

INCOME TAX (ACCELERATED CAPITAL ALLOWANCE) (INFORMATION AND COMMUNICATION TECHNOLOGY EQUIPMENT) RULES 2018

PU (A) 156
27 June 2018

IN exercise of the powers conferred by paragraph 154(1)(b) of, 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) (Information and Communication Technology Equipment) Rules 2018**.
- 1(2) These Rules are deemed to have effect from the year of assessment 2017.

INTERPRETATION

2 In these Rules—

"information and communication technology equipment" means information and communication technology equipment as specified in the Schedule;

"purchase of any information and communication technology equipment" includes the installation of such equipment.

APPLICATION

- 3 These Rules apply to a resident in Malaysia, in respect of capital expenditure incurred by such person in the basis period for a year of assessment from a source consisting of his business in relation to the purchase of any information and communication technology equipment used for the purpose of that business.

INITIAL ALLOWANCE

- 4 The person referred to in rule 3 qualifies for an initial allowance as provided for in paragraph 10 of Schedule 3 to the Act which shall be equal to one-fifth of the capital expenditure incurred for the purchase of any information and communication technology equipment.

ANNUAL ALLOWANCE

- 5 The person referred to in rule 3 qualifies for an annual allowance as provided for in paragraph 15 of Schedule 3 to the Act which shall be equal to one-fifth of the capital expenditure incurred for the purchase of any information and communication technology equipment.

NON-APPLICATION

- 6** These Rules shall not apply to a person who has incurred qualifying capital expenditure on an information and communication technology equipment for a basis period for a year of assessment where during that basis period the person is eligible and has claimed in respect of that information and communication technology equipment—
- a. investment tax allowance under the Promotion of Investments Act 1986 [Act 327];
 - b. reinvestment allowance under Schedule 7A to the Act;
 - c. investment allowance for service sector under Schedule 7B to the Act;
 - d. accelerated capital allowance under any rules made under section 154 of the Act; or
 - e. tax exemption under any order made under section 127 of the Act in respect of his statutory income which is equivalent to any part or the whole of the amount of the qualifying capital expenditure incurred by the person.

SCHEDULE

Access control system

Banking systems

Barcode equipment

Bursters/decollators

Cables and connectors

Computer Assisted Design (CAD)

Computer Assisted Manufacturing (CAM)

Computer Assisted Engineering (CAE)

Card readers

Computers and components

Central Processing Units (CPU)

Storages

Screens

Printers

Scanners/readers