

INCOME TAX (EXEMPTION) (NO.9) ORDER 2021

PU (A) 344

15 July 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. 9) Order 2021**.
- 1(2)** This Order has effect from the year of assessment 2021 until the year of assessment 2022.

INTERPRETATION

2 In this Order -

“local tourist” means individuals who are citizen of Malaysia or resident in Malaysia;

“foreign tourist” means individuals other than a local tourist, who are not citizen of Malaysia or not resident in Malaysia; and

“tour operating business” has the same meaning assigned to it in the Tourism Industry Act 1992 [Act 482].

QUALIFYING PERSON

3 The qualifying person referred to in this Order is a company—

- (a) resident in Malaysia;
- (b) which is licensed under the Tourism Industry Act 1992 to carry out a tour operating business; and
- (c) which carries on a qualifying activity.

QUALIFYING ACTIVITY

4 A qualifying activity referred to in this Order is a tour operating business which provides a domestic tour package for travel within Malaysia utilized by local tourist and foreign tourist, including transportation by air, land or sea and accommodation.

EXEMPTION

- 5(1)** The Minister exempts a qualifying person from the payment of income tax in a basis period for a year of assessment in respect of the statutory income derived from a qualifying activity.
- 5(2)** An exemption granted under subparagraph (1) shall only apply if the total number of local tourists for a qualifying activity is not less than two hundred person in a basis period for a year of assessment.
- 5(3)** The total number of local tourists and foreign tourists for a qualifying activity shall be verified in writing by an authorized officer of the Ministry of Tourism, Arts and Culture Malaysia.

- 5(4)** Nothing in subparagraph (1) shall absolve or be deemed to have absolved the qualifying person from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the Act.

SEPARATE SOURCE AND SEPARATE ACCOUNT

- 6(1)** Where a qualifying person carries on a qualifying activity and an activity other than a qualifying activity, each activity shall be treated as a separate and distinct source of that qualifying person.
- 6(2)** The qualifying person who is granted an exemption under subparagraph 5(1) shall maintain a separate account for the income derived from each activity referred to in subparagraph (1) in the basis period for each year of assessment.