to have incurred an adequate amount of annual operating expenditure in Malaysia,

for each year of assessment in which the VCMC is exempt from payment of income tax.

Note

The definition of VC, VCC and VCMC have been updated in accordance with the Venture Capital Tax Incentives Guidelines issued by the SCM. However, the definition is still in accordance with the relevant Income Tax (Exemption) Orders and Income Tax Rules (as mentioned in paragraph 2.3 of this PR).

4.5 The terms seed capital financing, start-up financing and early stage financing mentioned above have the following meanings:

“Seed capital financing” means financing provided by an individual or a company to a VC for the purposes of research, assessment and development of an initial concept or prototype, where the VC’s organisational structure has not been formalised.

“Start-up financing” means financing provided by an individual or a company to a VC for product development and initial marketing, where the VC is in the process of formalising its organisational structure, or if its organisational structure has been formalised, the VC has not sold its products commercially.

“Early stage financing” means financing provided by an individual or a company to a VC as:

- (a) capital expenditure or working capital to initiate commercialization of a technology or product;
- (b) additional capital expenditure or additional working capital to increase production capacity, marketing or product development; or
- (c) an interim financing for a VC that is expected to be listed on the official list of a stock exchange.

5. Regulatory Framework for the Venture Capital Industry

The SCM has been entrusted to assess and certify applications for tax incentives for the venture capital industry pursuant to the relevant Income Tax Rules and Income Tax (Exemption) Orders. SCM has issued the Guidelines on the Registration of VC and Private Equity Corporations and Management Corporations (revised on 16 April 2020), and the Venture Capital Tax Incentives Guidelines (revised on 28 Jun 2022), which are available from the SCM’s website at www.sc.com.my.

6. Tax Exemption Incentive for a Venture Capital Company Investing in a Venture Company

A VCC may apply for a tax exemption under the relevant Income Tax (Exemption) Orders as stated in paragraph 2.3 of this PR.

6.1 Tax exemption

A VCC is exempted from the payment of tax in respect of the statutory income:

- (a) from all sources of income excluding interest income arising from savings or fixed deposits and profits from Syariah-based deposits commencing from the year of assessment in the basis period the VCC obtains its first certification from the SCM and the first certification shall not be later than 31 December 2026; and
- (b) for a period of five years of assessment or the remaining life of the fund established for the purpose of investing in a VC, whichever is the lesser.

An application for exemption under this Order shall be made to the Minister through SCM on or after 27 October 2017 but not later than 31 December 2023.

6.2 Conditions to qualify for the tax exemption

In order to qualify for the exemption as stated in paragraph 6.1 of this PR, the VCC shall for each year of assessment for the period of exemption, obtain a certification from the SCM confirming that:

- (a) the VCC has invested at least 50% of its invested funds in the form of seed capital financing, start-up financing, early stage financing or any combination of such financing in VC;
- (b) the VCC is registered with the SCM on or after 27 October 2017 but not later than 31 December 2023; and
- (c) the VCC has not invested in a VC which is its related company at the point of the first investment.

The term related company mentioned above has the following meaning:

“Related company” in relation to a company, means a company:

- (a) the operations of which are or can be controlled either directly or indirectly, by the first mentioned company;
- (b) which controls or can control, either directly or indirectly, the operations

of the first mentioned company; or

- (c) the operations of which are or can be controlled, either directly or indirectly, by a person who controls or can control, either directly or indirectly, the operations of the first mentioned company:

Provided that a company shall be deemed to be a related company of another company if:

- (i) at least 20% of its issued share capital is beneficially owned, either directly or indirectly, by that other company; or
- (ii) at least 20% of its issued share capital of that other company is beneficially owned, either directly or indirectly, by the first mentioned company.

Example 1

A VCC was established in 2016. In 2018 the VCC made its first investment and invested 80% of its invested funds in a start-up VC. The VC is involved in genetic engineering which is listed as a technology-based business activity. Both the VCC and the VC are not related companies. The financial accounting period of the VCC ends on 31 December each year. The VCC obtained a certification from the SCM confirming that it had invested at least 50% of its invested funds in the VC for the year ending 31.12.2018.

As the VCC had obtained a certification from the SCM that it had invested at least 50% of its invested funds in the VC for the year of assessment 2018, it would qualify for a tax exemption in respect of its statutory income from all sources of income excluding interest income arising from savings or fixed deposits and profits from Syariah-based deposits. The tax exemption is for a period of five years of assessment beginning from the year of assessment 2018 or for the remaining life of the fund established for the purpose of investing in a VC, whichever is lesser provided that an annual certification is obtained from the SCM.

