



# **EXPLANATORY NOTES BE 2020**

## **RESIDENTS INDIVIDUAL WHO DOES NOT CARRY BUSINESS**

| <b>ADDITION / AMENDMENT</b> |   |             |
|-----------------------------|---|-------------|
| <b>Item</b>                 | <b>Subject</b>  | <b>Page</b> |
| B5                          | Approved investment under angel investor tax incentive  | 5           |
| B20                         | Payment made for 2020 income – SELF and HUSBAND / WIFE for joint assessment   | 8           |
| D4                          | Has financial account(s) at financial institution(s) outside Malaysia   | 9-10        |
| E                           | Donations / gifts / contributions   | 10          |
| F6b                         | Medical expenses on fertility treatment for self or spouse  | 14          |
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| F17                         | Education and medical insurance   | 21          |
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This Explanatory Notes is provided to assist an **individual** who is **resident in Malaysia** in accordance with the provision of section 7 of Income Tax Act 1967 (ITA 1967) or **deemed to be resident** under subsection 7(1B) of the same Act, in completing the Form B for Year of Assessment 2020. Please read this with care so that the return form and declarations made therein for Year of Assessment 2020 are true, complete and correct.

In the case of a married individual who elects for joint assessment either in the name of husband or wife, and has total income to be aggregated, both the husband and wife are each required to fill out separately whether:

- (a) Form B (individual who carries on business); or
- (b) Form BT \* (knowledge worker or expert worker approved by the Minister); or
- (c) Form BE (individual who does not carry on business)

\* For further information, please refer to. P.U. (A) 344/2010 regarding knowledge workers, and P.U. (A) 151/2012 on The Returning Expert Programme at the Official Portal of Lembaga Hasil Dalam Negeri Malaysia (LHDNM).

Working sheets, appendices and other information to complete Form BE are available at the LHDNM Official Portal: <http://www.hasil.gov.my> > Forms > Download Forms > Individual > **Computation Guide & Other Information**.

All records, working sheets and documents need not be enclosed when submitting the Form B EXCEPT for the purpose of tax refund, in which case the following working sheet(s) is / are required to be submitted:

- (i) Working Sheet HK-6 pertaining to the claim for section 110 tax deduction (others); and
- (ii) Working Sheet HK-8 / HK-9 (if relevant) relating to the tax deducted in the foreign country.

All records, documents and working sheets used in the computation must be kept for a period of seven (7) years after the end of the year in which the return form is furnished to the Director General of Inland Revenue, for future reference and inspection if required.

Please complete all relevant items in **BLOCK LETTERS** and use **black** ink pen. Leave the item(s) blank if not applicable.

#### BASIC PARTICULARS

|                |   |   |
|----------------|---|---|
| 1 - 4          | Fill in relevant information only. For the item 'Income tax no.', enter <b>SG</b> or <b>OG</b> followed by the income tax number in the box provided.<br><br><b>Example:</b> For Income tax no. OG 10234567080<br><br>Income tax no. <span style="border: 1px solid black; padding: 2px 10px;"><b>OG 10234567080</b></span> |   |
| 5              | Passport no. registered with LHDNM  | Enter the last passport number filed with LHDNM prior to the current passport.  |
| <b>PART A:</b> |   | <b>PARTICULARS OF INDIVIDUAL</b>  |
| A1             | Citizen   | Enter 'MY' for citizen of Malaysia. If not a citizen of Malaysia, please refer to the country code provided on page 24 of this explanatory notes or Appendix E. |
| A2             | Gender  | Enter '1' for male or '2' for female.   |
| A3             | Date of birth   | Enter the date of birth according to the sequence: day, month and year.   |
| A4             | Status as at 31-12-2020   | Enter '1' for single; '2' for married; '3' for divorcee / widow / widower or '4' for deceased.  |
| A5             | Date of marriage / divorce / demise   | If the marriage / separation in accordance with any law or demise occurred in the current year, enter the date according to the sequence: day, month and year.  |
| A6             | Record-keeping  | This refers to the keeping of sufficient records as required under the provision of ITA 1967. Enter '1' for full compliance or '2' for non-compliance.          |

|    |                    |   |
|----|--------------------|---|
| A7 | Type of assessment | <p>Enter:</p> <p>(i) '1' if the wife elects for joint assessment to be raised in the name of the husband. She does not have to fill in items B9 to B21 and Part F of her Form B; or</p> <p>(ii) '2' if the husband elects for joint assessment to be raised in the name of his wife. He does not have to fill in items B9 to B21 and Part F of his Form B; or</p> <p>(iii) '3' if the individual and spouse elect for separate assessment; or</p> <p>(iv) '4' if the individual is married with a spouse who has no income or no source of income or has income which is tax exempt.</p> <p>(v) '5' if the individual is single / a divorcee / a widow / a widower / a deceased person.</p> <p><b>Note:</b></p> <p>Conditions on eligibility to elect for joint assessment:</p> <p>(i) The husband and wife were living together in the basis year for a year of assessment and did not in that basis year cease to live together;</p> <p>(ii) Has total income to be aggregated with the total income of the spouse;</p> <p>(iii) The husband / wife who elects for joint assessment must be a Malaysian citizen, if not resident in Malaysia;</p> <p>(iv) The aggregation of total income can be made with one wife only.</p> |
|----|--------------------|---|

|                |                                  |
|----------------|----------------------------------|
| <b>PART B:</b> | <b>COMPUTATION OF INCOME TAX</b> |
|----------------|----------------------------------|

|    |                                  |
|----|----------------------------------|
| B1 | Statutory income from employment |
|----|----------------------------------|

| B1a | Number of employment   | <p>This item has to be completed if there is statutory income from employment.</p> <table border="1"> <thead> <tr> <th data-bbox="539 1077 628 1151">No.</th> <th data-bbox="628 1077 1294 1151">Example</th> <th data-bbox="1294 1077 1501 1151">Number of Employment(s)</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 1151 628 1227">1.</td> <td data-bbox="628 1151 1294 1227">Mr. Adi received payment of director's fees from Mas Sdn. Bhd. and Dinar Sdn. Bhd. in the year 2020.</td> <td data-bbox="1294 1151 1501 1227">2</td> </tr> <tr> <td data-bbox="539 1227 628 1413">2.</td> <td data-bbox="628 1227 1294 1413">           Mr. Sami worked for the following employers during the year 2020:-<br/>           (i) GHI Sdn. Bhd. : Jan. 2020 – April 2020<br/>           (ii) HIL Sdn. Bhd. : May 2020 – Nov. 2020<br/>           (iii) GHI Sdn. Bhd. : Dec. 2020         </td> <td data-bbox="1294 1227 1501 1413">3</td> </tr> <tr> <td data-bbox="539 1413 628 1688">3.</td> <td data-bbox="628 1413 1294 1688">           Mrs. Edith who works for MDP Holdings Bhd., was seconded to MDP Technology Sdn. Bhd. (within the same group of companies) from 1 June 2020 until 30 Sept. 2020. Her salary from June until Sept. 2020 was paid by MDP Holdings Bhd.<br/>           (i) MDP Holdings Bhd. : Jan. 2020 – May 2020<br/>           (ii) MDP Technology Sdn. Bhd. : June 2020 – Sept. 2020<br/>           (iii) MDP Holdings Bhd. : Oct. 2020 – Dec. 2020         </td> <td data-bbox="1294 1413 1501 1688">1</td> </tr> </tbody> </table> | No. | Example | Number of Employment(s) | 1. | Mr. Adi received payment of director's fees from Mas Sdn. Bhd. and Dinar Sdn. Bhd. in the year 2020. | 2 | 2. | Mr. Sami worked for the following employers during the year 2020:-<br>(i) GHI Sdn. Bhd. : Jan. 2020 – April 2020<br>(ii) HIL Sdn. Bhd. : May 2020 – Nov. 2020<br>(iii) GHI Sdn. Bhd. : Dec. 2020 | 3 | 3. | Mrs. Edith who works for MDP Holdings Bhd., was seconded to MDP Technology Sdn. Bhd. (within the same group of companies) from 1 June 2020 until 30 Sept. 2020. Her salary from June until Sept. 2020 was paid by MDP Holdings Bhd.<br>(i) MDP Holdings Bhd. : Jan. 2020 – May 2020<br>(ii) MDP Technology Sdn. Bhd. : June 2020 – Sept. 2020<br>(iii) MDP Holdings Bhd. : Oct. 2020 – Dec. 2020 | 1 |
|-----|--|--|-----|---------|-------------------------|----|--|---|----|--|---|----|--|---|
| No. | Example  | Number of Employment(s)  |     |         |                         |    |  |   |    |  |   |    |  |   |
| 1.  | Mr. Adi received payment of director's fees from Mas Sdn. Bhd. and Dinar Sdn. Bhd. in the year 2020.   | 2  |     |         |                         |    |  |   |    |  |   |    |  |   |
| 2.  | Mr. Sami worked for the following employers during the year 2020:-<br>(i) GHI Sdn. Bhd. : Jan. 2020 – April 2020<br>(ii) HIL Sdn. Bhd. : May 2020 – Nov. 2020<br>(iii) GHI Sdn. Bhd. : Dec. 2020   | 3  |     |         |                         |    |  |   |    |  |   |    |  |   |
| 3.  | Mrs. Edith who works for MDP Holdings Bhd., was seconded to MDP Technology Sdn. Bhd. (within the same group of companies) from 1 June 2020 until 30 Sept. 2020. Her salary from June until Sept. 2020 was paid by MDP Holdings Bhd.<br>(i) MDP Holdings Bhd. : Jan. 2020 – May 2020<br>(ii) MDP Technology Sdn. Bhd. : June 2020 – Sept. 2020<br>(iii) MDP Holdings Bhd. : Oct. 2020 – Dec. 2020 | 1  |     |         |                         |    |  |   |    |  |   |    |  |   |

Salary, bonus, director's fee, commission and any perquisite [such as share option scheme (Public Ruling No. 11/2012), insurance premium / school and tuition fee paid by the employer] have to be declared. Entertainment and travelling expenditure incurred in the production of gross employment income and discharge of official duties are allowable deductions. Deduction of entertainment expenditure is restricted to the amount of entertainment allowance included as gross income from employment. However, reimbursements by the employer in respect of both types of expenditure are neither deductible nor liable to tax.

Amount N4 from Working Sheet HK-2.

**Note:**

With effect from the Year of Assessment 2016, where gross income from an employment is receivable in respect of any particular period, it shall, when received, be taxed in the year in which it is received [Subsection 25(1) of ITA 1967].

**Tax exempt allowances / perquisites / gifts / benefits:**

**Reference:** Public Ruling No. 5/2019 (Perquisites From Employment); and  
Public Ruling No. 11/2019 (Benefits-In-Kind)

**Gratuity** (Reference: Public Ruling No. 9/2016)

This refers to a sum received upon retirement / termination of a contract of employment and considered as a gift for past service. Refer to Working Sheet HK-2.2 and Appendix B1 for computation.

1. The following gratuity is exempted from income tax:

i) **Retirement gratuity**

- (a) The Director General is satisfied that the retirement is due to ill-health; or
- (b) The retirement takes place on or after reaching the age of 55, or on reaching the compulsory age of retirement from employment and the individual has worked 10 years continuous employment with the same employer or companies within the same group; or
- (c) The retirement takes place on reaching the compulsory age of retirement pursuant to a contract of employment or collective agreement at the age of 50 but before 55 and that employment has lasted for 10 years with the same employer or with companies in the same group.

ii) **Gratuity paid out of public funds** – Gratuity paid to an employee out of public funds on his retirement from an employment under any written law.

iii) **Gratuity paid to a contract officer** – Gratuity paid out of public funds to a contract officer on termination of a contract of employment regardless of whether the contract is renewed or not.

iv) **Death gratuity** – Sums received by way of death gratuity.

