




Income Tax Exemption for Social Enterprise



- As stated in Budget 2019, monetary contributions to social businesses are eligible for income tax deductions against aggregate income.
- A [social enterprise](#) (“SE”) is an organisation that has social purposes as its major goal and utilises earnings to help the less fortunate.
- The social enterprise must apply for approval from the Ministry of Finance (MOF) under section 44(11C) of the ITA.

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- It's worth noting that section 44(11C) only applies to "national interest" initiatives.
- In this regard, the Inland Revenue Board has issued guidelines (which is available in Bahasa Malaysia only) for approval of a social enterprise under section 44(11C), with the goal of explaining the procedure and requirements for the application.
- The Guidelines address the following topics:
 - 1) Eligibility requirements for a social enterprise to seek for approval under Section 44(11C) of the ITA, as well as the terms and conditions that a social enterprise must follow after receiving such approval;

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- 2) The Ministry of Entrepreneur Development (MED) must accredit a social enterprise as a social enterprise;
- 3) monetary gifts to an approved SE are eligible for an income tax deduction;
- 4) dissolution of a social enterprise;
- 5) The time it takes for a SE to apply for approval under Section 44(11C) of the ITA, as well as the time it takes for such approval to be valid;
- 6) the revocation of approval; and
- 7) submission of application to the Ministry of Finance (MOF).

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- The Budget 2022 was tabled in Parliament on 29 October 2021, **it is proposed** that:
 - tax exemption be given on all income for up to 3 years of assessment subject to the validity period of Social Enterprise Accreditation; and
 - to establish a Joint Committee on Accreditation comprising Yayasan Hasanah and the Ministry of Entrepreneur Development and Cooperatives. This committee is responsible for reviewing applications for accreditation by Social Enterprises.

社会企业 [social enterprises] 免征所得税



- 正如2019年预算案所述，对社会企业金钱上的捐助，有资格从总收入中扣除所得税。
- 社会企业是一个以社会目的为主要目标的组织，并利用收益来帮助不幸的人。
- 社会企业必须根据《1967年所得税法令》第44（11C）条，向财政部（MOF）作出申请。

社会企业 [social enterprises] 收入免征所得税



- 必须注意的是，第44(11C)条文，只适用于以“国家利益”为导向的项目。
- 税收局曾发布了在第44(11C)条文下批准的社会企业的指南（只有马来语版本），以讲述申请的程序和要求。
- 该指南主要涉及以下几点：
 - 1) 1967年所得税法令第44(11C)条文，对于社会企业批准资格的要求，以及社会企业在获得批准后，所必须遵守的条款和条件。

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- 2) 社会企业认证由企业家发展部（MED）发出。[有关认证申请的更多信息，请游览企业家发展部的网站]。
- 3) 向被批准的社会企业捐赠的金钱，可以享受所得税扣除。
- 4) 社会企业的解散。
- 5) 社会企业申请批准所需的时间，以及批准的有效期。
- 6) 撤销批准；以及
- 7) 向财政部（MOF）作出申请。

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• 建议:

- 对所有收入给予免税长达3个课税年度，限制于社会企业认证的有效期限；以及
- 成立一个由 Yayasan Hasanah 和企业家发展与合作部组成的认证联合委员会，该委员会负责审查社会企业的认证申请。

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 - 查询相关资料是否依然合时、准确和完整；和
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