

INCOME TAX (DEDUCTION FOR THE SPONSORSHIP OF HALLMARK EVENT) RULES 2016

PU (A) 165
8 June 2016

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 the Sponsorship of Hallmark Event) Rules 2016**.

1(2) These Rules are deemed to have come into operation on 13 June 2008.

QUALIFYING PERSON

2 The qualifying person referred to in these Rules is—

- (a) a company incorporated under the Companies Act 1965 [Act 125] and resident in Malaysia;
or
- (b) an individual who has business source in Malaysia and resident in Malaysia,

who sponsors a hallmark event.

HALLMARK EVENT

3(1) The hallmark event referred to in these Rules is an event of national, regional or international significance which is—

- (a) carried on in the East Coast Economic Region on or after 13 June 2008 and not later than 31 December 2020; and
- (b) approved by the Minister.

3(2) For the purposes of subrule (1), "**East Coast Economic Region**" has the meaning assigned to it in the East Coast Economic Region Development Council Act 2008 [Act 688].

DEDUCTION

4(1) For the purposes of ascertaining the adjusted income of a qualifying person from his business in the basis period for a year of assessment, a deduction shall be allowed for an amount equal to any cash contribution or contribution in kind made by the qualifying person in relation to a hallmark event.

- 4(2)** An application for deduction under subrule (1) shall be made by the qualifying person to the Minister through the East Coast Economic Region Development Council on or after 13 June 2008 but not later than 31 December 2020 and the qualifying person shall produce a letter from the East Coast Economic Region Development Council confirming—
- (a) that the event is a hallmark event;
 - (b) the date of the hallmark event;
 - (c) the organizer of the hallmark event; and
 - (d) the amount of cash contribution or contribution in kind made in relation to the hallmark event.
- 4(3)** The value of contribution in kind referred to in paragraph (2)(d) shall be determined by the East Coast Economic Region Development Council.
- 4(4)** Where a deduction in respect of cash contribution or contribution in kind has been allowed under these Rules, no other deduction shall be allowed in respect of that contribution under any provisions of the Act.
- 4(5)** The total amount of the deduction allowed under subrule (1) for sponsoring one or more hallmark event shall be an amount not exceeding one million ringgit for each year of assessment.
- 4(6)** For the purposes of this rule, the "**East Coast Economic Region Development Council**" means the council established under the East Coast Economic Region Development Council Act 2008.