

INCOME TAX (SET-OFF FOR TAX CHARGED ON ACTUARIAL SURPLUS UNDER TAKAFUL BUSINESS) RULES 2017

PU (A) 410

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IN exercise of the powers conferred by paragraph 154(1)(b) and subsection 110C(4) of the Income Tax Act 1967 [Act 53], the Minister makes the following rules:

CITATION AND COMMENCEMENT

1(1) These rules may be cited as the **Income Tax (Set-off for Tax Charged on Actuarial Surplus under Takaful Business) Rules 2017**.

1(2) These Rules are deemed to have effect from the year of assessment 2015.

ASCERTAINMENT OF PORTION OF ACTUARIAL SURPLUS IN RESPECT OF WHICH TAX CHARGED IS SET-OFF

2 The portion of the actuarial surplus from the family fund of a takaful operator transferred to the shareholders' fund of the takaful operator in respect of the family business of the takaful operator pursuant to subparagraph 60AA(9)(a)(vi) or 60AA(10)(a)(vi) of the Act in respect of which tax charged is set-off against the tax charged on the chargeable income from the shareholders' fund in a basis period for a year of assessment pursuant to section 110C of the Act shall be ascertained in accordance with the following formula:

$$A \times \frac{B}{C}$$

where A is the amount of the actuarial surplus from the family fund of the takaful operator transferred to the shareholders' fund pursuant to subparagraph 60AA(9)(a)(vi) or 60AA(10)(a)(vi) of the Act in the basis period for that year of assessment;

B is the net income from investment and net proceeds from realization of investment or any rights arising from them in the basis period for that year of assessment from the family fund in respect of the family business of the takaful operator; and

C is the amount of actuarial surplus in the basis period for that year of assessment from the family fund in respect of the family business of the takaful operator including contribution and income from investment.