

INCOME TAX ACT 1967 INCOME TAX (INITIAL PUBLIC OFFERING) (EXEMPTION) ORDER 2024

PU (A) 290
19 September 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 (Initial Public Offering) (Exemption) Order 2024**.
- 1(2)** This Order has effect from 1 March 2024 to 31 December 2028.

INTERPRETATION

2 In this Order—

“stock exchange” means Bursa Malaysia Securities Berhad;

“ACE Market” means the Access, Certainty, Efficiency Market of Bursa Malaysia Securities Berhad;

“LEAP Market” means the Leading Entrepreneur Accelerator Platform Market of Bursa Malaysia Securities Berhad;

“Main Market” means the Main Market of Bursa Malaysia Securities Berhad.

EXEMPTION

- 3(1)** The Minister exempts a company, limited liability partnership, trust body or co-operative society from the payment of income tax in respect of chargeable income from gains or profits received from the disposal of shares of a company incorporated in Malaysia which is not listed on the stock exchange.
- 3(2)** For the purposes of exemption under subparagraph (1)—
- (a) the disposal of shares shall be made within the period from 1 March 2024 to 31 December 2028;
 - (b) the shares shall be disposed of in relation to restructuring of any company for an initial public offering;
 - (c) the company, limited liability partnership, trust body or co-operative society shall apply for the initial public offering under the Capital Market and Services Act 2007 [Act 671] within the period of one year from the date of the disposal of shares—
 - (i) to the Securities Commission for the purpose of listing on the Main Market; or
 - (ii) to Bursa Malaysia Securities Berhad for the purpose of listing on the ACE Market and LEAP Market; and

(d) the company, limited liability partnership, trust body or co-operative society shall obtain the approval for the application of the initial public offering referred to in subparagraph (2)(c) on or before 31 December 2028.

3(3) The company, limited liability partnership, trust body or co-operative society shall apply in writing to the Director General within the period of one year from the date of approval for the application of the initial public offering referred to in subparagraph (2)(c).

3(4) Nothing in subparagraph (1) shall absolve or be deemed to have absolved the company, limited liability partnership, trust body or co-operative society from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the Act.

LOSS FROM DISPOSAL OF SHARES

4 Where the company, limited liability partnership, trust body or co-operative society incurs any loss from the disposal of shares referred to in paragraph 3 within the period from 1 March 2024 to 31 December 2028, such loss shall be disregarded for the purposes of subsections 65E(5) and (6) of the Act.

NON-APPLICATION

5 This Order shall not apply to—

- (a) a disposal of shares of a company incorporated in Malaysia which is not listed on the stock exchange where gains or profits from the disposal of shares is chargeable to tax as a business income under paragraph 4(a) of the Act;
- (b) a company, limited liability partnership, trust body or co-operative society who has made an application for exemption under the Income Tax (Restructuring of Companies Scheme) (Exemption) Order 2024 [*P.U. (A) 289/2024*] in respect of the same disposal of shares; or
- (c) a company, limited liability partnership, trust body or co-operative society which a tax exemption has been granted under paragraph 127(3)(b) or subsection 127(3A) of the Act in respect of the same disposal of shares.