

INCOME TAX (ISLAMIC SECURITIES) (EXEMPTION) ORDER 2024

PU (A) 444

17th December 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 (Islamic Securities) (Exemption) Order 2024**.

1(2) This Order has effect from the year of assessment 2024.

EXEMPTION

2(1) The Minister exempts any approved supplier and approved user from the payment of income tax in the basis period for a year of assessment in respect of the statutory income derived from an Islamic securities selling and buying negotiated transaction other than structured payments, monthly instalment and profit earned on collateral and rebate arising from—

(a) the selling and buying of Islamic securities listed on Bursa Malaysia Securities Berhad;;

(b) the return of the same or equivalent Islamic securities;

(c) the corresponding exchange of collateral; and

(d) the exercise of any remedial option due to reclassification of the status of the Islamic securities to Shariah non-compliant securities,

in respect of an Islamic securities selling and buying negotiated transaction under an Islamic securities selling and buying negotiated transaction agreement.

2(2) Nothing in subparagraph (1) shall absolve or be deemed to have absolved the approved supplier and approved user from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the Act.

2(3) In these Order —

“approved supplier” means a person approved by an approved clearing house to be a supplier in an Islamic securities selling and buying under an Islamic securities selling and buying negotiated transaction agreement;

“approved user” means a person approved by an approved clearing house to be a user in an Islamic securities selling and buying under an Islamic securities selling and buying negotiated transaction agreement;

“approved clearing house” has the meaning assigned to it in the Capital Markets and Services Act 2007 [Act 671];

“Islamic securities selling and buying negotiated transaction” means an Islamic securities selling and buying negotiated transaction as specified in the rules of an approved clearing house under the Capital Markets and Services Act 2007.