

# INCOME TAX (DEDUCTION FOR EXPENDITURE INCURRED FOR THE PROVISION OF AN APPROVED INTERNSHIP PROGRAMME) RULES 2019

PU (A) 398  
30 December 2019

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 rule:

## CITATION

- 1(1) These rules may be cited as the **Income Tax (Deduction for Expenditure Incurred for Provision of Approved Internship Programme) Rules 2019**.

## APPLICATION

- 2 These Rules shall apply to a qualified person who conducts or has conducted -
- (a) an approved internship programme in the year of assessment 2015 until the year of assessment 2016 for a student pursuing a diploma programme in a higher educational institution and a student pursuing a qualified course being a vocational programme (minimum Malaysian Skills Certificate Level 4); and
  - (b) an approved internship programme for a student in the year of assessment 2017 until the year of assessment 2021.

## INTERPRETATION

- 3 In these Rules —

**"higher educational institution"** means an institution in Malaysia, established under the Universities and University Colleges Act 1971 [Act 30], University Technology MARA Act 1976 [Act 173] or the Private Higher Educational Institutions Act 1996 [Act 555] and registered with the Ministry of Higher Education Malaysia;

**"qualified course"** means a vocational programme (minimum Malaysian Skills Certificate Level 3) recognized by the Malaysian Qualifications Agency or the Department of Skills Development;

**"qualified person"** means a person who is a resident in Malaysia and approved by the Talent Corporation Malaysia Berhad to conduct an approved internship programme;

**"student"** means —

- (a) an individual who is a Malaysian citizen; and
- (b) in relation to ---
  - (i) a higher educational institution, an individual—
    - (A) who is pursuing a diploma or degree programme on full-time basis in a higher educational institution; and
    - (B) who completes the approved internship programme before completion of the final semester of his diploma or degree programme; or

- (ii) a qualified course, an individual—
  - (A) who is pursuing a qualified course on full-time basis; and
  - (B) who completes the approved internship programme before completion of the final semester of his qualified course;

**"approved internship programme"** means a structured internship programme in Malaysia conducted for a minimum period of ten (10) weeks as approved by the Talent Corporation Malaysia Berhad in collaboration with the Ministry of Higher Education which provides practical experience and emphasizes the development of specific knowledge or skill, which includes but not limited to technical, communication or business, for students of higher educational institution;

**"Talent Corporation Malaysia Berhad"** means a company limited by guarantee incorporated under the Companies Act 2016 [Act 777] to initiate and facilitate initiatives which address the talent needs in Malaysia.

## **DEDUCTION**

- 4(1)** For the purpose of ascertaining an adjusted income of a qualified person from his business for a basis period for a year of assessment, a deduction shall be allowed for any expenses as described in subrule (2) which were incurred by the qualified person during that basis period for conducting an approved internship programme.
- 4(2)** The outgoings and expenses referred to in subrule (1) are—
  - (a) internship monthly allowance of not less than five hundred ringgit (RM500) paid to the students;
  - (b) expenditure incurred for the provision of training for the students; and
  - (c) expenditure incurred on meal, travelling and accommodation for the students during the internship programme.
- 4(3)** The total amount of expenses under paragraphs (2)(b) and (c) which is allowed for each student shall not exceed five thousand ringgit for a year of assessment.
- 4(4)** The amount of deduction allowed under subrule (1) shall be equivalent to a double amount of expenses incurred under these Rules.
- 4(5)** For the purpose of qualifying for the deduction under these Rules, the qualified person claiming for the deduction shall produce a letter from the Talent Corporation Malaysia Berhad confirming that the internship programme conducted is an approved internship programme.