

# PETROLEUM (INCOME TAX) (EXEMPTION) ORDER 2013

PU (A) 122  
29 March 2013

IN exercise of the powers conferred by subsection 65C(1) of the Petroleum (Income Tax) Act 1967 [Act 543], the Minister makes the following order:

## CITATION AND COMMENCEMENT

1(1) This order may be cited as the **Petroleum (Income Tax) (Exemption) Order 2013**.

1(2) This Order deemed to have come into operation on 30 November 2010.

## INTERPRETATION

2 For the purpose of this Order—

"**marginal field**" means a field in a petroleum agreement area as provided for under paragraph 3.

## MARGINAL FIELD

3 The Minister may determine a marginal field which is a field in a petroleum agreement area which has potential crude oil reserves not exceeding thirty million stock tank barrels or natural gas reserves not exceeding five hundred billion standard cubic feet.

## EXEMPTION

4(1) The Minister exempts a chargeable person in the basis period for a year of assessment from the payment of petroleum income tax in respect of statutory income derived from petroleum operations in a marginal field.

4(2) Subject to paragraph 5, the statutory income referred to in subparagraph (1) shall be determined in accordance with the following formula:

$$\frac{A}{B} \times C$$

- where
- A is the chargeable tax of a chargeable person in respect of his petroleum operations in a marginal field which is equal to thirty-eight per cent of his chargeable income reduced by the chargeable tax which is equal to twenty five per cent of his chargeable income;
  - B is the chargeable tax of a chargeable person which is equal to thirty-eight per cent of his chargeable income; and
  - C is the amount of such chargeable income.

- 4(3)** Nothing in subparagraph (1) shall absolve or is deemed to have absolved the chargeable person from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the provision of the Act.

## **STATUTORY INCOME**

- 5** The statutory income referred to in subparagraph 4(1) shall be ascertained in accordance with Chapter 4 Part III of the Act and the Petroleum (Income Tax) (Accelerated Capital Allowances) (Marginal Field) Rules 2013 [*P.U. (A) 119/2013*].

## **NON-APPLICATION**

- 6(1)** This Order shall not apply to a chargeable person in a basis period for a year of assessment where the chargeable person carries on petroleum operations—
- (a) in a marginal field within an area in respect of a deep water project which has been granted investment allowance under the Petroleum (Income Tax) (Investment Allowance) Regulations 2013 [*P.U. (A) 120/2013*];
  - (b) in the Joint Development Area; or
  - (c) in an area under any agreement or arrangement made by the Government with the government of any territory outside Malaysia for the joint exploration and exploitation of petroleum in overlapping areas.
- 6(2)** Where in the basis period for a year of assessment the accumulated production of petroleum in a marginal field of a chargeable person, from the first basis year petroleum is produced to that year of assessment, is in excess of thirty million stock tank barrels of crude oil or in excess of five hundred billion standard cubic feet of natural gas, the exemption shall not apply to that chargeable person in that basis period for that year of assessment and subsequent years of assessment in respect of income derived from that excess.