

# INCOME TAX (EXEMPTION) (NO. 5) ORDER 2021

PU (A) 209  
4 May 2021

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 2021**.
- 1(2)** This Order comes into operation from the year of assessment 2021 until the year of assessment 2023.

## INTERPRETATION

**2** In this Order—

“Sustainable and Responsible Investment Fund” means sustainable and responsible investment fund specified in the Guidelines on Sustainable and Responsible Investment Funds issued or revised by the Securities Commission Malaysia;

“Securities Commission Malaysia” means the Securities Commission Malaysia established under the Securities Commission Malaysia Act 1993 [Act 498];

“company” means a fund management company which is—

- (a) resident in Malaysia;
- (b) incorporated under the Companies Act 2016 [Act 777]; and
- (c) licensed under the Capital Markets and Services Act 2007 [Act 671] or registered with the Securities Commission Malaysia as a venture capital management corporation or a private equity management corporation.

## EXEMPTION

- 3(1)** Subject to subparagraph (2), the Minister exempts a company from the payment of income tax in a basis period for a year of assessment in respect of the statutory income derived from a business of providing fund management services for Sustainable and Responsible Investment Fund in Malaysia.
- 3(2)** An exemption granted under this Order shall be subject to the company obtaining annual certification from the Securities Commission Malaysia that the following conditions have been fulfilled namely the company—
- (a) provides fund management services for Sustainable and Responsible Investment Fund in Malaysia;
  - (b) incurs annual operating expenditure of at least two hundred and fifty thousand ringgit (RM250,000.00) in Malaysia; and

- (c) has at least–
- (i) in the case of a company licensed under the Capital Markets and Services Act 2007, two full-time employees in Malaysia of which one of the employees holds a Capital Markets Services Representative's Licence under the Capital Markets and Services Act 2007; or
  - (ii) in the case of a company registered with the Securities Commission Malaysia as a venture capital management corporation or a private equity management corporation, two full-time employees in Malaysia of which one of the employees is a responsible person approved by the Securities Commission Malaysia.

**3(3)** Nothing in subparagraph (1) shall absolve or be deemed to have absolved the company from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the Act.

#### **SEPARATE ACCOUNT**

**4** The company shall maintain a separate account for the income derived from the business referred to in subparagraph 3(1) in the basis period for each year of assessment and that income shall be treated as a separate and distinct source of business for the company.

#### **APPLICATION OF PARAGRAPHS 5 AND 6 OF SCHEDULE 7A OF THE ACT**

**5** Paragraphs 5 and 6 of Schedule 7A to the Act shall apply, *mutatis mutandis*, to the amount of statutory income exempted under subparagraph 3(1).

#### **NON-APPLICATION**

**6** This Order shall not apply to a company if in the basis period for a year of assessment–

- (a) the company has been granted any incentive under Section 60G of the Act; or
- (b) the company has been granted any exemption under paragraph 127(3)(b) or subsection 127(3A) of the Act.