

INCOME TAX (ACCELERATED CAPITAL ALLOWANCE) (SECURITY CONTROL EQUIPMENT AND MONITORING EQUIPMENT) RULES 2013

PU (A) 4

2 January 2013

IN exercise of the powers conferred by paragraph 154(1)(b) and paragraphs 10 and 15 of Schedule 3 to 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 (Accelerated Capital Allowance) (Security Control Equipment and Monitoring Equipment) Rules 2013**.
- 1(2)** These Rules have effect from the year of assessment 2013 until the year of assessment 2015, except rule 7.
- 1(3)** Rule 7 has effect from the year of assessment 2013 until the year of assessment 2017.

INTERPRETATION

- 2** In these Rules, "security control equipment and monitoring equipment" means the security control equipment and monitoring equipment as specified in the Schedule.

DEDUCTION

- 3** These Rules shall apply to—
 - (a) an individual resident in Malaysia, in respect of capital expenditure incurred by such individual in the basis period for a year of assessment from a source consisting of a business in relation to the installation of any security control equipment and monitoring equipment, other than the Global Positioning System (GPS) in item 10 of the Schedule for vehicle tracking, at any building of permanent structure used for the purpose of that business; or
 - (b) a company incorporated under the Companies Act 1965 [Act 125] which is resident in Malaysia, in respect of capital expenditure incurred by such company in the basis period for a year of assessment from a source consisting of a business in relation to the installation of—
 - (i) any security control equipment and monitoring equipment, other than the Global Positioning System (GPS) in item 10 of the Schedule for vehicle tracking, for a factory of such company provided that such company is a company approved under the Industrial Co-ordination Act 1975 [Act 156];
 - (ii) any Global Positioning System (GPS) for vehicle tracking for a container lorry of such company bearing Carrier Licence A and for a cargo lorry of such company bearing Carrier Licence A or C issued under the Commercial Vehicles Licensing Board Act 1987 [Act 334] used for the business purposes of such company; or

- (iii) any security control equipment, other than the Global Positioning System (GPS) in item 10 of the Schedule for vehicle tracking, in residential areas.

DEEMING PROVISION RELATING TO HIRE PURCHASE AGREEMENT

- 4 Where an individual or a company referred to in rule 3 incurs capital expenditure under a hire purchase agreement on the installation of any security control equipment and monitoring equipment for the purposes of the business of the individual or the company, such individual or company shall be taken to be the owner of such equipment and the capital expenditure incurred by such individual or company on such equipment in the basis period for a year of assessment shall be taken to be the capital portion of any instalment payment or, where there is more than one such payment, of the aggregate of those payments made by the individual or company under such hire purchase agreement in that period.

INITIAL ALLOWANCE

- 5 An individual or a company referred to in rule 3 qualifies for the initial allowance provided under paragraph 10 of Schedule 3 to the Act which shall be equal to one-fifth of the capital expenditure incurred for the installation of such security control equipment and monitoring equipment.

ANNUAL ALLOWANCE

- 6 An individual or a company referred to in rule 3 qualifies for the annual allowance provided under paragraph 15 of Schedule 3 to the Act which shall be equal to four-fifth of the capital expenditure incurred for the installation of such security control equipment and monitoring equipment.

NON APPLICATION

- 7(1) These Rules shall not apply to an individual or a company in the basis period for a year of assessment if—
 - (a) an individual or a company has been granted any incentive under the Promotion of Investments Act 1986 [Act 327];
 - (b) an individual or a company has been granted reinvestment allowance under Schedule 7A of the Act;
 - (c) an individual or a company has been granted any exemption under section 127 of the Act; or
 - (d) an individual or a company qualifies for an allowance at a higher fraction under the Act or any rules made under section 154 of the Act.
- 7(2) Where an individual or a company referred to in rule 3 sells, conveys, transfers, assigns or alienates the security control equipment and monitoring equipment with or without consideration at any time within two years from the date of purchase of the security control equipment and monitoring equipment, an allowance made under rules 5 and 6 in respect of such security control equipment and monitoring equipment shall be withdrawn in the basis period for a year of assessment in which such individual or company sells, conveys, transfers, assigns or alienates the security control equipment and monitoring equipment with or without consideration.

SCHEDULE

[Rule 2]

1. Anti-theft alarm system
2. Infra-red motion detection system
3. Siren
4. Access control system
5. Close circuit television
6. Video surveillance system
7. Security camera
8. Wireless camera transmitter
9. Time lapse recording and video motion detection equipment
10. Global Positioning System (GPS) for vehicle tracking
11. Safety mirrors
12. Panic buttons