

INCOME TAX (DEDUCTION FOR TRAINING COSTS UNDER THE PROFESSIONAL TRAINING AND EDUCATION FOR GROWING ENTREPRENEURS (PROTÉGÉ-READY TO WORK) (RTW)) PROGRAMME RULES 2021

PU (A) 228
11 May 2021

IN exercise of the powers conferred by paragraph 154(1)(b) read together with paragraph 33(1)(d) of the Income Tax Act 1967 [Act 53], the Minister makes the following rules:

CITATION AND COMMENCEMENT

1(1) This rules may be cited as the **Income Tax (Deduction for Training Costs under the Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ-Ready to Work (RTW)) Programme) Rules 2021**.

1(2) These Rules are deemed to have come into operation on 11 September 2019.

INTERPRETATION

2 In these Rules:-

“trainee” means a Malaysian citizen graduate who is undergoing the Training Programme–

(a) is unemployed; or

(b) is under an employment which does not commensurate with his qualification;

“Training Programme” means the Professional Training and Education for Growing Entrepreneurs (PROTÉGÉ-Ready to Work (RTW)) Programme approved by the Ministry of Entrepreneur Development and Cooperatives which is conducted for trainee for eight to twelve continuous months;

“qualify company” means a company–

(a) incorporated in Malaysia under the Companies Act 2016 [Act 777]; and

(b) approved by the Ministry of Entrepreneur Development and Cooperatives to participate in the Training Programme.

DEDUCTION

3(1) For the purpose of ascertaining an adjusted income of a qualifying company in Malaysia from its business in a basis period for a year of assessment, a deduction shall be allowed for any outgoings and expenses as described in subrule (2) which were incurred by that qualifying company during that basis period for conducting the Training Programme.

- 3(2)** The outgoings and expenses referred to in subrule (1) for each Training Programme are as follows:
- (a) monthly training allowance of not less than one thousand ringgit paid to the trainees for a maximum period of twelve months;
 - (b) expenditure incurred for the training provided to the trainees;
 - (c) expenditure incurred for food, travelling and accommodation allowances of the trainees during the Training Programme; and
 - (d) fees paid to a person who has been appointed to conduct soft-skills training under the Training Programme.
- 3(3)** The total amount of deduction allowable under paragraphs 2(b), (c) and (d) for each trainee shall not be exceed five thousand ringgit for each Training Programme;
- 3(4)** The amount of deduction allowed under subrule (1) shall be equivalent to double the amount of outgoings and expenses allowed under these Rules.
- 3(5)** For the purpose of qualifying for the deduction under these Rules, the qualified company claiming for the deduction shall produce a confirmation from the Ministry of Entrepreneur Development and Cooperatives specifying that—
- (a) the Training Programme has been approved and date of approval begins from 11 September 2019 until 31 December 2025; and
 - (b) the implementation of the Training Programme shall commence within twelve months from the date of approval of Training Programme.

REVOCATION

- 4** The Income Tax (Deduction for Training Costs under Skim Latihan 1Malaysia for Unemployed Graduates) Rules 2013 [P.U. (A) 260/2013] are revoked.

SAVINGS AND TRASITIONAL PROVISIONS

- 5(1)** Any application for deduction made, before the date of coming into operation of these Rules and pending approval shall be dealt with under the Income Tax (Deduction for Training Costs under Skim Latihan 1Malaysia for Unemployed Graduates) Rules 2013 (“the revoked Rules”) is if the revoked Rules had not been revoked by these Rules.
- 5(2)** Any approval granted under the revoked Rules before the date of coming into operation of these Rules shall continue to have effect and shall be deemed to be granted under these Rules.