**2. Partial exemption on gratuity**

With effect from the Year of Assessment 2016, an employee who receives sums by way of gratuity:

- i) on retirement from an employment; or
- ii) upon termination of a contract of employment

other than gratuity qualified for exemption under paragraph 1 above, is eligible for an exemption of **RM1,000 for each completed year of service**. However, for the purpose of computing partial exemption, the period of employment with other companies within the same group is NOT REGARDED as a period of employment with the same employer.

**Tax Allowance**

The income tax of an employee borne by his employer is Tax Allowance which is chargeable to tax under the provision paragraph 13(1)(a) of ITA 1967. Refer to the Working Sheet HK-2.3 and Appendix B2, as well as Public Ruling No. 11/2016 regarding computation.

**Subscriptions To Professional Bodies** – Membership subscription paid to professional bodies to ensure the continuance of a professional standing for practice such as medical or legal professional fees, can be claimed as a deduction.

**Repayment Of Perbadanan Tabung Pendidikan Tinggi Negara (PTPTN) Educational Loan By Employer**

This value of this benefit shall be the **amount of educational loan of PTPTN paid by the employer** on behalf of his employee for a period not earlier than 1 January 2019 and not later than 31 December 2021.

**Conditions for exemption:**

- The employee is a Malaysian citizen who has received the educational loan from PTPTN.
- The employee is employed on a full-time basis; and is not a relative of the employer.

Refer to the Income Tax (Exemption) (No. 8) Order 2019 [P.U. (A) 205/2019] and Income Tax (Exemption) (No. 8) (Amendment) Order [P.U. (A) 414/2019] which takes effect from the Year of Assessment 2019 until the Year of Assessment 2021.

**Note:**

The employee who makes a claim for this exemption is required to fill in the incentive claim information in Part G.

**Benefits In Kind (BIK)**

Annual value of the benefits in kind provided by the employer such as motorcars, petrol, driver, household furnishings, apparatus and appliances, hand phones, asset(s) provided for the purpose of entertainment and recreation. Refer to the Working Sheet HK-2.4 and Appendix B3, and Public Ruling No. 11/2019 on computation.

**Value Of Living Accommodation**

Value of living accommodation provided in Malaysia by the employer. Working Sheet HK-2.5 and Appendix B4, as well as Public Ruling No. 3/2005 (Original and Addendum) regarding computation.

**Refund From Unapproved Pension Or Provident Fund, Scheme Or Society**

Contributions made by an employer to an unapproved pension or provident fund from which payment is made to his employee before or after the cessation of his employment. Refer to the Working Sheet HK-2.6 on computation.

**Compensation For Loss Of Employment**

Payment made by an employer to his employee as compensation for loss of employment or other reason. Refer to the Working Sheet HK-2.7 and Appendix B5, and Public Ruling No. 1/2012 regarding computation.

Full or partial exemption on compensation for loss of employment:

- (i) **Full exemption** – If the Director General is satisfied that the payment is made on account of loss of employment due to ill health; or
- (ii) **Partial exemption** – For termination of employment on or after 1 July 2008, compensation other than paragraph (i) above is eligible for exemption of **RM10,000 for each completed year of service** with the same employer or companies within the same group. For Year of Assessment 2020 and 2021, the tax exemption limit for compensation for loss of employment is increased to **RM20,000 for each completed year of service** with the same employer or companies within the same group.

|    |          |  |
|----|----------|--|
| B2 | Rents    | Rental received in respect of houses, shop houses, land, plant, machines, furniture and other similar assets.<br><br>Amount C3 from Working Sheet HK-4.  |
| B3 | Interest | Income in respect of interest received by individuals resident in Malaysia from money deposited with the following institutions is tax exempt:<br><ul style="list-style-type: none"> <li>(i) A bank or a finance company licensed or deemed to be licensed under the Financial Services Act 2013;</li> <li>(ii) A bank licensed under the Islamic Financial Services Act 2013;</li> <li>(iii) A development financial institution prescribed under the Development Financial Institutions Act 2002;</li> </ul> |

|  |   | <p>(iv) The Lembaga Tabung Haji established under the Tabung Haji Act 1995;</p> <p>(v) The Malaysia Building Society Berhad incorporated under the Companies Act 2016;</p> <p>(vi) The Borneo Housing Finance Berhad incorporated under the Companies Act 2016; and</p> <p>Co-operative societies registered under the Co-operative Societies Act 1993.</p>  |     |                 |                |     |   |        |      |                                       |        |       |   |        |
|--|---|--|-----|-----------------|----------------|-----|---|--------|------|---------------------------------------|--------|-------|---|--------|
| Discounts                                |   | Earnings from discounting transactions involving treasury bills, bills of exchange or promissory notes.  |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| Royalties                                |   | <p>Royalties received in respect of the use of copyrights / patents are taxable if they exceed the following exemption limits:</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Type of Royalty</th> <th>Exemption (RM)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Publication of artistic works / recording discs / tapes</td> <td>10,000</td> </tr> <tr> <td>(ii)</td> <td>Translation of books / literary works</td> <td>12,000</td> </tr> <tr> <td>(iii)</td> <td>Publication of literary works / original paintings / musical compositions</td> <td>20,000</td> </tr> </tbody> </table> <p>Amount H from Working Sheet HK-5.</p>   | No. | Type of Royalty | Exemption (RM) | (i) | Publication of artistic works / recording discs / tapes | 10,000 | (ii) | Translation of books / literary works | 12,000 | (iii) | Publication of literary works / original paintings / musical compositions | 20,000 |
| No.                                      | Type of Royalty   | Exemption (RM)   |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| (i)                                      | Publication of artistic works / recording discs / tapes                   | 10,000   |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| (ii)                                     | Translation of books / literary works                                     | 12,000   |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| (iii)                                    | Publication of literary works / original paintings / musical compositions | 20,000   |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| Pensions                                 |   | <ul style="list-style-type: none"> <li>• Pension derived from Malaysia and paid by the Government or from an approved pension scheme to a person on reaching the age of 55 years or compulsory age of retirement under any written law or if the retirement is due to ill-health, are exempt from tax.</li> <li>• Where a person is paid more than one pension, only the higher or highest pension is exempt from tax. Other pensions have to be reported.</li> </ul>  |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| Annuities                                |   | These are sums of money received in accordance with a will or an investment of money entitling the annuitants or investors to a series of annual payments, whether or not received regularly or for a limited period only.   |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| Periodical payments                      |   | These refer to recurring payments received at fixed times.   |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| Other gains or profits                   |   | Other income such as payments received for part-time / occasional broadcasting, lecturing, writing and so forth.   |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| Additions pursuant to paragraph 43(1)(c) |   | <p>The following earnings / proceeds are deemed income and must be taken into account as aggregate income.</p> <ul style="list-style-type: none"> <li>• Earnings / proceeds in relation to expenditure on prospecting operations under Schedule 4 of ITA 1967.</li> <li>• These earnings / proceeds are taken into account in the tax computation if claims for such expenditure have previously been made.</li> <li>• Refer to paragraph 43(1)(c) and paragraph 16 Schedule 4 of ITA 1967 for computing the amount of income to be included as aggregate income.</li> <li>• Computations must be properly kept for examination.</li> </ul>  |     |                 |                |     |   |        |      |                                       |        |       |   |        |
| B5                                       | Approved investment under angel investor tax incentive                    | <p>A tax incentive for investment made by a qualified angel investor in a qualified investee company. The amount of aggregate income exempted is an amount equal to the amount of investment made by the angel investor in the investee company. The exemption is granted subject to the conditions specified by the Minister in the approval letter for the investment, which include the following:</p> <ol style="list-style-type: none"> <li>a) the investment must not be disposed of (fully or in part) within two (2) years from the date the investment is made; and</li> <li>b) the amount of investment made per annum must not be less than RM5,000 and not more than RM500,000.</li> </ol> |     |                 |                |     |   |        |      |                                       |        |       |   |        |

|     |  |  |
|-----|--|--|
|     |  | <p>Application to make an investment in an investee company is made on or after 1.1.2013 but not later than 31.12.2023 for the approval of the Minister of Finance.</p> <p>Refer to the Income Tax (Exemption) (No. 3) 2014 [P.U. (A) 167/2014] and Income Tax (Exemption) (Amendment) 2019 [P.U. (A) 399/2019] and public ruling No. 12/2020 – Tax Incentive For Angel Investor for further information.</p> <p>Amount in B5 is restricted to the amount in B4. If the amount in B5 exceeds the amount in B4, enter the amount as per B4 in this item.</p>  |
| B7  | Approved donations / gifts / contributions   | <p>Transfer the amount from item E8, if any.</p> <p>Refer to Public Ruling No. 8/2020.</p> <p>Receipts and supporting documents must be kept for a period of seven (7) years after the end of the year in which the return form is furnished to LHDNM, for future reference and inspection if required.</p>  |
| B9  | <p>TOTAL INCOME TRANSFERRED FROM HUSBAND / WIFE FOR JOINT ASSESSMENT</p> <p>* Type of income transferred from HUSBAND / WIFE</p> | <p><b>ITEMS B9 AND B10 ARE ONLY TO BE FILLED IN BY THE INDIVIDUAL IN WHOSE NAME THE JOINT ASSESSMENT IS TO BE RAISED.</b></p> <p>Transfer the total income of the spouse to be aggregated with the total income of the individual to this item.</p> <p><b>Note:</b> Enter '1' if the income transferred from the spouse includes income from a business source or '2' if not.</p> <p>Items B9 and B10 <b>NEED NOT</b> be filled if:</p> <ul style="list-style-type: none"> <li>(i) the individual's status is single / a divorcee / a widow / a widower</li> <li>(ii) the spouse of the individual has no income, no source of income or has income which is tax exempt</li> <li>(iii) the individual elects for separate assessment</li> <li>(iv) the individual elects for joint assessment to be raised in the <b>name of his / her spouse</b></li> </ul> |
| B11 | Total relief   | Transfer the amount from item F20.   |
| B12 | Chargeable income  | Amount ( B8 minus B11 ) or ( B10 minus B11 ).  |

