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Tax Exemption on Income Derived from Providing Fund Management Services to Foreign Investors

The Income Tax (Exemption) (No. 15) Order 2007 provides tax exemption to a company resident in Malaysia in a basis period for a year of assessment in respect of statutory income derived from a business of providing fund management services to foreign investors in Malaysia from year of assessment ["YA"] 2007 to YA 2016.

The Income Tax (Exemption) (Amendment) Order 2016 has been gazetted to extend the exemption period until YA 2020.

Hyperlinks

- [Moore Stephens Malaysia](#)
- [Moore Stephens International](#)
- [Inland Revenue Board](#)

- [Income Tax \(Exemption\) \(Amendment\) Order 2016](#)

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Tax Exemption on Income Derived from Providing Fund Management Services to Local Investors

The Income Tax (Exemption) (No. 6) Order 2008 provides tax exemption to a company resident in Malaysia in a basis period for a year of assessment in respect of statutory income derived from a business of providing fund management services to local investors in Malaysia from YA 2008 to YA 2016.

The Income Tax (Exemption) (Amendment) (No. 2) Order 2016 has been gazetted to extend the exemption period until YA 2020.

Tax Exemption on Income Derived from Providing Fund Management Services to Business Trust or REIT

The Income Tax (Exemption) Order 2014 provides tax exemption to a qualifying company in respect of the statutory income derived from a business of providing fund management services to business trust or real estate investment trust ["REIT"] in Malaysia which is managed in accordance with *Syariah* principles and certified by Securities Commission from YA 2014 to YA 2016.

The Income Tax (Exemption) (Amendment) (No. 3) Order 2016 has been gazetted to extend the exemption period until YA 2020.

Note: For further information on the previous Order, kindly refer to our Tax Flash – July 2014 issue.

Stamp Duty Exemption on Loan Agreement for SME under Green Lane Policy

The Stamp Duty (Exemption) Order 2016 has been gazetted to provide exemption of stamp duty on any instrument of loan agreement or financing according to *syariah* executed between a Small and Medium Enterprise ["SME"] which has obtained the approval for an incentive under the Green Lane Policy and the following financial institutions:-

- Bank Perusahaan Kecil & Sederhana Malaysia Berhad;
- Bank Pembangunan Malaysia Berhad;
- Export-Import Bank of Malaysia Berhad;
- Bank Pertanian Malaysia Berhad;
- Malaysia Industrial Development Finance Berhad; or
- Malaysia Debt Ventures Berhad.

The one time exemption shall apply to the above instrument of loan agreement or financing executed between 1st January 2015 and 31st December 2017.

Note: A similar exemption is available to the instruments executed between the SME and financial institutions until 31st December 2014. For further information, kindly refer to our Tax Flash – February 2014 issue.

Hyperlinks

- [Income Tax \(Exemption\) \(Amendment\) \(No. 2\) Order 2016](#)
- [Income Tax \(Exemption\) \(Amendment\) \(No. 3\) Order 2016](#)
- [Tax Flash – July 2014](#)
- [Stamp Duty \(Exemption\) Order 2016](#)
- [Tax Flash – February 2014](#)

Minimum Wages

Pursuant to the Minimum Wages Order 2016, the minimum monthly rate of wages payable to an employee in Peninsular Malaysia and Sabah, Sarawak and Federal Territory of Labuan shall be RM1,000 and RM920 respectively. This does not apply to a domestic servant as defined under Section 2 of the Employment Act 1955, Sabah Labour Ordinance and Sarawak Labour Ordinance.

The above Order comes into operations on 1st July 2016.

Hyperlinks

- [Minimum Wages Order 2016](#)

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