

INCOME TAX (EXEMPTION) (NO. 3) ORDER 2012

PU (A) 184
15 June 2012

IN exercise of the powers conferred by paragraph 127(3)(b) of the Income Tax Act 1967 [Act 53], the Minister makes the following order:

CITATION AND COMMENCEMENT

1(1) This order may be cited as the **Income Tax (Exemption) (No. 3) Order 2012**.

1(2) This Order shall have effect from the year of assessment 2012.

INTERPRETATION

2 In this Order—

"treasury management centre" means a company which is—

- (a) incorporated under the Companies Act 1965 [Act 125] and resident in Malaysia;
- (b) carrying on a business of providing qualifying financial and fund management services in Malaysia as specified by the Minister; and
- (c) approved by the Minister upon fulfilling the conditions specified by him.

EXEMPTION

3(1) The Minister exempts a non-citizen individual from the payment of income tax in respect of income derived from an employment with a treasury management centre.

3(2) Subject to subparagraph (3), the amount of income exempted under subparagraph (1) is in respect of the employment exercised outside Malaysia shall be determined in accordance with the following formula:

$$A \quad \times \quad \frac{B}{C}$$

- where A is the chargeable income for a year of assessment attributable to a treasury management centre;
- B is the number of days in the year of assessment that the individual is in employment with the treasury management centre exercised outside Malaysia; and
- C is the number of days in the year of assessment that the individual is in employment with the treasury management centre.

3(3) Where the non-citizen individual has sources of income other than that of employment with the treasury management centre, the chargeable income referred to in subparagraph (2) shall be determined in accordance with the following formula:

$$D \times \frac{E}{F}$$

- where D is the chargeable income for a year of assessment;
- E is the gross income from employment with the treasury management for a year of assessment; and
- F is the total of gross income from all sources of income for a year of assessment.

3(4) For the purpose of subparagraph (2), a non-citizen individual is deemed to be outside Malaysia for a day if that individual is outside Malaysia for the whole of that day.