|   |                                  |   |   |         |       |     |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |
|---|----------------------------------|---|---|---------|-------|-----|-----|--|-----|------|------------------|--------|-----|------|-----|-----|------|--------------------|--------|-----|---------|---|---|------|--|--|--|------|-----|-----|-----|----------------------------------|--|--|-----|-------|-----|
| B13   | Income tax computation           |   |   |         |       |     |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |
| B13a  | Tax on the first                 | <p>Match the chargeable income from item B12 (chargeable income) with the range of chargeable income in the tax schedule on page 24 of this explanatory notes.</p> <p><b>Example:</b></p> <p>Chargeable income as per <b>B12:</b> <span style="float: right;"><b>RM45,500</b></span></p> <p>Use <b>category D</b> of the tax schedule to compute as follows:</p> <p>Tax on the first <b>RM35,000</b> <span style="float: right;"><b>RM 600.00</b></span></p> <p>Tax on the balance <b>RM10,500 @ 8%</b> <span style="float: right;"><b>RM 840.00</b></span></p> <p>Total income tax <span style="float: right;"><b>RM1,440.00</b></span></p> <p>Enter in items B13a, B13b and B14 of the Form B as shown below:</p> |   |         |       |     |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |
| B13b  | Tax on the balance               |   |   |         |       |     |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |
| B14   | Total income tax                 |   |   |         |       |     |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="4">B13 INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a>)</td> <td>B13</td> <td></td> <td>.00</td> </tr> <tr> <td>B13a</td> <td>Tax on the first</td> <td style="text-align: right;">35,000</td> <td style="text-align: right;">.00</td> <td>B13a</td> <td style="text-align: right;">600</td> <td>.00</td> </tr> <tr> <td>B13b</td> <td>Tax on the balance</td> <td style="text-align: right;">10,500</td> <td style="text-align: right;">.00</td> <td>At rate</td> <td style="text-align: right;">8</td> <td>%</td> </tr> <tr> <td>B13b</td> <td></td> <td></td> <td></td> <td>B13b</td> <td style="text-align: right;">840</td> <td>.00</td> </tr> <tr> <td>B14</td> <td>TOTAL INCOME TAX ( B13a + B13b )</td> <td></td> <td></td> <td>B14</td> <td style="text-align: right;">1,440</td> <td>.00</td> </tr> </table> |                                  |   | B13 INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a> ) |         |       |     | B13 |  | .00 | B13a | Tax on the first | 35,000 | .00 | B13a | 600 | .00 | B13b | Tax on the balance | 10,500 | .00 | At rate | 8 | % | B13b |  |  |  | B13b | 840 | .00 | B14 | TOTAL INCOME TAX ( B13a + B13b ) |  |  | B14 | 1,440 | .00 |
| B13 INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a> )   |                                  |   |   | B13     |       | .00 |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |
| B13a  | Tax on the first                 | 35,000  | .00   | B13a    | 600   | .00 |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |
| B13b  | Tax on the balance               | 10,500  | .00   | At rate | 8     | %   |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |
| B13b  |                                  |   |   | B13b    | 840   | .00 |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |
| B14   | TOTAL INCOME TAX ( B13a + B13b ) |   |   | B14     | 1,440 | .00 |     |  |     |      |                  |        |     |      |     |     |      |                    |        |     |         |   |   |      |  |  |  |      |     |     |     |                                  |  |  |     |       |     |

| B15   | Total rebate   |  |                 |                            |  |                            |  |               |                          |               |                          |                        |     |      |      |       |   |
|---|--|--|-----------------|----------------------------|--|----------------------------|--|---------------|--------------------------|---------------|--------------------------|------------------------|-----|------|------|-------|---|
|   | Self   | A rebate of <b>RM400</b> is granted to an individual whose chargeable income does not exceed RM35,000.<br>Paragraph 6A(2)(a) of ITA 1967.  |                 |                            |  |                            |  |               |                          |               |                          |                        |     |      |      |       |   |
|   | Husband and wife   | A rebate of <b>RM400</b> is granted to an individual whose chargeable income does not exceed RM35,000 and where he / she has been allowed a deduction of RM4,000 for the spouse.<br>Paragraph 6A(2)(b) / Paragraph 6A(2)(c) of ITA 1967.   |                 |                            |  |                            |  |               |                          |               |                          |                        |     |      |      |       |   |
|   | Departure levy for umrah travel / religious travel for other religions | <p>This tax rebate is granted to any individual who leaves Malaysia by air for the purpose of performing <i>umrah</i> or other religious pilgrimage but NOT for the purpose of performing hajj.</p> <p>The rebate granted is equivalent to the <b>amount of departure levy paid</b> but the claim is <b>limited to two (2) trips in a lifetime</b>.</p> <p>Eligibility to claim shall be evidenced by the following documents:</p> <p>a) the boarding pass; and</p> <p>b) in the case of:</p> <p>(i) <b>umrah</b> - a copy of the visa issued by the embassy of the Kingdom of Saudi Arabia</p> <p>(ii) <b>any other religious pilgrimage</b> - A written verification by a religious body recognised by the Committee for the Promotion of Inter Religious Understanding and Harmony Among Adherents, Department of National Unity and Integration in the Prime Minister's Department.</p> <table border="1" data-bbox="549 987 1497 1173"> <thead> <tr> <th rowspan="2">Country / Class</th> <th colspan="2">ASEAN countries</th> <th colspan="2">Other than ASEAN countries</th> </tr> <tr> <th>Economy class</th> <th>Other than economy class</th> <th>Economy class</th> <th>Other than economy class</th> </tr> </thead> <tbody> <tr> <td>Rate of departure levy</td> <td>RM8</td> <td>RM50</td> <td>RM20</td> <td>RM150</td> </tr> </tbody> </table> <p><b>Note:</b> 'ASEAN countries' means Brunei Darussalam, the Kingdom of Cambodia, Republic of Indonesia, Lao People's Democratic Republic, Union of Myanmar, Republic of the Philippines, Republic of Singapore, Kingdom of Thailand or Socialist Republic of Vietnam.</p> <p>P.U. (A) 213/2019 (Rate of Departure Levy) and subsection 6A(2A) of ITA 1967.</p> <table border="1" data-bbox="523 1391 1509 1597"> <tr> <td> <p><b>For the following types of assessment:</b></p> <p><b>a) joint assessment;</b></p> <p><b>b) separate assessment; or</b></p> <p><b>c) assessment on self whose spouse has no income, no source of income or no total income</b></p> </td> </tr> </table> <p>The individual in whose name the assessment is raised, is:</p> <ul style="list-style-type: none"> <li>• eligible to claim for the amount of departure levy paid on own self travel.</li> <li>• <b>NOT</b> eligible to claim if the departure levy is paid for the behalf of spouse, family member or other party.</li> <li>• <b>NOT</b> eligible to claim if the departure levy for own travel is paid by other party.</li> </ul> | Country / Class | ASEAN countries            |  | Other than ASEAN countries |  | Economy class | Other than economy class | Economy class | Other than economy class | Rate of departure levy | RM8 | RM50 | RM20 | RM150 | <p><b>For the following types of assessment:</b></p> <p><b>a) joint assessment;</b></p> <p><b>b) separate assessment; or</b></p> <p><b>c) assessment on self whose spouse has no income, no source of income or no total income</b></p> |
| Country / Class   | ASEAN countries  |  |                 | Other than ASEAN countries |  |                            |  |               |                          |               |                          |                        |     |      |      |       |   |
|   | Economy class  | Other than economy class   | Economy class   | Other than economy class   |  |                            |  |               |                          |               |                          |                        |     |      |      |       |   |
| Rate of departure levy  | RM8  | RM50   | RM20            | RM150                      |  |                            |  |               |                          |               |                          |                        |     |      |      |       |   |
| <p><b>For the following types of assessment:</b></p> <p><b>a) joint assessment;</b></p> <p><b>b) separate assessment; or</b></p> <p><b>c) assessment on self whose spouse has no income, no source of income or no total income</b></p> |  |  |                 |                            |  |                            |  |               |                          |               |                          |                        |     |      |      |       |   |
|   | <i>Zakat and fitrah</i>  | Payment of obligatory <i>zakat</i> and <i>fitrah</i> in the basis year.<br>Subsection 6A(3) of ITA 1967.   |                 |                            |  |                            |  |               |                          |               |                          |                        |     |      |      |       |   |



|     |   |   |
|-----|---|---|
| B17 | Tax deduction under section 110 (others)                                    | <p>Compute the tax deducted under section 110 by using Working Sheet HK-6 in respect of other income such as interest, royalties, section 4A income and income from a trust.</p> <p>Section 110 tax deduction (others) does NOT include withholding tax payment pursuant to Section 107A of ITA 1967.</p> <p>Please submit Working Sheet HK-6 if you are entitled to a tax refund. Amount B from Working Sheet HK-6.</p>  |
|     | Section 132 tax relief  | <p>Tax relief in respect of income brought into Malaysia on which tax has been charged in the country of origin which have Avoidance of Double Taxation Agreements (DTA) with Malaysia.</p> <p>Refer to Appendix F for the list of countries which have DTA with Malaysia.</p> <p>Refer to Schedule 7 of ITA 1967 and Working Sheet HK-8 to compute the amount of credit.</p>   |
|     | Section 133 tax relief  | <p>Tax relief in respect of income brought into Malaysia on which tax has been charged in the country of origin which does NOT have Avoidance of Double Taxation Agreements (DTA) with Malaysia.</p> <p>Refer to Schedule 7 of ITA 1967 and Working Sheet HK-9 to compute the amount of credit.</p>   |
| B18 | Tax payable   | <p>B16 minus B17.</p> <p>If the amount in B17 exceeds the amount in B16, enter '0' in this box.</p>   |
| B19 | Tax repayable   | B17 minus B16.  |
| B20 | Payment made for 2020 income – SELF and HUSBAND / WIFE for joint assessment | <p><b>Monthly Tax Deductions (MTD)</b></p> <p>Enter the deductions amount made by the employer in the year 2020 in respect of the following income in this item:</p> <ul style="list-style-type: none"> <li>Income for the year 2020;</li> <li>Employment income of preceding years (including bonus, director's fee, arrears, etc.) paid in the year 2020; and</li> <li>Employment income in respect of other year(s) paid in advance in the year 2020.</li> </ul> <p><b>Example:</b> Salary for the month of January 2021 paid in December 2020 and MTD is paid on or before 15 January 2021.</p> <p><b>Self-Instalments / CP500</b></p> <p>Enter the amount of self-paid instalments / CP500 payment (tax instalment according to the notice under section 107B in this item.</p> <p>This <b>does not include</b> payments made in respect of outstanding tax for previous years of assessment.</p> <p>Use Working Sheet HK-10 for computation. Transfer amount E of Working Sheet HK-10 to this item.</p> <p>For joint assessment – Total up the MTD or self instalments / CP500 paid by the husband / wife for entry in this item.</p> |
| B21 | Balance of tax payable  | <p>B18 minus B20.</p> <p>The balance of tax payable must be paid within the stipulated period. Payment can be made via:</p> <p>(a) <b>ByrHASiL</b> at the ByrHASiL LHDNM Portal, <a href="https://byrhasil.hasil.gov.my/">https://byrhasil.hasil.gov.my/</a>.</p> <ul style="list-style-type: none"> <li>Payment via FPX (<i>Financial Process Exchange</i>) at <a href="https://byrhasil.hasil.gov.my/fpx.php">https://byrhasil.hasil.gov.my/fpx.php</a>.</li> <li>Payment via Visa, Mastercard &amp; American Express credit cards at <a href="https://byrhasil.hasil.gov.my/creditcard/">https://byrhasil.hasil.gov.my/creditcard/</a>.</li> </ul>   |

|  |                    |  |
|--|--------------------|--|
|  |                    | <p>(b) <b>Appointed banks.</b></p> <ul style="list-style-type: none"> <li>Counters of CIMB Bank Berhad (CIMB), Public Bank Berhad (PBB), Malayan Banking Berhad (Maybank), Affin Bank Berhad (ABB), RHB Bank Berhad (RHB), Bank Simpanan Nasional (BSN) and Bank Rakyat by using the bank payment slip.</li> <li>CIMB, PBB, Maybank, Hong Leong Bank, RHB, BSN and CitiBank Berhad internet banking.</li> <li>Auto Teller Machine (ATM) of PBB, Maybank &amp; CIMB, PBB Cheque Deposit Machine and CIMB Cash Deposit Machine.</li> </ul> <p>(c) <b>Pos Malaysia Berhad</b> - Counter only.</p> <p>Use <b>payment code '084'</b> and. <b>instalment no. '99'</b> when making payment for tax or balance of tax payable.</p> |
|  | Tax paid in excess | <p>B20 minus B18.</p> <p>Enter 'X' in the box provided for tax paid in excess.</p>   |

