

LABUAN BUSINESS ACTIVITY TAX (EXEMPTION) (NO. 2) ORDER 2013

PU (A) 99
21 March 2013

IN exercise of the powers conferred by paragraph 26(1) of the Labuan Business Activity Tax Act 1990 [Act 445], the Minister makes the following order:

CITATION AND COMMENCEMENT

- 1(1)** This order may be cited as the Labuan Business Activity Tax (Exemption) (No. 2) Order 2013.
- 1(2)** This Order shall have effect from the year of assessment 2013 and subsequent years of assessment.

INTERPRETATION

- 2(1)** In this Order—

"Global Incentives for Trading" means a programme of incentives for the Labuan International Commodity Trading Company to use Malaysia as their international trading base to undertake qualifying activity;

"Labuan International Commodity Trading Company" means a Labuan company which—

- (a) is incorporated or registered under the Labuan Companies Act 1990 [Act 441];
- (b) is licensed under section 92 of the Labuan Financial Services and Securities Act 2010 [Act 704];
- (c) maintains a registered office in Labuan but is allowed to establish its operational office anywhere in Malaysia; and;
- (d) undertakes a qualifying activity under the Global Incentives for Trading programme;

"qualifying activity" means the trading of physical and related derivative instruments of—

- (a) petroleum and petroleum-related products including liquefied natural gas;
- (b) minerals;
- (c) agriculture products;
- (d) refined raw materials;
- (e) chemicals; and
- (f) base minerals,

in any currency other than ringgit.

EXEMPTION

- 3** The Minister exempts the Labuan International Commodity Trading Company from the provision of subsection 7(1) of the Act.

SEPARATE SOURCE AND ACCOUNT

- 4(1)** Where a Labuan International Commodity Trading Company carries on a qualifying activity referred to in paragraph 2, 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.
- 4(2)** The Labuan International Commodity Trading Company which is exempted under paragraph 3, shall maintain a separate account for the income derived from each activity referred to in subparagraph (1).

NON APPLICATION

- 5** This Order shall not apply to the Labuan International Commodity Trading Company which carries on solely the trading of physical and related derivative instruments of liquefied natural gas, for the first three years of its operation.