Example 2

A VCC was established on 16.11.2015 (ending 31st December every year). On 1.3.2016 the company made its first investment in the form of seed capital and invested 60% of its invested funds in a VC. The VC is involved in the cultivation of organic produce, an activity not listed as a technology-based business activity. Both the VCC and VC are not related companies. On

1.9.2017, additional financing was provided by the VCC for start-up financing. On 1.5.2018, additional financing was provided as early stage financing. The VCC obtained a certification from the SCM confirming that it had invested:

- (a) funds in the form of seed capital in 2016;
- (b) additional start-up financing in 2017; and
- (c) additional working capital in 2018 for early stage financing.

As the VCC had fulfilled the conditions of seed capital financing and additional capital for start-up and early stage financing in an activity not listed as a technology-based business activity as certified by the SCM, it would qualify for a tax exemption for the year of assessment 2018. The tax exemption is for a period of five years of assessment beginning from the year of assessment 2018 or for the remaining life of the fund established for the purpose of investing in a VC, whichever is lesser provided that an annual certification is obtained from the SCM.

Note

For the years of assessment 2016 and 2017, the VCC does not qualify for a tax exemption under P.U.(A) 75/2005 as it only provided seed capital financing and start-up financing to a VC involved in an activity not listed as a technology-based business activity.

6.3 Loss from disposal of investments

Where a VCC incurs a loss from the disposal of investments in a VC in the basis period for any year of assessment within the exempt period, such loss shall be carried forward to the post-exempt period and deducted from the statutory income on all sources of income.

6.4 Savings provisions upon revocation of Order

A VCC that has been granted an exemption under the repealed Order will continue to enjoy the exemption for the remaining years of assessment of the exempt period of that VCC.

7. Tax Deduction Incentive for an Individual or a Company Investing in a Venture Company or Venture Capital Company

The Income Tax (Deduction for Investment in a Venture Company or Venture Capital Company) Rules 2022 [P.U.(A) 117/2022] provides tax deduction for an investor who invests in a VC and VCC starting from the year of assessment 2018. The provisions of the Rules are as follows:

7.1 Investors who qualify for a deduction

7.1.1 An individual or a company, including a VCC would be entitled to claim a deduction in ascertaining the adjusted income from the business for a basis period for a year of assessment of an amount equivalent to:

- (a) the value of investment made in a VC; or
- (b) the value of investment or twenty million ringgit, whichever is the lesser, made in a VCC.

7.1.2 The individual or company, including a VCC:

- (a) is resident in Malaysia;
- (b) for a company, is incorporated under the Companies Act 2016;
- (c) has a business source; and
- (d) invested in a VC in the form of start-up financing, seed capital financing or early stage financing for products or activities listed in subparagraph 4.3(c) of this PR; or
- (e) invested in a VCC, where the VCC invested in one or more VC in the form of seed capital financing, start-up financing or early stage financing.

7.2 The investment made shall be deemed to be incurred after the third year from the date the investment is made and the investment holding period is certified by SCM.

The tax deduction is given after the third year from the date the investment is made as recommended by the SCM, and not at the time the investment is made, regardless of whether the investment is disposed of or not after the

third year.

7.3 Conditions to qualify for the deduction

In order to qualify for the deduction, the company or individual shall make an investment on or after 27 October 2017 but not later than 31 December 2026 and shall obtain certification from the SCM confirming that:

- (a) the investment was in the form of the holding of shares which at the time of acquisition are not listed for quotation in the official list of a stock exchange;
- (b) in relation to an investment in a VC:
 - (i) at the point of first investment, in relation to a company, the investment was made in a VC which is not its related company;
 - (ii) the investment was made for seed capital financing, start-up financing or early stage financing;
- (c) in relation to an investment in a VCC:
 - (i) at least 50% of the investment of the VCC is in a VC, on average over a three-year period on the VCC's annual audited financial statement.
 - (ii) at the point of first investment, in relation to a company, the investment is made by the company in a VCC which is not its related company and for investment made by a VCC, the investment is made in a VC which is not a company related to the company investing in the VCC.
- (d) the investment is held for at least three years from the date the investment is made.

