

INCOME TAX (UNIT TRUST IN RELATION TO INCOME RECEIVED IN MALAYSIA FROM OUTSIDE MALAYSIA) (EXEMPTION) ORDER 2024

PU (A) 250
20 September 2024

IN exercise of the powers conferred by paragraph 127(3)(b) of the Income Tax Act 1967 [Act 53], the Minister makes the following order:

CITATION AND COMMENCEMENT

- 1(1)** This order may be cited as the **Income Tax (Unit Trust in relation to Income Received in Malaysia from Outside Malaysia) (Exemption) Order 2024**.
- 1(2)** This Order has effect from 1 January 2024 to 31 December 2026.

EXEMPTION

- 2(1)** The Minister exempts a qualifying unit trust from the payment of income tax in respect of the gross income from all sources of income under section 4 of the Act which is received in Malaysia from outside Malaysia in the basis period for a year of assessment.
- 2(2)** The qualifying unit trust referred to in subparagraph (1) shall be a unit trust resident in Malaysia managed by a management company and the qualifying unit trust has income received in Malaysia from outside Malaysia but does not include a unit trust which is approved by the Securities Commission as Real Estate Investment Trust or Property Trust Fund listed on Bursa Malaysia.
- 2(3)** For the purposes of this Order, the qualifying unit trust or the management company of the qualifying unit trust shall, in the basis period for a year of assessment, comply with the conditions imposed by the Minister as specified in the guidelines issued by the Director General under section 134A of the Act, which shall include the following conditions:
- (a) the gross income of the qualifying unit trust has been subjected to tax of a similar character to income tax under the law of the territory which the income arises and the highest rate of tax of a similar character to income tax under the law of the territory which the income arises at that time is not less than fifteen per cent; or
 - (b) the management company of the qualifying unit trust shall employ an adequate number of employees in Malaysia and incur an adequate amount of operating expenditure in Malaysia.
- 2(4)** Any deduction in relation to the income exempted under this paragraph shall be disregarded for the purpose of ascertaining the chargeable income of the qualifying unit trust.
- 2(5)** Nothing in this paragraph shall absolve or be deemed to have absolved the qualifying unit trust from complying with any requirement to submit any return or statement of account or to furnish any other information under the Act.

2(6) For the purposes of this paragraph, “management company” means a company licensed by the Securities Commission by which or on whose behalf a unit of a qualifying unit trust—

(a) has been or is proposed to be issued, or offered for subscription or purchase; or

(b) in respect of which an invitation to subscribe or purchase has been made,

and includes any person for the time being exercising the functions of the management company.

NON-APPLICATION

3 This Order shall not apply to a qualifying unit trust carrying on the business of banking, insurance, sea transport or air transport.