### DECLARATION

A return form which is not duly signed, shall be deemed incomplete and will not be processed and a Notification of Incomplete Return Form will be issued to inform you. The use of signature stamp is not allowed. Penalty will be imposed in case of late resubmission of the return form to LHDNM.

| PART C:       |   | PARTICULARS OF HUSBAND / WIFE |
|---------------|---|-------------------------------|
| C1<br>–<br>C4 | Fill in relevant information only. Where there is more than one wife, please furnish the information as per format C1 to C4 by using attachment(s) and submit together with the Form B. |                               |

| PART D: |   | OTHER PARTICULARS   |
|---------|---|---|
| D1      | Telephone no.   | Telephone number of office / tax agent's firm / residence. Please ensure that the information is correct and accurate. This information is for the official use of LHDNM.   |
|         | Handphone no.   | <p>Please ensure that the information given is correct. This information is for the official use of LHDNM only.</p> <p><b>Note:</b><br/>Either the Handphone No. (D1) or e-Mail (D3) is compulsorily required to be completed during submission via e-Filing.</p>   |
| D2      | E-mail  | <p>Please ensure that the information given is correct. This information is for the official use of LHDNM only.</p> <p><b>Note:</b><br/>For submission via e-Filing, either one item i.e. <b>D1</b> (Handphone no.) or <b>D3</b> (E-mail) is compulsorily required to be completed.</p>   |
| D3      | Employer's no.  | Enter the latest employer's E reference number.   |
| D4      | Has financial account(s) at financial institution(s) outside Malaysia | <p>Enter '1' if there is / are financial account(s) at a financial institution(s) outside Malaysia or '2' if there is none / not relevant. Refer to the following information before make an option:</p> <p>This declaration is a counter check measure to ensure compliance of the Malaysian tax law, in line with Malaysia's commitment to the Automatic Exchange of Financial Account Information with other tax jurisdictions. Under this commitment, Malaysia will also be receiving information on financial accounts kept at overseas by Malaysian tax resident.</p> <p>However, please note that having a financial account(s) in overseas is not an indication that a tax non-compliance has occurred.</p> <p>"Financial Account" refers to a financial account maintained by a financial institution outside Malaysia which includes:</p> |

|   |  |   |
|---|--|---|
|   |  | <p>i) Depository Accounts</p> <ul style="list-style-type: none"> <li>• Savings account, current account and other deposit accounts.</li> </ul> <p>ii) Custodial Accounts</p> <ul style="list-style-type: none"> <li>• An account (other than an Insurance Contract or Annuity Contract) for the benefit of another person that holds any financial instrument or contract held for investment.</li> </ul> <p>iii) Cash Value Insurance Contracts</p> <ul style="list-style-type: none"> <li>• An insurance contract where the policyholder is entitled to receive payment on surrender or termination of the contract. An insurance contract will also be a Cash Value Insurance Contract where the policyholder can borrow against the contract. It is an investment product that has an element of life insurance attached to it. The life insurance element usually is small compared to the investment element.</li> </ul> <p>iv) Annuity Contracts</p> <p>A contract:</p> <ul style="list-style-type: none"> <li>• Under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals; or</li> <li>• That is considered to be an annuity contract in accordance with the law, regulation or practice of Malaysia in which the contract was issued and under which the issuer agrees to make payments for a term of years.</li> </ul> <p>v) Equity and Debt Interests in Investment Entities.</p> <p>Further details on Automatic Exchange of Financial Account Information are available at the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a> &gt; International &gt; Automatic Exchange of Information (AEOI) &gt; Common Reporting Standard (CRS).</p> |
| D5  | Details of bank account                                      | Enter the bank name information (D5a) and bank account number (D5b) for the purpose of electronic income tax refund. Ensure the bank account entered is active and opened under own name to avoid payment issues.   |
| D6a   | Disposal of asset under the Real Property Gains Tax Act 1976 | Refers to chargeable asset under the Real Property Gains Tax Act 1976.<br>Enter '1' for 'Yes' if there is disposal of asset, and also complete item D6b.<br>Enter '2' for 'No' if not applicable.   |
| D6b   | Disposal declared to LHDNM                                   | Enter '1' ('Yes') if the disposal has been declared to LHDNM or '2' ('No') if not.<br><br>If not yet declared, contact the LHDNM branch which handles the income tax file of the disposer. Further details are available from the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a> .  |
| <b>PART E:</b>  |  | <b>DONATIONS / GIFTS / CONTRIBUTIONS</b>  |
| <p><b>Contribution in fighting against the COVID-19 pandemic</b></p> <p>Tax deductions on contribution and donation in cash or in kind to fight the COVID-19 pandemic. For classification purpose, please refer to the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a> &gt; Quick Links &gt; Frequently Ask Question On Contribution / Donation.</p> |  |   |
| <p><b>Gift of money to the Government / State Government / local authority</b></p> <p>Subsection 44(6) of ITA 1967.</p>   |  |   |

**Gift of money to approved institutions / organizations / funds**

Gift of money to institutions / organizations / funds approved by the Director General of Inland Revenue. Subsection 44(6) and proviso, ITA 1967.

**Gift of money for any sports activity approved by the Minister of Finance**

Subsection 44(11B) and proviso, ITA 1967.

**Gift of money or cost of contribution in kind for any project of national interest approved by the Minister of Finance**

Subsection 44(11C) and proviso, ITA 1967.

**Gift of money in the form of wakaf to any religious authority / religious body / public university or gift of money in the form of endowment to a public university**

Gift of money in the form of:

- a) wakaf made to any appropriate religious authority established under any written law, body established by that appropriate religious authority or public university allowed by that appropriate religious authority to receive wakaf; or
- b) endowment made to a public university.

The wakaf or endowment must be made for the purpose of achieving the objective of establishment of the appropriate religious authority, body or public university.

Subsection 44(11D), ITA 1967.

Restricted to  
10% of item B4

**Gift of artefacts / manuscripts / paintings to the Government or State Government**

Gift of artefacts, manuscripts or paintings to the Government will be based on the value determined by the Department of Museums Malaysia or the National Archives.

Subsection 44(6A) of ITA 1967.

**Gift of money for the provision of library facilities or to libraries**

Gift of money not exceeding RM20,000 for the provision of library facilities to public libraries and libraries of schools and institutions of higher education provided that a claim for the same expenses is not made under paragraph 34(6)(g) of ITA 1967 in computing the adjusted income from business.

Subsection 44(8) of ITA 1967.

**Gift of money or contribution in kind for the provision of facilities in public places for the benefit of disabled persons**

Gift of money or contribution in kind (the value to be determined by the relevant local authority) for the provision of public facilities for the benefit of disabled persons.

Subsection 44(9) of ITA 1967.

**Gift of money / cost / value of gift of medical equipment to any healthcare facility approved by the Ministry of Health**

Gift of money or the cost or value (as certified by the Ministry of Health) of any gift of medical equipment not exceeding RM20,000 to any healthcare facility approved by the Ministry of Health.

Subsection 44(10) of ITA 1967.

**Gift of paintings to the National Art Gallery or any state art gallery**

The value of any gift of painting to be determined by the National Art Gallery or any state art gallery.

Subsection 44(11) of ITA 1967.

**PART F:**

**RELIEF**

Receipts and supporting documents must be kept for a period of seven (7) years after the end of the year in which the return form is furnished to LHDNM, for future reference and inspection if required.

**Reference:**

Taxation Of A Resident Individual

- Part I - Gifts Or Contributions And Allowable Deductions (Public Ruling No. 8/2020)
- Part II - Computation Of Total Income And Chargeable Income (Public Ruling No. 5/2018); and
- Part III - Computation Of Income Tax And Tax Payable (Public Ruling No. 6/2018)

|     |   |   |
|-----|---|---|
| F1  | Individual and dependent relatives                              | <p>Relief of <b>RM9,000</b> for an individual in respect of himself and his dependent relatives is granted automatically.</p> <p>Paragraph 46(1)(a) of ITA 1967.</p>  |
| F2a | Medical treatment, special needs and carer expenses for parents | <p>Medical treatment, special needs and carer expenses incurred on parents is allowed as a deduction <b>up to RM5,000</b>.</p> <p>Parents refer to natural parents or foster parents where the individual is an adopted child.</p> <p>Expenses on medical treatment for parents which qualify for deduction include:</p> <p>(i) medical care and treatment provided by a nursing home; and</p> <p>(ii) dental treatment limited to tooth extraction, filling, scaling and cleaning but excluding cosmetic dental treatment expenses such as teeth restoration and replacement involving crowning, root canal and dentures.</p> <ul style="list-style-type: none"> <li>• Such claim must be evidenced by a medical practitioner registered with Malaysian Medical Council (MMC) certifying that the medical condition of parents requires medical treatment, special needs or a carer.</li> <li>• Parents shall be individuals resident in Malaysia.</li> <li>• The medical treatment and care services are provided in Malaysia.</li> </ul> <p>In the case of carer, a receipt or written certification from carer, or work permit of the carer.</p> <p>'Carer' shall not include that individual, his wife or her husband or the child of the individual concerned.</p> <p>Paragraph 46(1)(c) of ITA 1967.</p> |
| F2b | Parent  | <p>This deduction is <b>effective for the Years of Assessment 2016 to 2020</b>.</p> <p>Conditions for claim:</p> <p>(i) An individual who is QUALIFIED to claim this deduction is a <b>legitimate child or legally adopted child. Claim for this deduction is NOT allowed in respect of step-parents.</b></p> <p>(ii) The individual did NOT make a claim in item F2a for deduction on medical treatment, special needs and carer expenses expended for his parents for the same basis year.</p> <p>(iii) The allowable deduction is RM1,500 for only one mother and RM1,500 for only one father. If more than one individual claims this deduction, the amount of deduction has to be equally apportioned according to the number of individuals who claim in respect of the same parent.</p> <p>(iv) The parents are residents in accordance with the provisions of section 7 of ITA 1967, and aged 60 years and above at any time in the basis year.</p> <p>(v) Each parent's annual income (from all sources whether taxable or not) does NOT exceed RM24,000 for that year of assessment.</p> <p>If more than one individual claims this deduction, Working Sheet HK-15 has to be completed and kept for future reference / inspection by LHDNM, when required.</p> <p>Paragraph 46(1)(o) of ITA 1967.</p> |