7.4 Savings provisions upon revocation of Order

A company or an individual who has made an investment in the basis period for the year of assessment before the year of assessment 2018 and complied with the provisions of these P.U.(A) 117/2022 but has not applied for a deduction under the repealed P.U.(A) 76/2005 shall be entitled to apply for a deduction under these P.U.(A) 117/2022.

Example 3

Elyias wanted to invest in a new business venture in robotics. A new company Robot Malaysia Sdn Bhd (VC) was incorporated for this business venture. Elyias only provided seed capital and early stage financing for this business venture and was not actively involved in the management of the VC as he has other business interests. Elyias applied for a tax deduction as robotics is a technology-based business activity listed in the guidelines issued by SCM for Venture Capital Tax Incentives.

Elyias made the following investments and realisation:

- (a) On 1.3.2015, the initial paid-up share capital of Robot Malaysia Sdn Bhd was 10 million shares @ RM1 per share. Elyias took up 50% of the shares at a cost of RM5 million.

Robot Malaysia Sdn Bhd used the initial paid-up share capital raised for:

- (i) research, assessment and development of robotic products; and
 - (ii) capital expenditure and working capital to initiate commercialisation of the product.
- (b) On 1.3.2018, Robot Malaysia Sdn Bhd acquired additional funding of 2 million shares (@ RM1 per share) to be utilised as working capital for product development and marketing.

Elyias took up 10% of the additional shares at the cost of RM200,000.

- (c) On 15.12.2018, upon listing of Robot Malaysia Sdn Bhd on the Bursa Malaysia, Elyias disposed of all his 5.2 million shares in the company and realised a profit of RM10 million.

Elyias had the following business source of income (sole-proprietorship) for each year ending 31 December:

Year of Assessment	2016 RM	2017 RM	2018 RM
Adjusted income	2,000,000	3,500,000	6,000,000
Capital allowances	100,000	100,000	100,000
Dividends (single-tier)	50,000	50,000	50,000

The investments made by Elyias in Robot Malaysia Sdn Bhd was utilised by the VC for seed capital financing and early stage financing.

As Elyias had disposed of his investment in the VC in the year of assessment 2018, he is eligible to make a claim for a deduction of RM5 million on the cost of investment in shares in the VC in the year of assessment 2018 as:

- (i) he is a resident in Malaysia and has a business source in Malaysia;
- (ii) he had invested by providing seed capital financing and early stage financing in a VC involved in a technology-based business activity as listed in the Venture Capital Tax Incentives Guidelines;
- (iii) he had provided initial working capital to the VC in 2015;
- (iv) he had obtained a certification from the SCM confirming the relevant details as stated in paragraph 7.3 of this PR; and
- (v) the investment of RM5 million made in the VC on 1.3.2015 qualifies for a deduction since the shares were held for more than 3 years prior to the date of disposal on 15.12.2018. The additional shares of RM200,000 invested on 1.3.2018 does not qualify for a deduction as the shares were held for less than 3 years prior to the disposal.

Elyias is single and had no other claims of deduction or relief. He obtained a certification from the SCM (as mentioned in paragraph 7.3 of this PR) upon disposal of his shares in Robot Malaysia Sdn Bhd and made a claim for a deduction for investment in the VC.

The computation of Elyias chargeable income and income tax payable is as follows:

Year of Assessment	2016 RM	2017 RM	2018 RM
Adjusted business income	2,000,000	3,500,000	6,000,000
Deduction for investment in VC	-	-	5,000,000
Adjusted income	-	-	1,000,000

Year of Assessment	2016 RM	2017 RM	2018 RM
Capital allowances	100,000	100,000	100,000
Statutory business income	1,900,000	3,400,000	900,000
Dividend	NIL	NIL	NIL
Aggregate income / Total income	1,900,000	3,400,000	900,000
Personal relief	9,000	9,000	9,000
Chargeable income	1,891,000	3,391,000	891,000
Income tax payable			
First RM1,000,000	238,650	238,650	
Balance @ 28%	<u>249,480</u>	<u>669,480</u>	
	<u>488,130</u>	<u>908,130</u>	
First RM600,000			133,650
Balance @ 26%			<u>75,660</u>
			<u>209,310</u>

Example 4

On 2.11.2017, Empress Sdn Bhd, an investment holding company has made an investment of RM10 million in Synergy Sdn Bhd, a VCC which has the following information:

- (a) On 31.5.2016, Synergy Sdn Bhd acquired an investment of 2 million shares (@ RM1 per share) in Aeroscape Sdn Bhd (4 million shares of paid-up capital), a VC in aerospace where it is a listed technology-based business activity in the Guidelines for Venture Capital Tax Incentives issued by SCM.
- (b) On 1.3.2020, Aeroscape Sdn Bhd obtained additional funds of 2 million shares (@ RM1 per share) to be used as working capital for product development and marketing. Synergy Sdn Bhd acquired 50% of the additional shares at a cost of RM1 million.

