

# INCOME TAX (SINGLE FAMILY OFFICE INCENTIVE SCHEME) (PULAU 1 OF FOREST CITY SPECIAL FINANCIAL ZONE) RULES 2025

PU (A) 350  
30 September 2025

IN exercise of the powers conferred by paragraph 154(1)(b) of the Income Tax Act 1967 [Act 53] read together with subsection 6(1A) and paragraph 2 of Part XVII of Schedule 1 to the Act, the Minister makes the following rules:

## CITATION AND COMMENCEMENT

1(1) These rules may be cited as the **Income Tax (Single Family Office Incentive Scheme) (Pulau 1 of Forest City Special Financial Zone) Rules 2025**.

1(2) These Rules are deemed to have come into operation on 1 September 2024.

## INTERPRETATION

2 In these Rules—

**"qualifying activity"** means an activity as provided for under rule 4;

**"single family"** means a family whose members are individuals who are lineal descendants of a single ancestor and includes—

- (a) the spouse;
- (b) the biological child;
- (c) the stepchild; and
- (d) the child adopted in accordance with any written law;

**"Pulau 1 of Forest City Special Financial Zone"** means Pulau 1, Forest City situated in the Mukim of Tanjung Kupang, District of Johor Bahru, Johore as shown in the *Gazette* Plan PW50276 deposited in the Office of the Director of Survey and Mapping, Johore;

**"approved company"** means a qualifying company to which an approval for the Single Family Office Incentive Scheme has been granted under rule 5;

**"qualifying company"** means a company as provided for under rule 3.

## QUALIFYING COMPANY

3(1) A qualifying company is a single family fund company which—

- (a) is incorporated under the Companies Act 2016 [Act 777] and resident in Malaysia;
- (b) is wholly owned, directly or indirectly, by a member of a single family;
- (c) operates in Pulau 1 of Forest City Special Financial Zone; and

(d) is established solely for the purpose of holding the asset and investment activity for the interest of members of a single family.

**3(2)** The qualifying company referred to in subrule (1) is not a qualifying company under these Rules if in the specified years of assessment referred to in rule 7—

(a) a claim has been made for investment allowance for service sector under Schedule 7B to the Act;

(b) any incentive has been granted under the Promotion of Investments Act 1986 [Act 327];

(c) an exemption has been granted under paragraph 127(3)(b) or subsection 127(3A) of the Act;

(d) an incentive scheme has been approved by the Minister under any rules made under section 154 of the Act; or

(e) a claim has been made for deduction under any rules made under section 154 of the Act except—

(i) the rules in relation to allowance under Schedule 3 to the Act;

(ii) the Income Tax (Deduction for Audit Expenditure) Rules 2006 [P.U. (A) 129/2006]; or

(iii) the Income Tax (Deduction for Expenses in relation to Secretarial Fee and Tax Filing Fee) Rules 2020 [P.U. (A) 162/2020].

## **QUALIFYING ACTIVITY**

**4** A qualifying activity is an activity undertaken by a qualifying company as follows:

(a) holding of assets by the qualifying company for the interest of the single family; and

(b) investment activity for the interest of the single family including buying or selling of assets and trading of capital market products.

## **APPLICATION FOR SINGLE FAMILY OFFICE INCENTIVE SCHEME**

**5(1)** A qualifying company may apply for the Single Family Office Incentive Scheme to the Minister through the Securities Commission from 1 September 2024 to 31 December 2034.

**5(2)** Upon receiving the application under subrule (1), the Minister may—

(a) approve the application and issue the approval letter to the approved company subject to such conditions specified in rule 6 or other conditions as the Minister thinks fit; or

(b) refuse the application.

## **CONDITIONS FOR SINGLE FAMILY OFFICE INCENTIVE SCHEME**

**6** An approved company shall comply with the conditions imposed by the Minister which shall include the following conditions:

(a) for each year for the first period of ten years of assessment, the approved company shall obtain a certification from the Securities Commission that the approved company—

- (i) has employed at least two full-time employees whom one of the employees is a professional investor with a minimum salary of ten thousand ringgit;
  - (ii) has not utilized bank deposits for local investment;
  - (iii) at the end of the year of assessment—
    - (A) has incurred an annual local operating expenditure of not less than five hundred thousand ringgit;
    - (B) has assets under its management of not less than thirty million ringgit; and
    - (C) in relation to a local investment, has made an investment of not less than ten million ringgit or ten per cent of the assets under its management referred to in subparagraph (a)(iii)(B), whichever is the lower; and
  - (iv) has not carried on any other business in Malaysia;
- (b) for each year for the following period of ten years of assessment, the approved company shall obtain a certification from the Securities Commission that the approved company at the end of the year of assessment—
- (i) has assets under its management of not less than fifty million ringgit;
  - (ii) in relation to a local investment, has made an investment of not less than ten million ringgit or ten per cent of the assets under its management referred to in subparagraph (b)(i), whichever is greater;
  - (iii) has employed at least four full-time employees; and
  - (iv) has incurred an annual local operating expenditure of not less than six hundred and fifty thousand ringgit;
- (c) the approved company shall comply with the conditions provided for under section 65B of the Act; and
- (d) the approved company shall comply with any guidelines issued by the Securities Commission.

## **SPECIFIED YEARS OF ASSESSMENT**

- 7 The specified years of assessment referred to in these Rules is a period of ten consecutive years of assessment in respect of the rate referred to in paragraph 8(a) and the following ten consecutive years of assessment in respect of the rate referred to in paragraph 8(b) for the implementation of the Single Family Office Incentive Scheme commencing from the year of assessment of which the approved company obtained the first certification from the Securities Commission under paragraph 6(a).

## **RATE OF INCOME TAX**

- 8 The rate of income tax which shall be charged under these Rules for the specified years of assessment on the chargeable income of an approved company which carries on a qualifying activity under the Single Family Office Incentive Scheme is—
- (a) for the first period of ten years of assessment, zero per cent; and
  - (b) for the following period of ten years of assessment, zero per cent.