INCOME TAX (DEDUCTION FOR EXPENDITURE ON ISSUANCE OF ISLAMIC SECURITIES) RULES 2011

PU (A) 443
30th December 2011

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 on Issuance of Islamic Securities) Rules 2011**.

1(2) These Rules shall have effect from the year of assessment 2012 until the year of assessment 2015.

INTERPRETATION

2 In these Rules –

"company" means a company –

(a) incorporated under the Companies Act 1965 [Act 125]; or

(b) incorporated under the Labuan Companies Act 1990 [Act 441].

"Islamic securities" mean Islamic securities pursuant to the principle of *Wakalah*, comprising a mixed component of debt and asset.

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 the Islamic securities approved, as the case may be, 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].