

# **INCOME TAX (DEDUCTION FOR PAYMENT OF EDUCATIONAL LOAN OF PERBADANAN TABUNG PENDIDIKAN TINGGI NASIONAL BY EMPLOYERS ON BEHALF OF EMPLOYEES) RULES 2019**

PU (A) 206  
18<sup>th</sup> July 2019

IN exercise of the powers conferred by paragraphs 154(1)(b) and 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 Educational Loan of Perbadanan Tabung Pendidikan Tinggi Nasional by Employers on behalf of Employees) Rules 2019.
- 1(2) These Rules have effect from the years of assessment 2019 and 2020.

## **INTERPRETATION**

2. In these Rules –

“Perbadanan” means the Perbadanan Tabung Pendidikan Tinggi Nasional which has been established under section 5 of the Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997 [Act 566];

“educational loan” means a loan approved and issued by the Perbadanan under the Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997.

## **APPLICATION**

3. These Rules shall apply to –
  - (a) an employer who has sources of income of registered business only; and
  - (b) an employee who—
    - (i) is a Malaysian citizen; and
    - (j) has received the educational loan from the Perbadanan.

## **DEDUCTION**

- 4(1) For the purpose of ascertaining the adjusted income of an employer from his business, there shall be allowed as a deduction the remuneration of a kind allowable under section 33 of the Act in the basis period for a year of assessment equivalent to the amount of educational loan paid by the employer on behalf of his employee, in the basis period.
- 4(2) The amount of educational loan paid by the employer referred to in subrule (1) shall be made for a period not earlier than 1 January 2019 and not later than 31 December 2019.
- 4(3) The employer claiming for a deduction under these Rules shall keep an official receipt from the Perbadanan verifying the amount of the loan and the date of payment of the loan.

## CONDITION FOR DEDUCTION

5. The deduction allowed under these Rules is subject to the following conditions:
- (a) the employer shall not impose any payment to the employee as a consideration for the payment of educational loan made by the employer to the Perbadanan;
  - (b) the employer and the employee are not the same person;
  - (c) the employee is employed on a full-time basis; and
  - (d) the employee is not a relative of the employee, that is:
    - (i) a spouse;
    - (ii) a parent, including a step parent or a parent in law;
    - (iii) a child, including a step child or a child adopted in accordance with any law;
    - (iv) a brother or a sister, including a step brother or a step sister; or
    - (v) a grandparent or a grandchild, including a step grandparent or a step grandchild.