

# INCOME TAX (SUSTAINABLE AND RESPONSIBLE INVESTMENT SUKUK) RULES 2025

PU (A) 267

18 August 2025

IN exercise of the powers conferred by paragraph [154\(1\)\(b\)](#) of the [Income Tax Act 1967 \[Act 53\]](#) read together with paragraph [33\(1\)\(d\)](#) of the Act, the Minister makes the following rules:

## RULE 1 CITATION AND COMMENCEMENT

- 1(1)** These rules may be cited as the **Income Tax (Sustainable and Responsible Investment Sukuk) Rules 2025** .
- 1(2)** These Rules have effect from the year of assessment 2024 to the year of assessment 2027.

## RULE 2 DEDUCTION

- 2(1)** For the purpose of ascertaining the adjusted income of a company or Labuan company from its business in the basis period for a year of assessment, a deduction shall be allowed for the expenditure incurred by the company or Labuan company on the issuance or offering of a Sustainable and Responsible Investment Sukuk—
- (a) approved or authorized by, or lodged with, the Securities Commission under the Capital Markets and Services Act 2007 [[Act 671](#)];
  - (b) issued or offered to an investor in compliance with the guidelines relating to sukuk issued by the Securities Commission under the Capital Markets and Services Act 2007; and
  - (c) which ninety per cent of the proceeds raised from the issuance or offering of the Sustainable and Responsible Investment Sukuk are used solely for the purpose of funding the Sustainable and Responsible Investment Project specified in the guidelines relating to sukuk issued by the Securities Commission under the Capital Markets and Services Act 2007.
- 2(2)** The total amount of deduction allowed under subrule (1) shall be determined in accordance with the following formula:
- $$A - B = C$$
- Where
- A is the amount of expenditure incurred by the company or Labuan company on the issuance or offering of the Sustainable and Responsible Investment Sukuk;
  - B is the amount exempted under subsection 127(3A) of the Act in respect of a grant to finance an external review expenditure for the issuance or offering of the Sustainable and Responsible Investment Sukuk; and
  - C is the total amount of deduction allowed.
- 2(3)** Any company or Labuan company which has made a claim for a deduction for expenditure on the issuance or offering of the Sustainable and Responsible Investment Sukuk under any rules made under section 154 of the Act in the basis period for a year of assessment shall not be eligible for the deduction under these Rules for that year of assessment.

**2(4)** For the purposes of this rule—

"external review expenditure" means an expenditure incurred by a company or Labuan company on the issuance or offering of the Sustainable and Responsible Investment Sukuk to appoint an external reviewer to assess and provide a report on—

- (a) the eligibility of the project to be implemented by the company or Labuan company for the purposes of the Sustainable and Responsible Investment Project specified in the guidelines relating to sukuk issued by the Securities Commission under the Capital Markets and Services Act 2007; or
- (b) the compliance of the company or Labuan company with the requirement under the guidelines relating to sukuk issued by the Securities Commission under the Capital Markets and Services Act 2007.

"company" means a company resident in Malaysia which is incorporated under the Companies Act 2016 [Act 777];

"Labuan company" means a company resident in Malaysia which is incorporated under the Labuan Companies Act 1990 [Act 441].