

# **INCOME TAX (EXEMPTION) (AMENDMENT) (NO.11) ORDER 2016**

PU (A) 345  
15 December 2016

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 (Exemption) (No. 11) Order 2016**.
- 1(2)** This Order has effect from the year of assessment 2016 until the year of assessment 2018.

## **INTERPRETATION**

- 2** In this Order, "**tour operating business**" has the same meaning assigned to it in the Tourism Industry Act 1992 [*Act 482*].

## **QUALIFYING PERSON**

- 3** The qualifying person referred to in this Order is a company—
- (a) resident in Malaysia;
  - (b) which is licensed under the Tourism Industry Act 1992 to carry out a tour operating business; and
  - (c) which carries on a qualifying activity.

## **QUALIFYING ACTIVITY**

- 4** A qualifying activity referred to in this Order is a tour operating business which provides group inclusive tour package to or in Malaysia or any place within Malaysia utilized by tourists from outside Malaysia, inclusive of transportation by air, land or sea, and accommodation.

## **EXEMPTION**

- 5(1)** Subject to subparagraph (2), the Minister exempts a qualifying person in the basis period for a year of assessment from the payment of income tax in respect of the statutory income derived from a qualifying activity.
- 5(2)** The exemption referred to in subparagraph (1) shall only apply if the total number of tourists from outside Malaysia for the qualifying activity is not less than seven hundred and fifty in a basis period for a year of assessment.
- 5(3)** The total number of tourists from outside Malaysia referred to in subparagraph (2) shall be verified in writing by an authorized officer of the Ministry of Tourism and Culture Malaysia.

## **SEPARATE SOURCE AND SEPARATE ACCOUNT**

- 6(1)** Where a qualifying person carries on a qualifying activity and an activity other than a qualifying activity, each activity shall be treated as a separate and distinct source of the activity.
- 6(2)** The qualifying person who is granted an exemption under subparagraph 5(1) shall maintain a separate account for the income derived from each activity referred to in subparagraph (1).