|     |   |  |
|-----|---|--|
| F3  | Basic supporting equipment for disabled self, spouse, child or parent | <p>Expenditure incurred for the purchase of any necessary basic supporting equipment is allowed as a deduction <b>up to RM6,000</b> for the use by:</p> <ul style="list-style-type: none"> <li>(i) the individual, if he / she is a disabled person; or</li> <li>(ii) the spouse, if he / she is a disabled person; or</li> <li>(iii) his / her child, if the child is a disabled person; or</li> <li>(iv) his / her parent, who is a disabled person.</li> </ul> <p>This deduction will NOT be allowed if the disabled individual for whom the basic supporting equipment is purchased, is not registered with the Department of Social Welfare (DSW) as a disabled person.</p> <p>Basic supporting equipment includes hemodialysis machine, wheel chair, artificial leg and hearing aids but excludes spectacles and optical lenses.</p> <p>Paragraph 46(1)(d) of ITA 1967.</p>  |
| F4  | Disabled individual   | <p>A further deduction of <b>RM6,000</b> is allowed if the individual is a disabled person.</p> <p>An individual is eligible to claim this deduction if he is certified in writing by the Department of Social Welfare (DSW) as a disabled person.</p> <p>Paragraph 46(1)(e) of ITA 1967.</p>  |
| F5  | Education fees (Self)   | <p>A deduction <b>up to RM7,000</b> can be claimed on fees expended for any of the following courses of study undertaken in any institution or professional body in Malaysia recognized by the Malaysian Government or approved by the Minister of Finance:</p> <ul style="list-style-type: none"> <li>(i) <b>Other than a degree at Masters or Doctorate level</b><br/>Any course of study up to tertiary level undertaken for the purpose of acquiring law, accounting, Islamic finance approved by Bank Negara Malaysia or Securities Commission, technical, vocational, industrial, scientific or technological skills or qualifications; or</li> <li>(ii) <b>Degree at Masters or Doctorate level</b><br/>Any course of study undertaken for the purpose of acquiring any skill or qualification.</li> </ul> <p>Refer to the list of recognized local institutions or approved professional bodies in Malaysia at the official portal of the Ministry of Higher Education Malaysia at <a href="https://www.mohe.gov.my">https://www.mohe.gov.my</a>.</p> <p>Paragraph 46(1)(f) of ITA 1967.</p> |
| F6a | Medical expenses on serious diseases for self, spouse or child        | <p>Medical expenses on serious diseases include the treatment of Acquired Immune Deficiency Syndrome (AIDS), Parkinson's disease, cancer, renal failure, leukemia and other similar diseases. "Other Similar Diseases" in relation to serious diseases include heart attack, pulmonary hypertension, chronic liver disease, fulminant viral hepatitis, head trauma with neurological deficit, tumor in brain or vascular malformation, major burns, major organ transplant and major amputation of limbs.</p> <p>Amount expended on own self, husband / wife or child is deductible <b>up to a maximum of RM6,000</b>. Total deduction allowable for <b>F6a, F6b and F7 is restricted to RM6,000</b>.</p> <p>Receipt of the treatment and a certification issued by a medical practitioner registered with the Malaysian Medical Council (MMC) must be kept for future reference and inspection, if required.</p> <p>Paragraph 46(1)(g) of ITA 1967.</p>   |

|          |  |   |
|----------|--|---|
| F6b      | Medical expenses on fertility treatment for self or spouse   | <p>Expenses for fertility treatment include Intrauterine Insemination (IUI) treatment, In vitro fertilization (IVF) or any other fertility treatments including consultation fees and medicines on yourself or your spouse. Claim conditions are:</p> <p>(a) the claim for medical expenses has to be evidenced by a receipt and certification issued by a medical practitioner registered with the Malaysian Medical Council (MMC) that the serious disease treatment was provided to that individual, spouse or child; or fertility treatment was provided to the individual or the spouse; and</p> <p>(b) married individual.</p> <p>Deductions of up to RM6,000 are allowed on the amount expended or deemed to be expended on fertility treatment for yourself or your spouse. Total deductions for <b>F6a, F6b and F7 is restricted to RM6,000.</b></p> <p>Receipt of the treatment and a certification issued by a medical practitioner registered with the MMC must be kept for future reference and inspection, if required.</p> <p>If the husband or wife chooses Joint Assessment, the allowable deduction for expenses incurred by the spouse will be deemed to be spent by the husband / wife whose assessment is raised in his name is limited to RM6,000.</p> <p>Paragraph 46(1)(g) of ITA 1967.</p> |
| F7       | Complete medical examination for self, spouse or child   | <p>Complete medical examination refers to thorough examination as defined by the Malaysian Medical Council (MMC). Amount expended on own self, spouse or child is allowable as a deduction <b>up to a maximum of RM500.</b> Total deduction allowable for <b>F6a, F6b and F7 is restricted to RM6,000.</b></p> <p>Paragraph 46(1)(h) of ITA 1967.</p>   |
| F8a      | Lifestyle  |   |
| F8a(i)   | Purchase of books / journals / magazines / printed newspapers / other similar publications                                   | <p>Expenditure for the purchase of books, journals, magazines, printed newspapers and other similar publications (in the form of hardcopy or electronic but <b>EXCLUDING banned reading materials</b> such as morally offensive magazines) for the use by own self, spouse or child.</p> <p>Subparagraph 46(1)(p)(i) of ITA 1967.</p>   |
| F8a(ii)  | Purchase of personal computer, smartphone or tablet  | <p>Expenditure for the purchase of personal computer, smartphone or tablet <b>[Does NOT include additional charge for warranty]</b> for own use or for the use by own husband / wife or child, and <b>NOT being used for the purpose of own business.</b></p> <p>Subparagraph 46(1)(p)(ii) of ITA 1967.</p>   |
| F8a(iii) | Purchase of sports equipment for sports activity defined under the Sports Development Act 1997 and payment of gym membership | <p>Expenditure for the use by own self, spouse or child in respect of the:</p> <p>(a) purchase of sports equipment for any sports activity as defined under the Sports Development Act 1997. Sports equipment includes equipment with short lifespan e.g. golf balls and shuttlecocks but <b>EXCLUDING motorized bicycles;</b> and</p> <p>(b) payment for gym membership (<b>EXCLUDING club membership which provides gym facilities</b>).</p> <p>Subparagraph 46(1)(p)(iii) of ITA 1967.</p>   |
| F8a(iv)  | Payment of monthly bill for internet subscription  | <p>Payment of monthly bill for internet subscription <b>registered under own name</b> for the use by own self, spouse or child.</p> <p>Subparagraph 46(1)(p)(iv) of ITA 1967.</p>   |
|          |  | <p><b>Restricted to RM2,500</b></p>   |

|     |   |   |
|-----|---|---|
| F8b | Lifestyle – Purchase of personal computer, smartphone or tablet for own use / benefit or for spouse or child and not for business use | <p>Additional lifestyle relief for the purchase of personal computer, smartphone or tablet [Does NOT include additional charge for warranty] for own use or for the use by own husband / wife or child, and NOT being used for the purpose of own business.</p> <p>The allowable deduction for this additional relief is the amount expended or deemed to be expended limited to RM2,500 for purchases made during the period between 1 June 2020 to 31 December 2020 only.</p> <p><b>Example:</b></p> <p>Mr Lim bought a smartphone for RM2,000 on 1/3/2020. He also bought a laptop for his son's use for RM4,000 on 15/7/2020.</p> <p><b>Tax Treatment:</b> Purchase of a laptop on 15 July 2020 is allowed for claim under <b>F8b</b> limited to RM2,500. While another RM500 from the purchase of the laptop and the expense of buying a smartphone of RM2,000 (1 March 2020) can be claimed under <b>F8a</b> limited to RM2,500.</p> <p>Paragraph 46 (1)(p) and Paragraph 46 (1)(t) of the ITA 1967.</p>  |
| F9  | Purchase of breastfeeding equipment for own use for a child aged 2 years and below  | <p>This deduction is allowed exclusively for <b>women taxpayers</b>, provided that the individual:</p> <ul style="list-style-type: none"> <li>(i) is a breastfeeding mother;</li> <li>(ii) has incurred expenditure for the purchase of breastfeeding equipment for her own use to breastfeed her own child aged 2 years and below; and</li> <li>(iii) makes a claim that is evidenced by receipts issued in respect of the purchase.</li> </ul> <p><b>Breastfeeding equipment which qualifies</b> are:</p> <ul style="list-style-type: none"> <li>(i) breast pump kit and ice pack;</li> <li>(ii) breast milk collection and storage equipment; and</li> <li>(iii) cooler set or cooler bag.</li> </ul> <p>The amount of deduction is <b>limited to RM1,000</b> although the individual has more than one child.</p> <p>This deduction is only <b>allowed ONCE in every two (2) years of assessment</b>.</p> <p><b>In the case of a Combined Assessment, this deduction is only allowed if the assessment is made in the name of the wife.</b></p> <p><b>Example 1: Joint Assessment in the Wife's Name</b></p> <p>Madam Arina has given birth to a child in the year 2020 and has purchased breastfeeding equipment at the cost of RM1,700. Her husband who is a non-resident Malaysian citizen has <b>elected for joint assessment in the name of his wife</b>.</p> <p>Madam Arina is entitled to claim this deduction but limited to RM1,000.</p> <p><b>Example 2: Joint Assessment in the Husband's Name</b></p> <p>Madam Sally has given birth to a child in the year 2020 and has purchased breastfeeding equipment at the cost of RM1,300. Madam Sally has <b>elected for joint assessment in the name of her husband</b>.</p> <p>The claim for this deduction is NOT allowed because the joint assessment is made in the name of Madam Sally's husband.</p> <p>Paragraph 46(1)(q) of ITA 1967 (commencing from the Year of Assessment 2017).</p> |
| F10 | Child care fees to a registered child care centre / kindergarten for a child aged 6 years and below                                   | <p>This deduction is allowed in respect of <b>child care fees for a child aged 6 years and below</b> paid to a:</p> <ul style="list-style-type: none"> <li>(i) <b>child care centre registered</b> with the Department of Social Welfare (DSW) pursuant to the Child Care Centre Act 1984 (Act 308) under the Ministry of Women, Family and Community Development; or</li> </ul>  |



(ii) **kindergarten registered** with the Ministry of Education Malaysia pursuant to the Education Act 1996 (Act 550).

This deduction is **restricted to RM3,000** even though the number of children who fulfills the mentioned conditions exceeds one. If the amount of claim is less than RM3,000, the amount of deduction allowed is **limited to the amount paid** only.

Where a husband and a wife are assessed separately, the tax deduction under this paragraph can only be claimed either by the husband **OR** the wife who incurs the expenses.

Where a husband and wife are divorced, the tax deduction can be claimed by the former husband and the former wife provided that they both made payment for the fees of the child and that child is not the same child.

The claim for this deduction must be evidenced by the:

- (i) birth document of the child (MyKid or birth certificate); and
- (ii) receipts for the monthly fees issued by the child care centre or kindergarden.

Paragraph 46(1)(r) of ITA 1967 (commencing from the Year of Assessment 2017).