On 3.12.2020, Empress Sdn Bhd disposed of all its shares in Synergy Sdn Bhd and realized a profit of RM8 million.

Empress Sdn Bhd obtained a certificate from the SCM (as mentioned in paragraph 7.3 of this PR) when the shares of Synergy Sdn Bhd were disposed of and made a claim for deduction for investment in the VCC.

Empress Sdn Bhd has adjusted business income for each year ended 31st December as follows:

Year of Assessment	2018 RM	2019 RM	2020 RM
Adjusted income	8,000,000	5,000,000	3,000,000
Capital allowances	1,000,000	1,000,000	1,000,000

As Empress Sdn Bhd has disposed of its investment in the VCC in the year of assessment 2020, it is entitled to claim a deduction of RM10 million on the cost of investing shares in the VCC for the year of assessment 2020 because:

- (a) on the disposal date of 3.12.2020, Synergy Sdn Bhd has an investment of 50% of the shares in Aeroscape Sdn Bhd;
- (b) Empress Sdn Bhd has obtained a certificate from the SCM confirming the relevant details as stated in paragraphs 7.3 of this PR;
- (c) the investment of RM10 million made in the VCC on 2.11.2017 is eligible for deduction as the shares have been held for a period of more than 3 years prior to the date the investment is made; and
- (d) Synergy Sdn Bhd has, on average over a 3-year period, 50% of its investment fund in Aerospace Sdn Bhd.

The calculation of taxable income and taxes payable by Empress Sdn Bhd (paid-up capital of RM5 million) is as follows:

Year of Assessment	2018 RM	2019 RM	2020 RM
Adjusted business income	8,000,000	5,000,000	3,000,000
Deduction for investment in VCC	-	-	3,000,000*
Adjusted income	8,000,000	5,000,000	-

Year of Assessment	2018 RM	2019 RM	2020 RM
Capital allowances	1,000,000	1,000,000	-*
Statutory business income / Chargeable income	7,000,000	4,000,000	-
Income tax payable @ 24%	1,680,000	960,000	-

Note (*): The allowable deduction is limited to the amount of adjusted income of the business. The remaining RM7 million (RM10 million - RM3 million) investment and RM1 million unclaimed capital allowance will be carried forward to be absorbed in the year of assessment 2021.

8. Mutually Exclusive

A VCC that has applied for tax exemption under paragraph 6 of this PR and received certification from the SCM is not entitled to apply for a tax deduction under paragraph 7 of this PR for the whole of the tax exempt period. This is because both incentives are mutually exclusive.

Example 5

On 1.3.2015, two other investors invested in Robot Malaysia Sdn Bhd (same VC as in **Example 3**) as follows:

- (a) Rich Bhd, a VCC who is enjoying a tax exemption since the year of assessment 2014 under the P.U.(A) 75/2005 as stated in paragraph 2.3 of this PR, took up 25% of the 10 million shares in Robot Malaysia Sdn Bhd at a cost of RM2.5 million; and
- (b) Super Chemicals Sdn Bhd, a manufacturing company took up 25% of 10 million shares at a cost of RM2.5 million.

Both investors disposed of their investment in the VC on 15.12.2018.

As Rich Bhd, a VCC is enjoying an exemption under the P.U.(A) 75/2005, the VCC does not qualify for a tax deduction on the amount invested as share investment in the VC.

If Super Chemicals Sdn Bhd satisfies all the criteria in the P.U.(A) 117/2022 as stated in paragraph 7 of this PR, the company would qualify for a deduction on the cost of

the investment in shares.

9. Tax Incentive for a Venture Capital Management Company

A VCMC must be registered with the SCM pursuant to the Guidelines on the Registration of VCC and Private Equity Corporations and Management Corporations issued by the SCM.

