

INCOME TAX (DEDUCTIONS NOT ALLOWED FOR PAYMENT MADE TO LABUAN COMPANY BY RESIDENT) RULES 2018

PU (A) 375

31 December 2018

IN exercise of the powers conferred by paragraphs 39(1)(r) and 154(1)(b) 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 (Deductions Not Allowed for Payment Made to Labuan Company by Resident) Rules 2018**.

1(2) These Rules comes into operation on 1 January 2019.

PRESCRIBED AMOUNT

2 For the purpose of paragraph 39(1)(r) of the Act, the Minister prescribed the amount not allowed for deduction for the types of payment made by a resident to a Labuan company as specified in the Schedule.

SCHEDULE

<i>No.</i>	<i>Type of payment</i>	<i>Amount not allowed for deduction</i>
1.	Interest payment	33% of the amount of payment
2.	Lease rental	33% of the amount of payment
3.	Other payments	97% of the amount of payment