**Example 1: Husband and wife (living together)**

| Scenario | No. of Child | Expenditure on child (RM) |  | Type of assessment | Who is entitled to claim & amount (RM)       | Notes  |
|----------|--------------|---------------------------|--|--------------------|--|--|
| a        | 1            | Husband<br>Wife           | 1,600<br>1,500                                 | Separate           | Husband - 1,600<br><b>OR</b><br>Wife - 1,500 | Only one person is entitled to claim (restricted to the amount expended)   |
| b        | 2            | Husband<br>Wife           | 3,200 (child no. 1)<br>3,400 (child no. 2)     | Separate           | Husband - 3,000<br><b>OR</b><br>Wife - 3,000 | Only one person is entitled to claim (restricted to the amount RM3,000)  |
| c        | 2            | Husband                   | 3,500 (child no. 1 & 2)                        | Separate           | Husband - 3,000                              | Restricted to the amount RM3,000   |
| d        | 3            | Husband<br>Wife           | 5,200 (child no. 1 & 2)<br>3,100 (child no. 3) | Separate           | Husband - 3,000<br><b>OR</b><br>Wife - 3,000 | Only one person is entitled to claim (restricted to the amount RM3,000)  |
| e        | 2            | Husband<br>Wife           | 1,900 (child no. 1)<br>1,100 (child no. 2)     | Separate           | Husband - 1,900<br><b>OR</b><br>Wife - 1,100 | Only one person is entitled to claim based on the amount expended or restricted to the amount RM3,000  |
| f        | 1            | Husband<br>Wife           | 1,200<br>1,200                                 | Joint              | Husband - 2,400<br><b>OR</b><br>Wife - 2,400 | Expenditure incurred by the spouse is deemed expended by the husband / wife in whose name the assessment is raised (restricted to the amount expended) |
| g        | 2            | Husband<br>Wife           | 1,600 (child no. 1)<br>1,500 (child no. 2)     | Joint              | Husband - 3,000<br><b>OR</b><br>Wife - 3,000 | Expenditure incurred by the spouse is deemed expended by the husband / wife in whose name the assessment is raised (restricted to the amount RM3,000)  |

**Example 2: Divorced husband and wife**

| Scenario | No. of child | Expenditure on child (RM)     |   | Who is entitled to claim & amount (RM)                      | Notes  |
|----------|--------------|-------------------------------|---|---|--|
| a        | 1            | Former husband                | 1,800   | Former husband - 1,800                                      | Only entitled to claim RM1,800 (restricted to the amount expended)   |
| b        | 1            | Former husband<br>Former wife | 3,400<br>3,200  | Former husband - 3,000<br><b>OR</b><br>Former wife - 3,000  | Only one person is entitled to claim (restricted to the amount RM3,000)  |
| c        | 2            | Former husband<br>Former wife | 3,400 (child no. 1)<br>3,200 (child no. 2)                          | Former husband - 3,000<br><b>AND</b><br>Former wife - 3,000 | - Former husband claims RM3,000<br>- Former wife claims RM3,000 (provided that the claim is made on different child) |
| d        | 3            | Former husband<br>Former wife | 3,200 (child no. 1)<br>1,800 (child no. 2)<br>& 1,600 (child no. 3) | Former husband - 3,000<br><b>AND</b><br>Former wife - 3,000 | - Former husband claims RM3,000<br>- Former wife claims RM3,000 (provided that the claim is made on different child) |

|     |   |   |
|-----|---|---|
| F11 | Net deposit in Skim Simpanan Pendidikan Nasional (SSPN) | <p>This relief takes effect for the <b>Years of Assessment 2019 and 2022</b>.</p> <p>Amount deposited in SSPN by an individual for his children's education is deductible <b>up to a maximum of RM8,000</b>. The allowable deduction is limited to the net amount deposited in that basis year only.</p> <p><b>Example:</b> For the year 2020,<br/>           Balance Brought Forward : RM4,500;<br/>           Total Deposit : RM2,000; and<br/>           Total Withdrawal : RM1,500.</p> <p>Allowable deduction is <b>RM500</b> (RM2,000 – RM1,500).<br/>           The Balance Brought Forward of RM4,500 is not taken into account.</p> <p>Paragraph 46(1)(k) of ITA 1967.</p>   |
| F12 | Husband / wife / payment of alimony to former wife      | <p>(i) <b>A deduction for husband of RM4,000</b> is given to the wife if the husband has no source of income / no total income or the husband has elected for joint assessment in the name of his wife. Only one wife is eligible to claim this deduction although the husband has more than one wife.</p> <p>Section 45A(1) of ITA 1967.</p> <p><b>With effect from Year of Assessment 2017, the deduction for husband is NOT allowed if the husband (not a husband who is a disabled person) has gross income exceeding RM4,000 derived from sources outside Malaysia.</b></p> <p>Subsection 45A(2) of ITA 1967.</p> <p>(ii) <b>A deduction for wife of RM4,000</b> is given to the husband who has a wife living together with him in the basis year, and the wife has no source of income / no total income or the wife has elected for joint assessment in the name of her husband.</p> <p>Paragraph 47(1)(a) and subsection 47(5) of ITA 1967.</p> <p><b>With effect from Year of Assessment 2017, the deduction for wife is NOT allowed if the wife (not a wife who is a disabled person) has gross income exceeding RM4,000 derived from sources outside Malaysia.</b></p> <p>Subsection 47(6) of ITA 1967.</p> <p>(iii) Deduction for payment of alimony to a former wife is limited to RM4,000 or the actual amount paid if the amount of alimony paid is less than the allowable deduction. The total deduction for a wife living together and alimony payments to the former wife is restricted to <b>RM4,000</b>.</p> <p>Voluntary alimony payments under a mutual agreement but without any formal agreement do not qualify for deduction.</p> <p>Subsection 47(2) and 47(3) of ITA 1967.</p> |

| F13   | Disabled husband / wife  | A further deduction of <b>RM3,500</b> is given in respect of a disabled husband / wife. Paragraph 47(1)(b) and section 45A of ITA 1967.  |      |     |      |  |     |      |     |   |   |      |   |   |      |   |   |     |   |   |       |   |   |      |   |   |
|-------|--|--|------|-----|------|--|-----|------|-----|---|---|------|---|---|------|---|---|-----|---|---|-------|---|---|------|---|---|
| F14   | Child <ul style="list-style-type: none"> <li>• No.</li> <li>• 100% Eligibility</li> <li>• 50% Eligibility</li> </ul> | <p>Refer to Working Sheet HK-13.</p> <p><u>No.</u><br/>Enter the total number of children on whom full relief (100% Eligibility) or partial relief (50% Eligibility) is entitled to be claimed by the individual.</p> <p><u>100% Eligibility</u><br/>This item is to be completed by an individual entitled to claim full child relief.</p> <p><u>50% Eligibility</u><br/>This item is only relevant where two or more individuals (not husband and wife living together) are each entitled to claim a deduction for payment made in respect of the same child, and each of those individuals is entitled to claim 50% of the allowable relief as a deduction. For example, when divorce occurs and there are two or more individuals entitled to claim a deduction on the same child.</p> <p>For separate assessment, the individual and his spouse are required to select the relief in respect of each child on whom to claim respectively.</p> <p><b>Example:</b> Ali has five (5) children and elected for separate assessment. The number of children on whom relief may be claimed by Ali and his wife is:</p> <table border="1" data-bbox="523 869 1513 1055"> <thead> <tr> <th></th> <th>Ali</th> <th>Wife</th> <th></th> <th>Ali</th> <th>Wife</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>5</td> <td>0</td> <td>(iv)</td> <td>2</td> <td>3</td> </tr> <tr> <td>(ii)</td> <td>4</td> <td>1</td> <td>(v)</td> <td>1</td> <td>4</td> </tr> <tr> <td>(iii)</td> <td>3</td> <td>2</td> <td>(vi)</td> <td>0</td> <td>5</td> </tr> </tbody> </table> <p>The deduction for child is not allowed if the child is in receipt of his own income whereby his total income exceeds the amount of deduction otherwise due.</p> <p>However, the following receipts are not treated as income of a child:</p> <ul style="list-style-type: none"> <li>• Amount received as scholarship, grant or allowance of a similar nature (paragraph 24 Schedule 6 of ITA 1967); and</li> <li>• Payments received by a child who is serving an employer under articles or indentures.</li> </ul> <p>Subsection 48(5) of ITA 1967.</p> |      | Ali | Wife |  | Ali | Wife | (i) | 5 | 0 | (iv) | 2 | 3 | (ii) | 4 | 1 | (v) | 1 | 4 | (iii) | 3 | 2 | (vi) | 0 | 5 |
|       | Ali  | Wife   |      | Ali | Wife |  |     |      |     |   |   |      |   |   |      |   |   |     |   |   |       |   |   |      |   |   |
| (i)   | 5  | 0  | (iv) | 2   | 3    |  |     |      |     |   |   |      |   |   |      |   |   |     |   |   |       |   |   |      |   |   |
| (ii)  | 4  | 1  | (v)  | 1   | 4    |  |     |      |     |   |   |      |   |   |      |   |   |     |   |   |       |   |   |      |   |   |
| (iii) | 3  | 2  | (vi) | 0   | 5    |  |     |      |     |   |   |      |   |   |      |   |   |     |   |   |       |   |   |      |   |   |
| F14a  | Child - Under the age of 18 years  | A deduction of <b>RM2,000</b> per child is allowed if the child is unmarried and who at any time in the basis year is below the age 18 years. Paragraph 48(1)(a) and 48(2)(a) of ITA 1967.   |      |     |      |  |     |      |     |   |   |      |   |   |      |   |   |     |   |   |       |   |   |      |   |   |
| F14b  | Child - 18 years and above and studying  | <p>(i) A deduction of <b>RM2,000</b> per child is allowed if the child is unmarried, 18 years of age and above, and receiving full-time instruction. Paragraph 48(1)(b) &amp; (c) and 48(2)(a) of ITA 1967</p> <p>OR</p> <p>(ii) A deduction of <b>RM8,000</b> is allowed if the child is unmarried, 18 years of age and above, and satisfies the following conditions:</p> <ul style="list-style-type: none"> <li>• receiving full-time instruction (excluding matriculation course / pre degree / A-Level) at a university, college or other similar educational establishment in Malaysia; or</li> <li>• serving under articles or indentures with a view to qualify in a trade or profession in Malaysia; or</li> <li>• receiving full-time instruction outside Malaysia in respect of a degree (including a degree at Master or Doctorate level) or the equivalent of a degree.</li> </ul>  |      |     |      |  |     |      |     |   |   |      |   |   |      |   |   |     |   |   |       |   |   |      |   |   |

Paragraph 48(3)(a) of ITA 1967.

|      |                        |  |
|------|------------------------|--|
| F14c | Child - Disabled child | <p>(i) Relief allowed for a disabled child who is unmarried is <b>RM6,000</b>.</p> <p>(ii) An additional relief of <b>RM8,000</b> is allowed if the disabled child is unmarried, 18 years of age and above, and satisfies the following conditions:</p> <ul style="list-style-type: none"> <li>• receiving full-time instruction (excluding matriculation course / pre degree / A-Level) at a university, college or other similar educational establishment in Malaysia; or</li> <li>• serving under articles or indentures with a view to qualify in a trade or profession in Malaysia; or</li> <li>• receiving full-time instruction outside Malaysia in respect of a degree (including a degree at Master or Doctorate level) or the equivalent of a degree.</li> </ul> <p>An individual is entitled to a child relief of <b>RM14,000</b> if the above conditions are complied with.</p> <p>Paragraph 48(1)(d), 48(3)(a) and 48(2)(b) of ITA 1967.</p> |
|------|------------------------|--|

**F15 Life insurance and EPF**

Working sheet, HK-14 can be used for the purpose of computation and record.

(a) Payment of life insurance premiums or takaful contribution on life insurance policy contracted on the life of the individual husband or wife / wives is deductible.  
 \* Deduction is NOT allowed on premiums paid for life insurance policy contracted on the life of the child.

(b) Contribution to an approved scheme (other than private retirement scheme) or contribution under any written law. Example of an approved scheme is the Employees Provident Fund (EPF).