9.1 Tax exemption

Pursuant to the Income Tax (Exemption) (No.3) Order 2022 [P.U.(A) 116/2022], from year of assessment 2018 to year of assessment 2026, a VCMC that is registered with the SCM will be exempted from the payment of income tax in respect of the statutory income derived from the management of VCC fund in relation to:

- (a) share of profits;
- (b) management fee; and
- (c) performance fee including performance bonus and carried interest

on any investment made by the VCC as stipulated in the agreement entered into between the VCMC and the VCC. The said VCC must have obtained certification from the SCM for tax exemption under the P.U.(A) 115/2022.

9.2 Losses in the exemption period

Where a VCMC incurs a loss from the management of VCC fund in the basis period for any year of assessment within the exempt period, such loss shall be carried forward to the post-exempt period and deducted from the statutory income derived from the management of VCC fund as mentioned in paragraph 9.1 above.

9.3 Separate account

The VCMC shall maintain a separate account for the income derived from the management of VCC fund (as per paragraph 9.1 above) in the basis period for each year of assessment and that income shall be treated as a separate and distinct source of business for the VCMC.

Example 6

A VCMC was established in 2018. In 2019, the VCMC had managed a VCC funds where the VCC made its first investment and invested 80% of its invested funds in a VC in the form of start-up financing. The VC was involved in genetic engineering which was listed as a technology-based business activity.

As the VCC had obtained a certificate from SCM for tax exemption under the P.U.(A) 115/2022, the VCMC is eligible for tax exemption from the payment of income tax in respect of the statutory income from the VCC fund management.

10. Application for Certification of Investment for Tax Exemption and Tax Deduction in a Venture Company and Venture Capital Company

Applications for annual certification for the purposes of tax exemption and tax deduction shall be made to the SCM by completing the relevant forms and submitting the relevant documentation as explained in the Venture Capital Tax Incentives Guidelines which can be obtained from the SCM’s website.

11. Updates and Amendments

Amendments											
<p>This PR replaces PR No. 2/2016 dated 9 May 2016.</p>	<p>The contents of this PR have been amended and updated as follows:</p>										
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%; text-align: center;">Paragraph</th> <th style="width: 50%; text-align: center;">Explanation</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2.3, 3.5, 4.2, 4.3, 5, 6, 6.1, 6.2, 6.3, 6.4, 7, 9, 10, Example 1, Example 2, Example 3 and Example 5</td> <td>These paragraphs and examples are amended.</td> </tr> <tr> <td style="text-align: center;">7.1.1 and 7.1.2</td> <td>Previous paragraph 7.1 was amended and renumbered as paragraph 7.1.1 and 7.1.2</td> </tr> <tr> <td style="text-align: center;">7.3</td> <td>Previous paragraph 7.2 was amended and renumbered as paragraph 7.3</td> </tr> <tr> <td style="text-align: center;">9.1</td> <td>Previous paragraph 9 was amended and renumbered as paragraph 9.1</td> </tr> </tbody> </table>	Paragraph	Explanation	2.3, 3.5, 4.2, 4.3, 5, 6, 6.1, 6.2, 6.3, 6.4, 7, 9, 10, Example 1, Example 2, Example 3 and Example 5	These paragraphs and examples are amended.	7.1.1 and 7.1.2	Previous paragraph 7.1 was amended and renumbered as paragraph 7.1.1 and 7.1.2	7.3	Previous paragraph 7.2 was amended and renumbered as paragraph 7.3	9.1	Previous paragraph 9 was amended and renumbered as paragraph 9.1
	Paragraph	Explanation									
	2.3, 3.5, 4.2, 4.3, 5, 6, 6.1, 6.2, 6.3, 6.4, 7, 9, 10, Example 1, Example 2, Example 3 and Example 5	These paragraphs and examples are amended.									
	7.1.1 and 7.1.2	Previous paragraph 7.1 was amended and renumbered as paragraph 7.1.1 and 7.1.2									
7.3	Previous paragraph 7.2 was amended and renumbered as paragraph 7.3										
9.1	Previous paragraph 9 was amended and renumbered as paragraph 9.1										

Amendments	
Paragraph	Explanation
4.4, 4.5, 6.2(b), 7.2, 7.4, 9.2, 9.3, 11, 12, Example 4 and Example 6	New paragraphs and examples are inserted

12. Disclaimer

The examples in this PR are for illustrative purposes only and are not comprehensive.

**Director General of Inland Revenue,
Inland Revenue Board of Malaysia.**