

INCOME TAX (EXEMPTION) (NO. 4) ORDER 2018

PU (A) 310

29 November 2018

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. 4) Order 2018**.

1(2) This Order is deemed to have come into operation from the year of assessment 2018.

APPLICATION

2 This Order shall apply to a member institution specified in subsection 36(2) of the Malaysia Deposit Insurance Corporation Act 2011 [Act 720].

EXEMPTION

3(1) The Minister exempts a member institution in the basis period for a year of assessment from the payment of income tax in respect of the statutory income of a shareholders' fund that is derived from a business referred to in subparagraph (2) which is equivalent to the first levy or annual levy paid from the shareholders' fund to the Malaysia Deposit Insurance Corporation for that year of assessment.

3(2) The business referred to in subparagraph (1) is a business in relation to—

(a) a life fund;

(b) a family fund;

(c) a general fund;

(d) any composite insurance business which consists of a life fund and a general fund; or

(e) any composite takaful business which consists of a family fund and a general fund.

3(3) Where, by reason of the absence or insufficiency of the statutory income, exemption cannot be granted or cannot be granted in full as the member institution is entitled under subparagraph (1) for that year of assessment, then so much of the statutory income in respect of which exemption cannot be granted for that year of assessment, shall be granted exemption for the first subsequent year of assessment for the basis period for which the member institution has statutory income of the shareholders' fund that is derived from a business referred to in subparagraph (2), and for the subsequent year or years of assessment until the exemption is granted in respect of the whole statutory income as the member institution is entitled under subparagraph (1).

3(3) For the purpose of this paragraph—

- (a) "**first levy**" means any levy payable by the member institution to the Malaysia Deposit Insurance Corporation pursuant to section 71 of the Malaysia Deposit Insurance Corporation Act 2011; and
- (b) "**annual levy**" means any levy payable by the member institution to the Malaysia Deposit Insurance Corporation pursuant to sections 72 and 73 of the Malaysia Deposit Insurance Corporation Act 2011.