

INCOME TAX (DEDUCTION FOR EXPENDITURE INCURRED FOR THE PROVISION OF AN APPROVED INTERNSHIP PROGRAMME) RULES 2012

PU (A) 130
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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 Expenditure Incurred for the Provision of an Approved Internship Programme) Rules 2012**.

1(2) These Rules shall have effect from the year of assessment 2012 until the year of assessment 2016.

INTERPRETATION

2 In these Rules —

"higher educational institution" means an institution in Malaysia, established under the Universities and University Colleges Act 1971 [Act 30], University Technology MARA Act 1976 [Act 173] or the Private Higher Educational Institutions Act 1996 [Act 555] and registered with the Ministry of Higher Education Malaysia;

"person" means a person as may be approved by the Talent Corporation Malaysia Berhad to conduct an approved internship programme;

"student" means an individual—

(a) who is a Malaysian citizen;

(b) who is pursuing a degree programme or its equivalent on full-time basis in a higher educational institution; and

(c) who completes the approved internship programme before completion of the final semester of his degree programme or its equivalent;

"approved internship programme" means a structured internship programme in Malaysia conducted for a minimum period of ten (10) weeks as approved by the Talent Corporation Malaysia Berhad in collaboration with the Ministry of Higher Education which provides practical experience and emphasizes the development of specific knowledge or skill, which includes but not limited to technical, communication or business, for students of higher educational institution;

"Talent Corporation Malaysia Berhad" means a company incorporated under the Companies Act 1965 [Act 125] whose function is to initiate and facilitate initiatives that address the talent needs of Malaysia.

DEDUCTION

- 3(1)** For the purpose of ascertaining an adjusted income of a person resident in Malaysia from his 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 person during that basis period for conducting an approved internship programme.
- 3(2)** The outgoings and expenses referred to in subrule (1) are—
- (a) internship monthly allowance of not less than five hundred ringgit (RM500) paid to the students;
 - (b) expenditure incurred for the provision of training to the students;
 - (c) expenditure incurred on meal, travelling and accommodation for the students during the internship programme; and
 - (d) fee paid to a person who has been appointed to conduct an approved internship programme.
- 3(3)** The total amount of deduction allowable under paragraphs (2)(b), (c) and (d) for each student shall not exceed five thousand ringgit for a year of assessment.
- 3(4)** The amount of deduction allowed under subrule (1) shall be equivalent to a double amount of outgoings and expenses allowed under these Rules.
- 3(5)** For the purpose of qualifying for the deduction under these Rules, the person claiming for the deduction shall produce a letter from the Talent Corporation Malaysia Berhad confirming that the internship programme conducted is an approved internship programme.