

INCOME TAX (EXEMPTION) (NO. 2) ORDER 2021

PU (A) 95

4 March 2021

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. 2) Order 2021**.

1(2) This Order is deemed to have effect from the year of assessment 2020.

EXEMPTION

2(1) The Minister exempts a qualifying person resident in Malaysia from the payment of income tax in the basis period for each year of assessment in relation to gains or profits derived, in lieu of interest, from *Sukuk Prihatin*.

2(2) For the purpose of this paragraph—

“qualifying person” means—

- (a) an individual who is a citizen of Malaysia aged eighteen years and above;
- (b) a body corporate incorporated under the laws of Malaysia but excluding a financial institution and a holder of a Capital Markets Services Licence carrying on the business of fund management under the Capital Markets and Services Act 2007 [Act 671]; or
- (c) a body of persons, partnership or limited liability partnership registered under any written law in Malaysia and carries on its business in Malaysia but excluding a trustee registered as a member of the Association of Trust Companies Malaysia who acts on behalf of the person;

“*Sukuk Prihatin*” means the Islamic securities of nominal value of up to six hundred sixty-six million four hundred seventeen thousand and five hundred ringgit (RM666,417,500.00) issued in accordance with the principle of *Murabahah* on 22 September 2020 by the Government.

2(3) For the purpose of subparagraph (2), “financial institution” means—

- (a) a bank, investment bank or insurer licensed or deemed licensed under the Financial Services Act 2013 [Act 758];
- (b) an Islamic bank, *takaful* operator or international *takaful* operator licensed or deemed licensed under the Islamic Financial Services Act 2013 [Act 759];
- (c) a development financial institution prescribed under the Development Financial Institutions Act 2002 [Act 618]; or
- (d) an entity listed under Part 1, Schedule 4 to the Capital Markets and Services Act 2007.

2(4) Nothing in subparagraph (1) shall absolve or is deemed to have absolved the person from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the Act.