

# INCOME TAX (DEDUCTION FOR EXPENDITURE TO OBTAIN THE 1-INNOCERT CERTIFICATION) RULES 2012

PU (A) 109  
17 April 2012

IN exercise of the powers conferred by paragraph 154(1)(b) 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 to Obtain The 1-InnoCERT Certification) Rules 2012**.
- 1(2) These Rules are deemed to have come into operation from the year of assessment 2010.

## INTERPRETATION

2 In these Rules—

**"SIRIM Berhad"** means a company incorporated in Malaysia pursuant to the Companies Act 1965 (Company No. 367474);

**"Small and Medium Enterprises Corporation Malaysia"** means a body corporate established under section 3 of the Small and Medium Enterprises Corporation Act 1995 [Act 539];

**"1-InnoCERT Certification"** means a 1-Innovation Certification for Enterprise Rating & Transformation issued by Small and Medium Enterprises Corporation Malaysia to a qualified person who has been rated AAA, AA or A by SIRIM Berhad.

## APPLICATION

- 3(1) These Rules shall apply to a qualified person who makes an application to obtain an 1-InnoCERT Certification not later than 31 December 2014 for which he is granted a first 1-InnoCERT Certification.
- 3(2) For the purposes of these Rules, a **"qualified person"** shall be—
- (a) a person in the manufacturing industry, manufacturing related services industry and agro-based industry and resident in Malaysia, which at the end of the basis period for a year of assessment :-
- (i) has not less than five and not more than one hundred and fifty full-time employees; or
- (ii) has achieved annual sales of not less than two hundred and fifty thousand ringgit and not more than twenty-five million ringgit; or

- (b) a person in the services industry, primary agriculture, information and communication technology industry and resident in Malaysia, which at the end of the basis period for a year of assessment :-
  - (i) has not less than five and not more than fifty full-time employees; or
  - (ii) has achieved annual sales of not less than two hundred thousand ringgit and not more than five million ringgit.

## **DEDUCTION**

- 4(1)** In ascertaining the adjusted income of a qualified person from its business for the basis period for a year of assessment, there shall be allowed as deduction an amount equivalent to the expenses incurred by that qualified person in obtaining the first 1-InnoCERT Certification from Small and Medium Enterprises Corporation Malaysia.
- 4(2)** For the purpose of subrule (1), the expenses incurred
  - (a) shall be expenditure directly incurred for the application for which the qualified person has been granted the 1-InnoCERT Certification; and
  - (b) shall be deemed to be incurred in the basis period for the year of assessment in which the 1-InnoCERT Certification is granted to the qualified person.
- 4(3)** The expenditure referred to in these Rules shall be the following:
  - (a) a certification fee of five thousand ringgit; and
  - (b) expenses incurred by SIRIM Berhad's auditors which consist of—
    - (i) cost of travelling to and from their office to the qualified person's premises including—
      - (A) mileage, toll and parking fee; or
      - (B) in the case of travel by air, the cost of economy air fare and airport transfer claim;
    - (ii) accommodation cost in a standard room or lodging allowance; and
    - (iii) meal allowance.