

INCOME TAX (EXEMPTION) (NO. 2) ORDER 2010

[Legislation details]

PU (A) 478

28 December 2010

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:

PARAGRAPH 1 CITATION AND COMMENCEMENT

1(1) This order may be cited as the Income Tax (Exemption) (No. 2) Order 2010.

1(2) This Order shall have effect from the year of assessment 2011 until the year of assessment 2012.

PARAGRAPH 2 INTERPRETATION

2 In this Order, unless the context otherwise requires—

"certified emission reduction" means a Kyoto Protocol unit equal to one metric tonne of carbon dioxide equivalent, calculated in accordance with Kyoto rules and is issued for gas emission reductions from an activity of clean development mechanism project;

"clean development mechanism project" means a project of clean development mechanism approved by the Ministry of Natural Resources and Environment;

"Kyoto Protocol" means an international agreement relating to United Nations Framework Convention on Climate Change.

PARAGRAPH 3 EXEMPTION

3(1) The Minister exempts a company incorporated under the Companies Act 1965 [Act 125] and resident in Malaysia in the basis period for a year of assessment from the payment of income tax in respect of income received from the sale of certified emission reduction.

3(2) The income referred to in subparagraph (1) shall be the gross income from the sale of certified emission reduction unit less an amount equal to the expenditure, not being capital expenditure, incurred by the company for the purposes of obtaining certified emission reduction.

3(3) Any expenditure referred to in subparagraph (2) shall be deemed to be incurred in the basis period for a year of assessment in which the income from the sale of certified emission reduction is received by the company.

3(4) Nothing in subparagraph (1) shall absolve or be deemed to have absolved the company from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the provision of the Act.

PARAGRAPH 4 MAINTAINING SEPARATE RECORD

4 The company shall maintain a separate record for the income exempted under subparagraph 3(1) of this Order.