

INCOME TAX (DEDUCTION FOR EXPENDITURE ON ISSUANCE OF ISLAMIC SECURITIES PURSUANT TO PRINCIPLES OF MURABAHAH AND BAI' BITHAMAN AJIL) RULES 2011

PU (A) 355
6 October 2011

CITATION AND COMMENCEMENT

1(1) These rules may be cited as the **Income Tax (Deduction for Expenditure on Issuance of Islamic Securities Pursuant to Principles of *Murabahah* and *Bai' Bithaman Ajil*) Rules 2011**.

1(2) These Rules have effect for the year of assessment 2011 until the year of assessment 2015.

INTERPRETATION

2 In these Rules, unless the context otherwise requires—

"Islamic securities" means Islamic securities—

- (a) pursuant to the principle of *Murabahah* based on the concept of *tawarruq*; or
- (b) pursuant to the principle of *Bai' Bithaman Ajil* based on the concept of *tawarruq*; or

"company" means a company—

- (a) established under the Companies Act [*Act 125*];
- (b) established under the Labuan Companies Act 1990 [*Act 441*] and made an irrevocable election under section 3A of Labuan Business Activity Tax Act 1990 [*Act 445*] to be charged to tax in accordance with the Income Tax Act 1967.

DEDUCTION

3 For the purpose of ascertaining the adjusted income of a company resident in Malaysia from its business for the basis period for a year of assessment, there shall be allowed a deduction of an amount equal to the expenditure incurred by that company for the issuance of Islamic securities approved by—

- (a) the Securities Commission established under the Securities Commission Act 1993 [*Act 498*];
or
- (b) the Labuan Financial Services Authority established under the Labuan Financial Services Authority Act 1996 [*Act 545*].