

INCOME TAX (DEDUCTION FOR EXPENDITURE ON ISSUANCE OF SUKUK) RULES 2015

PU (A) 318
28 December 2015

IN exercise of the powers conferred by paragraph 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 of Sukuk) Rules 2015**.

1(2) These Rules shall have effect from the year of assessment 2016 until the year of assessment 2018.

INTERPRETATION

2 In these Rules –

“company” means a company resident in Malaysia and –

(a) incorporated under the Companies Act 1965 [Act 125]; or

(b) incorporated under the Labuan Companies Act 1990 [Act 441];

“sukuk” means –

(a) sukuk structured pursuant to the principle of *Ijarah*; or

(b) sukuk structured pursuant to the principle of *Wakalah*, comprising a mixed component of asset and debt.

DEDUCTION

3 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 on an amount equal to the expenditure incurred by the company on the issuance of sukuk –

(a) approved or authorized by, or lodged with, the Securities Commission under the Capital Markets and Services Act 2007 [Act 671]; or

(b) approved by the Labuan Financial Services Authority established under the Labuan Financial Services Authority Act 1996 [Act 545].