

INCOME TAX (EXEMPTION) (NO. 11) ORDER 2011

PU (A) 445
30 December 2011

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 (Exemption) (No. 11) Order 2011**.
- 1(2) This Order shall have effect from the year of assessment 2012 until the year of assessment 2014.

APPLICATION

2. This Order shall apply to non-ringgit sukuk that originates from Malaysia and issued or guaranteed by the Government of Malaysia or approved by the Securities Commission under the Capital Markets and Services Act 2007 [*Act 671*].

EXEMPTION

- 3(1) The Minister exempts the persons specified in the Schedule who are resident in Malaysia for a basis period for a year of assessment from the payment of income tax in respect of statutory income derived from the regulated activity of dealing in securities and advising on corporate finance under the Capital Markets and Services Act 2007 relating to the arranging, underwriting and distributing of sukuk.
- 3(2) Nothing in subparagraph (1) shall absolve or be deemed to have absolved the person specified in that Schedule from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the provisions of the Act.

SEPARATE ACCOUNT

- 4(1) Where a person exempted under subparagraph 3(1) carries on an activity referred to in that subparagraph and any other activity or business, each of such activity or business shall be treated as a separate and distinct source of activity or business of that person.
- 4(2) The person referred to in subparagraph (1) shall maintain a separate account for the income derived from the activity or business referred to in that subparagraph.

APPLICATION OF PARAGRAPHS 5 AND 6 OF SCHEDULE 7A OF THE ACT

5. Paragraphs 5 and 6 of Schedule 7A of the Act shall apply, *mutatis mutandis*, to the amount of statutory income exempted under subparagraph 3(1).

SCHEDULE

[Subparagraph 3(1)]

- (1)** A person who under the Capital Markets and Services Act 2007—

 - (a) is a holder of a Capital Markets Services License granted under section 61 of that Act;
 - (b) is specified to be a registered person under Schedule 4 of that Act; or
 - (c) is a registered person under subsection 76(2) of that Act,

who carries on the regulated activity of dealing in securities and advising on corporate finance as provided under that Act.

- (2)** A person specified under Schedule 3 of the Capital Markets and Services Act 2007 who is carrying on the regulated activity of advising on corporate finance which is solely incidental to the carrying on of his business or the practice of his profession.