

INCOME TAX (DEDUCTION FOR TRAINING COSTS UNDER NATIONAL DUAL TRAINING SYSTEM (NDTS)) RULES 2021

PU (A) 390

5 October 2021

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 Training Costs Under National Dual Training System (NDTS)) Rules 2021**.

1(2) These Rules are deemed to have come into operation from the year of assessment 2019.

APPLICATION

2 These Rules shall apply to qualifying programme which is implemented and approved by the Ministry of Human Resource in the period between 1 January 2019 until 31 December 2021.

QUALIFYING PERSON

3 In these Rules—

“apprentice” means a Malaysian citizen and resident in Malaysia that has registered with the Department of Skills Development to undergo the qualifying programme, who is—

- (a) an employee of the qualifying company; or
- (b) a school leavers;

“qualifying programme” means a programme which—

- (a) complies with the National Occupational Skills Standard (NOSS);
- (b) accredited by Department of Skills Development;
- (c) certified as National Dual Training System (NDTS)-Industry4WRD Programme; and
- (d) implement two modules of the training which are:
 - (i) practical training at the company which covers 70% until 80% of the training (performance); and
 - (ii) theoretical training at the training centre which covers 20% until 30% of the training (knowledge);

“qualifying company” means a company—

- (a) incorporated in Malaysia under the Companies Act 2016 [Act 777];
- (b) accredited as Accreditation Center by the Department of Skills Development to implement the NDTs Programme;
- (c) implementing NDTs Programme based on NOSS; and

(d) participates in NDTTS Programme.

DEDUCTION

- 4(1)** For the purpose of ascertaining the adjusted income of a qualifying company from its business in a basis period for a year of assessment, a deduction shall be allowed for an amount of expenses incurred and paid by that qualifying company during that basis period in participating in the qualifying programme.
- 4(2)** The total amount of deduction allowed under subrule (1) shall be equivalent to double the amount of expenses allowed which are—
- (a) monthly training allowance of not less than three hundred ringgit paid to the apprentice;
 - (b) expenses incurred for the provision of the qualifying programme to the apprentice;
 - (c) expenses incurred for food, travelling and accommodation allowances of the apprentice while undergoing the qualifying programme; and
 - (d) expenses incurred for the insurance provided to the apprentice.
- 4(3)** The total amount of deduction allowable under paragraphs (2)(b) and (c) for each apprentice shall not exceed five thousand ringgit for each year of assessment.

NON-APPLICATION

- 5** These Rules shall not apply if the qualifying company in relation to the expenses referred to in subrule 4(1), has made a claim—
- (a) for any fund or Government grant relating to the training; or
 - (b) for any exemption or deduction under any other provision of the Act.