

INCOME TAX (DEDUCTION OF COST FOR RELOCATION OF BUSINESS) (PULAU 1 OF FOREST CITY SPECIAL FINANCIAL ZONE) RULES 2025

PU (A) 360

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 paragraph 33(1)(d) of the Act, the Minister makes the following rules:

CITATION AND COMMENCEMENT

1(1) These rules may be cited as the **Income Tax (Deduction of Cost for Relocation of Business) (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 person**" means a qualifying person as provided for under rule 3;

"**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.

QUALIFYING PERSON

3(1) A qualifying person is—

- (a) a person who is licensed under section 10 of the Financial Services Act 2013 [Act 758] or section 10 of the Islamic Financial Services Act 2013 [Act 759];
- (b) a company which is a holder of a Capital Market Services Licence under the Capital Markets and Services Act 2007 [Act 671];
- (c) a recognized market operator who is registered under section 34 of the Capital Markets and Services Act 2007 other than an individual;
- (d) a registered person registered under section 76 of the Capital Markets and Services Act 2007 other than an individual;
- (e) a person providing capital market services registered under section 76A of the Capital Markets and Services Act 2007 other than an individual;
- (f) a single family fund company which is verified by the Securities Commission;
- (g) a financial technology company, insurance technology company, regulatory financial technology company or Islamic financial technology company which has been awarded MSC Malaysia Status or Malaysia Digital Status and is verified by Malaysia Digital Economy Corporation Sdn. Bhd.;
- (h) a payment system operator established or incorporated in a foreign jurisdiction approved under section 11 of the Financial Services Act 2013 or section 11 of the Islamic Financial Services Act 2013 to operate a payment system in Pulau 1 of Forest City Special Financial Zone; or

- (i) a centralized services entity providing financial global business services which has been awarded MSC Malaysia Status or Malaysia Digital Status and is verified by Malaysia Digital Economy Corporation Sdn. Bhd.

3(2) The single family fund company referred to in paragraph (1)(f) is a 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(3) For the purposes of this rule, "**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.

DEDUCTION

4(1) For the purpose of ascertaining the adjusted income of a qualifying person from its business in the basis period for a year of assessment, a deduction shall be allowed for the cost for relocation of business as specified in the Schedule incurred by the qualifying person to relocate its business in Pulau 1 of Forest City Special Financial Zone.

4(2) The cost for relocation of business referred to in subrule (1) is subject to the following conditions:

- (a) the relocation of business takes place within the period from 1 September 2024 to 31 December 2034;
- (b) the cost for relocation of business shall be deemed to be incurred in the year of assessment in which the qualifying person commences to undertake the whole or part of its business in Pulau 1 Forest City Special Financial Zone; and
- (c) the cost for relocation of business is certified by an external auditor.

4(3) The deduction under subrule (1) shall not exceed five hundred thousand ringgit.

SCHEDULE

[Rule 4]

(1)

(2)

No.

Cost for Relocation of Business

1. Any cost incurred for planning, execution or supervision of the relocation of business
2. Packing or unpacking (materials or labour charges)
3. Transportation
4. Insurance premium for the purposes of relocation of business
5. Warehousing