(c) Allowable deduction commencing from Year of Assessment 2020:

| No.    | Type of Contribution   | Public Servant **     | Other Than Public Servant |
|--------|--|-----------------------|---------------------------|
| i.     | Life insurance premium payments and takaful contributions  | Restricted to RM7,000 | Restricted to RM3,000     |
| ii.    | Contribution to an approved scheme (NOT including private retirement scheme) or contribution under any written law |                       | Restricted to RM4,000     |
| TOTAL: |  |                       | Restricted to RM7,000     |

**\* Pensionable public servant category**

Conditions for claiming:

- The public servant must be a pensionable officer who opted for the pensionable retirement scheme and already confirmed in his appointment in accordance with sections 2, 6A and 7 of the Pensions Act 1980 (Akta 227);
- Did not contribute to an approved scheme (other than private retirement scheme) or contribution under any written law.

**Example 1:**

Madam Sally retired from the government sector with effect from 1 April 2020. From 1 August 2020, she started work on contract with a private company.

EPF contribution (August – December 2020) : RM2,500

Payment for life insurance premiums (2020) : RM8,000

|                        | Amount Paid (RM) | Deduction Allowed (RM) |
|------------------------|------------------|------------------------|
| Life insurance premium | 8,000            | 3,000 (restricted)     |
| EPF contribution       | 2,500            | 2,500                  |
| <b>TOTAL:</b>          | <b>10,500</b>    | <b>5,500</b>           |

**Example 2:**

Mr. Manaf ceased employment with a company on 30 June 2020. From 1 September 2020, he started work in the government sector.

EPF contribution (January – June 2020) : RM3,600

Payment for life insurance premiums (2020) : RM7,200

|                        | Amount Paid (RM) | Deduction Allowed (RM) |
|------------------------|------------------|------------------------|
| Life insurance premium | 7,200            | 3,000 * (restricted)   |
| EPF contribution       | 3,600            | 3,600                  |
| <b>TOTAL:</b>          | <b>10,800</b>    | <b>6,600</b>           |

\* Mr. Manaf is a public servant with effect from 1 September 2020 but has not attained pensionable status because he is not yet confirmed in his appointment in accordance with sections 7 of the Pensions Act 1980 (Akta 227).

**Separate Assessment**

A resident individual and his / her spouse who elect for separate assessment, are respectively entitled to claim the deduction as per the schedule in paragraph (c) above.

**Example 3:**

Mr. Eddy and his wife, Milly who work with a statutory body since 2010, are assessed separately for the Year of Assessment 2020.

The allowable deduction for the Year of Assessment 2020 is as follows:

|       | EPF contribution (RM)                  | Payment for life insurance premium (RM) | Deduction Allowed (RM) |
|-------|--|---|------------------------|
| Eddy  | 8,000<br>(restricted to <b>4,000</b> ) | 3,800<br>(restricted to <b>3,000</b> )  | <b>7,000</b>           |
| Milly | <b>3,500</b>                           | <b>2,400</b>                            | <b>5,900</b>           |

**Combined Assessment**

Life insurance premiums and EPF contributions paid by the husband / wife who elects for combined assessment shall be deemed to be paid by the spouse.

**Example 4:**

Mr. Samy is a pensionable public servant who opted for the pensionable retirement scheme whereas his wife, Milly works in the private sector.

Madam Prema elected for combined assessment in the name of her husband for the Year of Assessment 2020.

|       | EPF contribution (RM)          | Payment for life insurance premium (RM) | Deduction Allowed (RM) |
|-------|--------------------------------|---|------------------------|
| Samy  | 3,600<br>(Refer to the Note *) | 5,600                                   | <b>5,600</b>           |
| Prema | 2,400                          | 1,800                                   | <b>4,200</b>           |
|       |                                | <b>TOTAL</b>                            | <b>9,800</b>           |

The amount allowed for deduction is restricted to RM7,000.

**\* Note:**

The EPF contribution made by Mr. Samy is NOT ALLOWED as a deduction because he is a pensionable public servant who opted for the pensionable retirement scheme.

|     |  |
|-----|--|
| F16 | <p><b>Private retirement scheme and deferred annuity</b></p> <ul style="list-style-type: none"> <li>• This deduction is effective from the <b>Year of Assessment 2012 until 2021</b>.</li> <li>• The deduction allowed shall <b>not exceed RM3,000</b> in respect of contributions made to a Private Retirement Scheme (PRS) approved by the Securities Commission and paid premiums for deferred annuity.</li> <li>• The total deduction for PRS contributions and deferred annuity premiums is <b>restricted to RM3,000 for an individual and RM3,000 for the spouse who has source of income</b>. If the husband or wife</li> </ul> |
|-----|--|

|     |                                 |  |
|-----|---------------------------------|--|
|     |                                 | <p>elects for <b>joint assessment</b>, the deduction allowed for the aggregate amount of PRS contributions and deferred annuity premiums is <b>restricted to RM3,000</b>.</p> <ul style="list-style-type: none"> <li>• Refer to Working Sheet HK-14.</li> <li>• <b>Reference:</b> Public Ruling No. 4/2014 (Deferred Annuity); and<br/>Public Ruling No. 9/2014 (Private Retirement Scheme).</li> <li>• Subsections 49(1D), 49(1E), 49(3), 50(2) and 50(3) of ITA 1967.</li> </ul>   |
| F17 | Education and medical insurance | <p>A deduction <b>not exceeding RM3,000</b> is available on insurance premiums in respect of education or medical benefits for an individual, husband, wife, or child.</p> <p><b>An education policy must satisfy the following criteria:</b></p> <ol style="list-style-type: none"> <li>(i) the policy must be contracted by the individual for himself or herself, his or her spouse or child;</li> <li>(ii) the beneficiary should be the child;</li> <li>(iii) where the insured is the parent, the child must be the nominee;</li> <li>(iv) where the child is the insured:- <ul style="list-style-type: none"> <li>• it is compulsory that the life of the person paying the premium (parent) must be covered (payor benefit rider);</li> <li>• the rider must also have the same duration as the basic policy;</li> <li>• where the rider is packaged together with the basic policy in a single premium, the whole premium paid will qualify for deduction; and</li> <li>• where the parent does not qualify for payor benefit rider, the premium paid for the basic policy will not qualify for deduction;</li> </ul> </li> <li>(v) in respect of a takaful policy, the participant is the parent and proceeds of the policy must be made "hibah" (gift) to the child;</li> <li>(vi) the maturity amount in respect of both conventional or takaful policy must be scheduled to be payable when the child is between the ages of 13 and 25.</li> </ol> <p><b>A medical policy must satisfy the following criteria:</b></p> <ol style="list-style-type: none"> <li>(i) the expenses should be related to the medical treatment resulting from a disease or an accident or a disability;</li> <li>(ii) the policy coverage should be for a period of 12 months or more;</li> <li>(iii) the policy can be a stand-alone policy or as a rider to a life insurance policy. If it is a rider, only the rider premium can qualify for deduction;</li> <li>(iv) where a dreadful disease cover is attached to a basic policy, the whole amount of the rider premium paid is allowed as a deduction;</li> <li>(v) where a dreadful disease cover is packaged together with a term life/personal accident cover, 60% of the package premium is allowed as a deduction;</li> <li>(vi) group medical policy where the employee pays the premium for the medical benefit also qualifies for deduction; and</li> <li>(vii) premium for waiver benefit rider and travel and medical expenses insurance are not allowable as a deduction.</li> </ol> <p>The total deduction in respect of premiums paid for insurance on education and medical benefits is <b>restricted to RM3,000</b> for an individual and <b>RM3,000 for the wife who has source of income</b>. If the husband or wife elects for <b>joint assessment</b>, the deduction allowed for the total of premiums paid for insurance on education and medical benefits is restricted to <b>RM3,000</b>.</p> <p>Refer to Working Sheet HK-14.</p> <p>Subsections 49(1B), 49(4) and 50(2) of ITA 1967.</p> |

|     |  |   |
|-----|--|---|
| F18 | Contribution to the Social Security Organization (SOCSO)   | A deduction <b>not exceeding RM250</b> is allowed in respect of contribution to the Social Security Organization (SOCSO) made or suffered by the individual in the basis year.<br><br>Refer to Working Sheet HK-14.<br><br>Paragraph 46(1)(n) of ITA 1967.  |
| F19 | Payment for accommodation at premises registered with the Commissioner of Tourism and entrance fee to a tourist attraction | Expenses for accommodation charges at accommodation premises registered with the Commissioner of Tourism and entrance fees to tourist attractions for individuals.<br><br>The allowable deduction for this relief is limited to RM1,000 for payments made on or after 1 March 2020 to 31 December 2021.<br><br>If the husband or wife chooses Joint Assessment, the allowable deduction for expenses incurred by the spouse will be deemed to be spent by the husband / wife whose assessment is raised in his name is limited to RM1,000.<br><br>Paragraph 46(1)(s) of the ITA 1967. |
| F20 | Total relief   | Sum of amounts from items F1 to F19. Transfer this amount to item B11.  |

**PART G:**

**INCENTIVE CLAIM**

| G1         | Claim Incentive(s) under paragraph 127(3)(b) of Income Tax Act 1967                 | <p><b>Paragraph 127(3)(b) of ITA 1967</b></p> <p>Exemption given by the Minister of Finance to any specific person from complying with any provision of the ITA 1967, either generally or in respect of any income.</p> <p>Enter the Serial Number of the Approval Letter issued by the Ministry of Finance and the amount.</p> <p>The Minister's Approval Letter, computation of incentive and supporting documents should be kept for future reference / examination by LHDNM, if required.</p> <p>Refer to Appendix D - Incentive Claim Code on page 26 to review the list of incentives and report tax-exempt income received during the year of assessment.</p> <p>Example 1:<br/>Mr. Alex is a professional athlete and also salary earner from employment. In 2020, Alex received a prize money of RM30,000 from sports tournaments he participated throughout the year.<br/>Refer to Appendix D, receipt of the winning prize is tax exempt under claim code 601 and must be reported in this column.</p> <table border="1"> <thead> <tr> <th>Code</th> <th>Subject</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>601</td> <td>Prize money received by professional athletes from participating sports tournaments</td> <td>30,000</td> </tr> </tbody> </table> <p>Complete item G1 as follow:</p> <table border="1"> <thead> <tr> <th>Claim Code</th> <th>Balance Brought Forward</th> <th>Amount Claimed</th> <th>Amount Absorbed</th> <th>Balance Carried Forward</th> </tr> </thead> <tbody> <tr> <td>601</td> <td>0</td> <td>30,000</td> <td>0</td> <td>0</td> </tr> </tbody> </table> | Code            | Subject                 | Amount | 601 | Prize money received by professional athletes from participating sports tournaments | 30,000 | Claim Code | Balance Brought Forward | Amount Claimed | Amount Absorbed | Balance Carried Forward | 601 | 0 | 30,000 | 0 | 0 |
|------------|---|--|-----------------|-------------------------|--------|-----|---|--------|------------|-------------------------|----------------|-----------------|-------------------------|-----|---|--------|---|---|
| Code       | Subject   | Amount   |                 |                         |        |     |   |        |            |                         |                |                 |                         |     |   |        |   |   |
| 601        | Prize money received by professional athletes from participating sports tournaments | 30,000   |                 |                         |        |     |   |        |            |                         |                |                 |                         |     |   |        |   |   |
| Claim Code | Balance Brought Forward   | Amount Claimed   | Amount Absorbed | Balance Carried Forward |        |     |   |        |            |                         |                |                 |                         |     |   |        |   |   |
| 601        | 0   | 30,000   | 0               | 0                       |        |     |   |        |            |                         |                |                 |                         |     |   |        |   |   |

