

# INCOME TAX (DEDUCTION FOR PAYMENT OF PREMIUM TO MALAYSIA DEPOSIT INSURANCE CORPORATION) RULES 2011

PU (A) 379  
3 November 2011

IN exercise of the powers conferred by paragraph 154(1)(b) read together with paragraph 33(1)(d) 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 Payment of Premium to Malaysia Deposit Insurance Corporation) Rules 2011**.
- 1(2) These Rules are deemed to have effect from the assessment year of 2005 until the assessment year of 2010 in respect of paragraph 2(a).
- 1(3) These Rules shall have effect for the assessment year of 2011 and subsequent years of assessment in respect of paragraph 2(b).

## APPLICATION

- 2 These Rules shall apply to a member institution who is—
  - (a) a financial institution under section 37 of the Malaysia Deposit Insurance Corporation Act 2005 [Act 642]; or
  - (b) a financial institution under paragraph 36(1)(b), a Takaful operator or an insurance company under subsection 36(2) of the Malaysia Deposit Insurance Corporation Act 2011 [Act 720].

## DEDUCTION

- 3(1) For the purpose of ascertaining the adjusted income of a member institution from its business for a basic period for a year of assessment, there shall be allowed a deduction of an amount equivalent to the first premium or annual premium paid by that member institution to the Malaysia Deposit Insurance Corporation for that year of assessment.
- 3(2) For the purpose of subrule (1), the amount of deduction for premium paid shall be as determined under—
  - (a) sections 42, 43 and 44 of the Malaysia Deposit Insurance Corporation Act 2005 in respect of a member institution under paragraph 2(a); or
  - (b) sections 47, 48 and 49 or sections 71, 72 and 73 of the Malaysia Deposit Insurance Corporation Act 2011 in respect of a member institution under paragraph 2(b).