

INCOME TAX (DEDUCTION FOR EXPENDITURE ON ISSUANCE OR OFFERING OF SUSTAINABLE AND RESPONSIBLE INVESTMENT SUKUK) RULES 2017

[Legislation details]

PU (A) 221

19 July 2017

IN exercise of the powers conferred by paragraphs 154(1)(b) and 33(1)(d) 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 (Deduction for Expenditure on Issuance or Offering of Sustainable and Responsible Investment Sukuk) Rules 2017**.
- 1(2) These Rules shall be deemed to have effect from the year of assessment 2016 until the year of assessment 2020.

INTERPRETATION

2 In these Rules, "**company**" means a company resident in Malaysia which is—

- (a) incorporated, or deemed to be registered, under the Companies Act 2016 [Act 777]; or
- (b) 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 Labuan Business Activity Tax Act 1990.

DEDUCTION

- 3(1) For the purpose of ascertaining the adjusted income of a company from its business in the basis period for a year of assessment, a deduction shall be allowed for the expenditure incurred by the company on the issuance or offering of a Sustainable and Responsible Investment Sukuk approved or authorized by, or lodged with, the Securities Commission Malaysia under the Capital Markets and Services Act 2007 [Act 671].
- 3(2) Subrule (1) shall apply to the Sustainable and Responsible Investment Sukuk issued or offered to an investor in compliance with the guidelines relating to sukuk issued by the Securities Commission Malaysia under the Capital Markets and Services Act 2007 which ninety percent of the proceeds raised from the issuance or offering of the Sustainable and Responsible Investment Sukuk are used solely for the purpose of funding the Sustainable and Responsible Investment Project specified in the guidelines relating to sukuk issued by the Securities Commission Malaysia under the Capital Markets and Services Act 2007.
- 3(3) The total amount of deduction allowed under subrule (1) shall be equivalent to the amount of expenditure incurred by the company on the issuance or offering of the Sustainable and Responsible Investment Sukuk.

DISQUALIFICATION FROM DEDUCTION

- 4** A company shall not be eligible for the deduction under these Rules in a basis period for a year of assessment where for that year of assessment the company has made a claim for a deduction for expenditure on the issuance or offering of the Sustainable and Responsible Investment Sukuk under any Rules made under section 154 of the Act.