| G2                     | Claim for incentive(s) under subsection 127(3A) of Income Tax Act 1967   | <p><b>Subsection 127(3A) ACP 1967</b></p> <p>Refers to exemption specifically given by the Minister.</p> <p>Enter the Serial Number of the Approval Letter issued by the Ministry of Finance and the amount.</p> <p>The Minister's Approval Letter, computation of incentive and supporting documents should be kept for future reference / examination by LHDNM, if required.</p> <p><b>Example:</b></p> <p>Enter the Serial Number of the Approval Letter issued by the Ministry of Finance and the amount of tax exempt income.</p> <table border="1" data-bbox="547 517 1522 645"> <thead> <tr> <th>Incentive Approval No.</th> <th>Balance Brought Forward</th> <th>Amount Claimed</th> <th>Amount Absorbed</th> <th>Balance Carried Forward</th> </tr> </thead> <tbody> <tr> <td>CP1234/2019</td> <td>0</td> <td>45,000</td> <td>45,000</td> <td>0</td> </tr> </tbody> </table> | Incentive Approval No. | Balance Brought Forward | Amount Claimed | Amount Absorbed | Balance Carried Forward | CP1234/2019 | 0 | 45,000 | 45,000 | 0 |
|------------------------|--|---|------------------------|-------------------------|----------------|-----------------|-------------------------|-------------|---|--------|--------|---|
| Incentive Approval No. | Balance Brought Forward  | Amount Claimed  | Amount Absorbed        | Balance Carried Forward |                |                 |                         |             |   |        |        |   |
| CP1234/2019            | 0  | 45,000  | 45,000                 | 0                       |                |                 |                         |             |   |        |        |   |
| <b>PART H:</b>         |  | <b>NON-EMPLOYMENT INCOME OF PRECEDING YEARS NOT DECLARED</b>  |                        |                         |                |                 |                         |             |   |        |        |   |
| H1<br>–<br>H2          | <p>Income OTHER THAN from employment received in respect of preceding year(s) not previously declared.</p> <p><b>Example:</b> Income from rents or interest</p> <p>Please use attachment in case of insufficient writing space.</p>  |   |                        |                         |                |                 |                         |             |   |        |        |   |
| <b>PART J:</b>         |  | <b>PARTICULARS OF TAX AGENT WHO COMPLETES THIS RETURN FORM</b>  |                        |                         |                |                 |                         |             |   |        |        |   |
| J1<br>–<br>J4          | <ul style="list-style-type: none"> <li>• Tax Agent's Approval No. is the approval number given to tax agent's approved under subsection 153(3) of ITA 1967.</li> <li>• This section has to be completed and duly signed by the tax agent / representative who completes this return form.</li> </ul> |   |                        |                         |                |                 |                         |             |   |        |        |   |



### TAX SCHEDULE FOR YEAR OF ASSESSMENT 2020

| CATEGORY | RANGE OF CHARGEABLE INCOME<br>(a) | COMPUTATION RM<br>(b)                     | RATE %<br>(c) | TAX RM<br>(d)    |
|----------|-----------------------------------|---|---------------|------------------|
| <b>A</b> | 0 - 5,000                         | First 5,000                               | 0             | 0                |
| <b>B</b> | 5,001 - 20,000                    | First 5,000                               | 1             | 0                |
|          |                                   | Next 15,000                               |               | 150              |
| <b>C</b> | 20,001 - 35,000                   | First 20,000                              | 3             | 150              |
|          |                                   | Next 15,000                               |               | 450              |
| <b>D</b> | 35,001 - 50,000                   | First 35,000                              | 8             | 600              |
|          |                                   | Next 15,000                               |               | 1,200            |
| <b>E</b> | 50,001 - 70,000                   | First 50,000                              | 14            | 1,800            |
|          |                                   | Next 20,000                               |               | 2,800            |
| <b>F</b> | 70,001 - 100,000                  | First 70,000                              | 21            | 4,600            |
|          |                                   | Next 30,000                               |               | 6,300            |
| <b>G</b> | 100,001 - 250,000                 | First 100,000                             | 24            | 10,900           |
|          |                                   | Next 150,000                              |               | 36,000           |
| <b>H</b> | 250,001 - 400,000                 | First 250,000                             | 24.5          | 46,900           |
|          |                                   | Next 150,000                              |               | 36,750           |
| <b>I</b> | 400,001 - 600,000                 | First 400,000                             | 25            | 83,650           |
|          |                                   | Next 200,000                              |               | 50,000           |
| <b>J</b> | 600,001 - 1,000,000               | First 600,000                             | 26            | 133,650          |
|          |                                   | Next 400,000                              |               | 104,000          |
| <b>K</b> | 1,000,001 - 2,000,000             | First 1,000,000                           | 28            | 237,650          |
|          |                                   | Next 1,000,000                            |               | 280,000          |
| <b>L</b> | Exceeding 2,000,000               | First 2,000,000<br>For every next ringgit | 30            | 517,650<br>..... |

### COUNTRY CODES

The following are some of the country codes for selection. Please refer to Appendix E for the full list.

| Country    | Code | Country             | Code      | Country        | Code |
|------------|------|---------------------|-----------|----------------|------|
| Australia  | AU   | Iran (Islamic R.O.) | IR        | Philippines    | PH   |
| Bangladesh | BD   | Iraq                | IQ        | Saudi Arabia   | SA   |
| Brunei     | BN   | Japan               | JP        | Singapore      | SG   |
| Cambodia   | KH   | Korea, D.P.R.       | KP        | South Africa   | ZA   |
| Canada     | CA   | Korea, R.O.         | KR        | Sri Lanka      | LK   |
| China      | CN   | Laos, D.P.R.        | LA        | Taiwan         | TW   |
| Denmark    | DK   | <b>Malaysia</b>     | <b>MY</b> | Thailand       | TH   |
| Hong Kong  | HK   | Myanmar             | MM        | United Kingdom | GB   |
| India      | IN   | New Zealand         | NZ        | United States  | US   |
| Indonesia  | ID   | Pakistan            | PK        | Vietnam        | VN   |

Note: R.O. = Republic of;

D.P.R. = Democratic People's Republic of

## INCENTIVE CLAIM CODES

This list is provided as a general reference for individual categories of taxpayers. Taxpayers are advised to refer to the relevant legal provision under the **Income Tax Act 1967 and Government gazette to determine their eligibility prior to claiming any incentive listed in this Appendix**. Incentive claims may be withdrawn and subject to penalty, if it is found that incentives are claimed by taxpayers who are not eligible to make such claims.

**NOTE:**

Residence status - Refer to Public Ruling No. 11/2017 regarding residence status of individuals

**1. Incentives Under Paragraph 127(3)(b) Of The Income Tax Act 1967 and Other Exempted Income – Other Than Business**

| Code | Type of Incentive / Exempt income  | Reference        | Effective Period           | Category Entitled to Claim |
|------|--|------------------|----------------------------|----------------------------|
| 601  | Prize moneys received by professional sportsman or sportswoman from participating in a sport tournament  | P.U.(A) 428/1990 | W.e.f YA 1990              | Individual                 |
| 602  | Pension or gratuity to a Judge from among members of the public service  | P.U.(A) 336/1993 | W.e.f YA 1980              | Individual                 |
| 603  | Gross Income of the driver of a racing car / motorcycle from competing in races of international standard held in Malaysia & Statutory income of a promoter of car / motorcycle races from the organisation races of international standard held in Malaysia | P.U.(A) 501/2000 | W.e.f YA 1999              | Individual                 |
| 604  | Income arising from source outside Malaysia and remitted into Malaysia for Malaysian citizen & his/her spouse who have been approved by the special committee of Ministry of Human Resource  | P.U.(A) 67/2001  | W.e.f 1.1.2001             | Individual citizen         |
| 605  | Employment with an operational headquarters company or a regional office   | P.U.(A) 382/2003 | W.e.f YA 2003              | Individual non citizen     |
| 606  | Productivity allowance or incentive allowance for pilot and cabin crew of Malaysia Airline System Berhad   | P.U.(A) 230/2006 | W.e.f YA 2005              | Individual                 |
| 607  | Payment received from participating in the Malaysian Technical Co-operation Programme  | P.U.(A) 18/2008  | W.e.f YA 2007              | Individual                 |
| 608  | Employment income with a regional distribution centre company or an international procurement centre company   | P.U.(A) 101/2008 | W.e.f YA 2008              | Individual non citizen     |
| 609  | Income as a director of a Labuan entity  | P.U.(A) 419/2011 | W.e.f<br>YA 2011 - YA 2020 | Individual non citizen     |

|     |   |  |   |   |
|-----|---|--|---|---|
| 610 | Exemption of 50% on gross income received by individual from exercising an employment in a managerial capacity with a Labuan entity   | P.U.(A) 420/2011                                     | W.e.f<br>YA 2011 - YA 2020              | Individual non citizen  |
| 611 | Exemption of 50% on Gross housing allowance and gross Labuan Territory allowance received by that individual from exercising an employment in Labuan with a Labuan entity                   | P.U.(A) 421/2011                                     | W.e.f<br>YA 2011 - YA 2020              | Individual citizen  |
| 612 | Employment income for approved individual as a knowledge worker   | P.U.(A) 344/2010                                     | W.e.f YA 2010                           | Malaysian citizen or foreign citizen  |
| 613 | Employment income for approved individual under the Returning Expert Programme  | P.U.(A) 151/2012                                     | W.e.f YA 2012                           | Resident individual citizen   |
| 614 | Income derived from an employment with a treasury management centre   | P.U.(A) 184/2012                                     | W.e.f YA 2012                           | Individual non citizen  |
| 615 | Gains or profits derived from employment with the ASEAN Infrastructure Fund Limited   | P.U.(A) 447/2012                                     | W.e.f 24.4.2012                         | Non resident individual   |
| 616 | Profit from investing in investment account platform (IAP) by a Qualified person for 3 consecutive years of assessment  | P.U.(A) 113/2016                                     | Investment from<br>1.4.2016 - 31.3.2019 | Individual  |
| 617 | Income received from any religious institution or organization by a non-resident individual in Malaysia   | P.U.(A) 137/2019                                     | W.e.f 1.2.2019                          | Non resident individual   |
| 618 | Income received by an employee in terms of an educational loan of Perbadanan (PTPTN) paid by the employer on behalf of the employee as a gift   | P.U.(A) 414/2019<br>[Amendments to P.U.(A) 205/2019] | W.e.f<br>YA 2019 - YA 2021              | Individual  |
| 619 | Employment income received by a qualified individual woman for continuing to work after a career break  | P.U.(A) 30/2020<br>[Amendments to P.U.(A) 226/2019]  | W.e.f<br>YA 2018 - YA 2024              | Individual  |
| 620 | Withdrawal from a private retirement scheme before reaching the age of 55 and approved under the Capital Market and Services Act 2007   | P.U.(A) 153/2020                                     | YA 2020                                 | Individual  |
| 621 | Exemption of employees from payment of income tax under the Employment Retrenchment Program managed by the Social Security Organisation (SOCSO) under the Economic Stimulus Package 2020    | P.U.(A) 307/2020                                     | YA 2020                                 | Individual  |
| 622 | Exemption of employees from payment of income tax on the value of benefit of smartphone, tablet or personal computer received from his employer limited to an amount not exceeding RM5,000. | P.U.(A) 30/2021                                      | W.e.f YA 2020                           | Individual employee except:<br>- Sole proprietor<br>- Partner of a partnership<br>- Employee which has control of the company |