
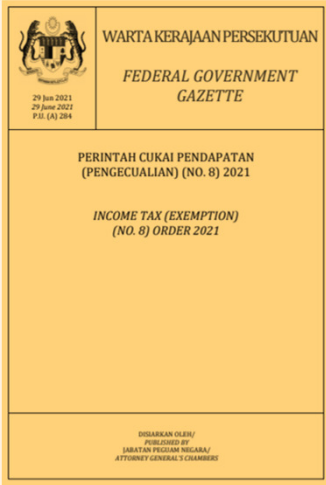


Income Tax (Exemption) (No. 8) Order 2021






- IN exercise of the powers conferred by paragraph 127(3)(b) of the Income Tax Act 1967 [Act 53], the Minister makes this Order, which was gazetted on 29 June 2021.
- This Order has effect from the year of assessment 2021 until the year of assessment 2023.

08/03/21

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Income Tax (Exemption) (No. 8) Order 2021



- Under the Exemption Order, The Minister exempts a company:
 - from the payment of income tax in a basis period for a year of assessment
 - in respect of the statutory income derived from a business of providing fund management services
 - to foreign investors in Malaysia.



08/03/21

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Income Tax (Exemption) (No. 8) Order 2021



- Such exemption granted shall be subject to the company obtaining annual certification from the Securities Commission Malaysia that the following conditions have been fulfilled namely the company:-
 - Provides fund management services to foreign investors in Malaysia in accordance with Shariah principles;
 - has at least two full-time employees in Malaysia of which one of the employees holds a Capital Markets Services Representative's Licence under the Capital Markets and Services Act 2007; and
 - incurs annual operating expenditure of at least two hundred and fifty thousand ringgit (RM250,000.00) in Malaysia.



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Income Tax (Exemption) (No. 8) Order 2021



- The Exemption Order does not absolve a qualifying person from submitting any return or statement of accounts or to furnish any other information under the Income Tax Act 1967.
- The qualifying company shall maintain a separate account for the income derived from the business which qualified for this exemption in the basis period for each year of assessment and that income shall be treated as a separate and distinct source of business for the qualifying company.



08/03/21

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Income Tax (Exemption) (No. 8) Order 2021



- Paragraphs 5 and 6 of Schedule 7A to the Act shall apply, mutatis mutandis, to the amount of statutory income exempted under this Order.
- Section 60G of the Act shall not apply to statutory income exempted under this Order.




08/03/21

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Definition


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- “foreign investors” means—
 - a) individuals who are not resident in Malaysia or not citizen of Malaysia;
 - b) companies where the entire issued share capital is beneficially owned, directly or indirectly by any persons who are not resident in Malaysia and not citizen of Malaysia; and
 - c) trust funds where the entire interest in the fund is beneficially held, directly or indirectly by foreign investors, where—
 - 1) the fund is created in Malaysia or outside Malaysia; and
 - 2) the trustees of the fund are not resident in Malaysia and not citizens of Malaysia

Definition

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- “Securities Commission Malaysia” means the Securities Commission Malaysia established under section 3 of the Securities Commission Malaysia Act 1993 [Act 498];
- “company” means a company which—
 - a) is incorporated under the Companies Act 2016 [Act 777];
 - b) is resident in Malaysia; and
 - c) holds a Capital Markets Services Licence under the Capital Markets and Services Act 2007 [Act 671] to carry on the business referred to under this Order

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