

INCOME TAX (EXEMPTION) (NO. 6) ORDER 2022 (AMENDMENT) ORDER 2024

PU (A) 157
12 June 2024

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. 6) Order 2022 (Amendment) Order 2024**.
- 1(2)** Paragraph 2 is deemed to have effect from the year of assessment 2022.
- 1(3)** Paragraph 3 is deemed to have come into operation on 1 January 2024.

AMENDMENT OF PARAGRAPH 3

- 2** The Income Tax (Exemption) (No. 6) Order 2022 [P.U. (A) 235/2022], which is referred to as the “principal Order” in this Order, is amended in paragraph 3 in the definition of “a qualifying person”—
 - (a) by deleting the word “or” at the end of subsubparagraph (b);
 - (b) in subsubparagraph (c), by substituting for the full stop at the end of the subsubparagraph the words “; or”; and
 - (c) by inserting after subsubparagraph (c) the following subsubparagraph:

“(d) a company incorporated under the Labuan Companies Act 1990 [Act 441] and the company has made an election under section 3A of the Labuan Business Activity Tax Act 1990 [Act 445] to be charged to tax in accordance with the Act.”

AMENDMENT OF PARAGRAPH 4

- 3** Paragraph 4 of the principal Order is amended—
 - (a) by substituting for subparagraph (2) the following subparagraph:

“(2) For the purposes of exemption under subparagraph (1), the qualifying person shall, in the basis period of a year of assessment, comply with the conditions imposed by the Minister as specified in the guidelines issued by the Director General under section 134A of the Act, which shall include the following conditions:

 - (a) the dividend income exempted under subparagraph (1) shall—
 - (i) have been subjected to tax of a similar character to income tax under the law of the territory which the income arises; and
 - (ii) the highest rate of tax of a similar character to income tax under the law of the territory which the income arises at that time is not less than fifteen per cent; or

(b) the qualifying person shall—

(i) employ an adequate number of employees in Malaysia; and

(ii) incur an adequate amount of operating expenditure in Malaysia.”; and

(b) by deleting subparagraph (3).