

PETROLEUM (INCOME TAX) (ACCELERATED CAPITAL ALLOWANCES) (MARGINAL FIELD) RULES 2013

PU (A) 119
14 March 2013

IN exercise of the powers conferred by paragraph 83(1)(a) of the Petroleum (Income Tax) Act 1967 [Act 543], the Minister makes the following rules:

CITATION AND COMMENCEMENT

- 1(1) These rules may be cited as the **Petroleum (Income Tax) (Accelerated Capital Allowances) (Marginal Field) Rules 2013**.
- 1(2) These Rules are deemed to have come into operation on 30 November 2010.

INTERPRETATION

- 2 For the purpose of these Rules:

“marginal field” means a field in a petroleum agreement area as provided for under rule 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.

APPLICATION

- 4(1) These Rules shall apply to a chargeable person who in a basis period for a year of assessment has incurred qualifying plant expenditure under Second Schedule of the Act solely for the purpose of carrying out petroleum operations in a marginal field.
- 4(2) These Rules shall apply to qualifying plant expenditure incurred in the basis period for the year of assessment 2010 until the year of assessment 2024.

INITIAL ALLOWANCE

- 5 Initial allowance under subparagraph 8(b) of the Second Schedule to the Act on qualifying plant expenditure under these Rules shall be equal to twenty five per cent.

ANNUAL ALLOWANCE

- 6 Annual allowance under subparagraph 12(1)(b) of the Second Schedule to the Act on qualifying plant expenditure under these Rules shall be equal to fifteen per cent.

DISPOSAL

- 7(1)** Where an asset which qualifies for the allowances referred to in rules 5 and 6 is disposed of within two years from the date of its acquisition, the allowances which have been allowed to the chargeable person under these Rules shall be withdrawn in the basis period for a year of assessment in which the asset is disposed of.
- 7(2)** For the purpose of subregulation (1), “disposed of” has the meaning assigned to it in paragraph 40 of the Second Schedule to the Act.

NON-APPLICATION

- 8** These Rules shall not apply to a chargeable person in a basis period for a year of assessment where that chargeable person:
- (a) has been granted an investment allowance under the Petroleum (Income Tax) (Investment Allowance) Regulations 2013 [*P.U. (A) 120/2013*];
 - (b) carries on petroleum operations in the Joint Development Area;
 - (c) carries on petroleum operations 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; or
 - (d) has incurred qualifying plant expenditure on the asset which are planned to be used for the purposes of petroleum operations in both marginal and non-marginal field approved under the Marginal Field Development Plan.