

INCOME TAX (EXEMPTION)(NO.5) ORDER 2022

PU (A) 234
19 July 2022

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.5) Order 2022**.
- 1(2)** This Order is deemed to have effect from 1 January 2022 until 31 December 2026.

INTERPRETATION

2 In this Order –

“qualifying individual” means an individual resident in Malaysia and has income received in Malaysia from outside Malaysia;

“income received in Malaysia from outside Malaysia” means income arising from outside Malaysia which is brought into Malaysia

EXEMPTION

- 3(1)** The Minister exempts a qualifying individual from the payment of income tax in respect of the gross income from all sources of income under section 4 of the Act, excluding a source of income from a partnership business in Malaysia, which is received in Malaysia from outside Malaysia in the basis period for a year of assessment.
- 3(2)** The income exempted under subparagraph (1) shall have been subjected to tax of a similar character to income tax under the law of the territory where the income arises.
- 3(3)** For the purpose of subparagraph (2), the income is regarded as has been subjected to tax of a similar character to income tax where the income received in Malaysia by the qualifying individual complies with the conditions imposed by the Minister as specified in the guidelines on tax treatment in relation to income which is received from abroad issued by the Inland Revenue Board of Malaysia.
- 3(4)** Any deduction in relation to the income exempted under this paragraph shall be disregarded for the purpose of ascertaining the chargeable income of the qualifying individual.
- 3(5)** Nothing in subparagraph (1) shall absolve or be deemed to have absolved the qualifying individual from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the provisions of the Act.