

INCOME TAX (DEDUCTION FOR TRAINING COSTS UNDER SKIM LATIHAN 1MALAYSIA FOR UNEMPLOYED GRADUATES) RULES 2013

PU (A) 260
29 July 2013

IN exercise of the powers conferred by paragraph 154(1)(b) read together with paragraph 33(1)(d) of the Income Tax Act 1967 [Act 53], the Minister makes the following rules:

CITATION AND COMMENCEMENT

- 1(1) These rules may be cited as the **Income Tax (Deduction for Training Costs under Skim Latihan 1Malaysia for Unemployed Graduates) Rules 2013**.
- 1(2) These Rules are deemed to have come into operation on 1 June 2012.

INTERPRETATION

2 In these Rules, unless the context otherwise requires—

"trainee" means an unemployed graduate of Malaysian citizen who undergoes a training scheme;

"training scheme" means the Skim Latihan 1Malaysia programme of eight to twelve continuous months for the unemployed graduates approved by the Economic Planning Unit under the Prime Minister's Department of Malaysia;

"qualifying company" means a company—

- (a) incorporated in Malaysia under the Companies Act 1965 [Act 125]; and
- (b) approved by the Economic Planning Unit under the Prime Minister's Department of Malaysia to participate in the training scheme.

DEDUCTION

- 3(1) For the purpose of ascertaining an adjusted income of a qualifying company in Malaysia from its business for a basis period for a year of assessment, a deduction shall be allowed for any outgoings and expenses as described in subrule (2) which were incurred by that qualifying company during that basis period for conducting the training scheme.
- 3(2) The outgoings and expenses referred to in subrule (1) for each training scheme are—
- (a) monthly training allowance of not less than one thousand ringgit paid to the trainees for a maximum period of twelve months;
- (b) expenditure incurred for the training provided to the trainees;
- (c) expenditure incurred for food, travelling and accommodation allowances of the trainees during the training scheme; and

- (d) fees paid to a person who has been appointed to conduct soft-skills training under the training scheme.
- 3(3)** The total amount of deduction allowable under paragraphs (2)(b), (c) and (d) for each trainee shall not exceed five thousand ringgit for each training scheme.
- 3(4)** The amount of deduction allowed under subrule (1) shall be equivalent to double the amount of outgoings and expenses allowed under these Rules.
- 3(5)** For the purpose of qualifying for the deduction under these Rules, the qualifying company claiming for the deduction shall produce a letter from the Economic Planning Unit under the Prime Minister's Department of Malaysia specifying that—
- (a) the training scheme has been approved by Economic Planning Unit under the Prime Minister's Department of Malaysia where the date of approval begins from 1 June 2012 until 31 December 2016; and
 - (b) the implementation of the training scheme shall commence within twelve months from the date of approval by the Economic Planning Unit under the Prime Minister's Department of Malaysia.