

# **INCOME TAX (DEDUCTION FOR EXPENSES IN RELATION TO LISTING ON MAIN MARKET, ACCESS, CERTAINTY, EFFICIENCY (ACE) MARKET OR LEADING ENTREPRENEUR ACCELERATOR PLATFORM (LEAP) MARKET OF BURSA MALAYSIA SECURITIES BERHAD) RULES 2023**

PU (A) 235  
31 July 2023

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)** These rules may be cited as the **Income Tax (Deduction for Expenses in relation to Listing on Main Market, Access, Certainty, Efficiency (ACE) Market or Leading Entrepreneur Accelerator Platform (LEAP) Market of Bursa Malaysia Securities Berhad) Rules 2023**.
- 1(2)** These Rules have effect from the year of assessment 2023 until the year of assessment 2025.

## **INTERPRETATION**

**2** In these Rules—

"ACE Market" means the Access, Certainty, Efficiency Market of Bursa Malaysia Securities Berhad;

"LEAP Market" means the Leading Entrepreneur Accelerator Platform Market of Bursa Malaysia Securities Berhad;

"Main Market" means the Main Market of Bursa Malaysia Securities Berhad.

## **APPLICATION**

**3** These Rules shall apply to a technology-based company—

- (a)** which is involved in the design, development and manufacture, production or application in any of the field and activities—
- (i)** as specified in the Schedule; and
  - (ii)** which have been certified by Bursa Malaysia Securities Berhad as the principal business activity of the technology-based company; and
- (b)** which has applied for listing on the Main Market, ACE Market or LEAP Market.

## DEDUCTION

- 4(1)** Subject to subrules (2), (3) and (4), for the purpose of ascertaining the adjusted income of a technology-based company from its business for the basis period in a year of assessment, a deduction shall be allowed for an amount equivalent to the amount of the following expenditures incurred by the technology-based company in relation to listing on the Main Market, ACE Market or LEAP Market:
- (a)** payment of fees to Bursa Malaysia Securities Berhad and Securities Commission Malaysia as the authorities;
  - (b)** payment for the following professional fees:
    - (i)** advisory fee to—
      - (A)** the principal adviser for listing on the Main Market;
      - (B)** the sponsor, being the main adviser for listing on the ACE Market; and
      - (C)** the approved adviser, being the main adviser for listing on the LEAP Market; and
    - (ii)** in relation to the listing exercise, fees to the solicitor, company secretary, tax adviser, reporting accountant, auditor, valuer, independent market researcher, issuing house and share registrar; and
  - (c)** payment of fees for underwriting, placement and brokerage services.
- 4(2)** The deduction referred to in subrule (1) shall only be claimed by the technology-based company for the basis period in a year of assessment when the technology-based company is listed on the Main Market, ACE Market or LEAP Market.
- 4(3)** The total amount of the deduction allowed under subrule (1) shall be an amount not exceeding one million five hundred thousand ringgit.
- 4(4)** The amount of deduction in respect of expenditure referred to in subrule (1) shall not exceed the adjusted income of the technology-based company for the basis period in that year of assessment and such adjusted income shall be ascertained before such deduction.
- 4(5)** Where by reason of an absence or insufficiency of adjusted income in that year of assessment, the deduction in respect of expenditure referred to in subrule (1) cannot be claimed or cannot be claimed in full, the deduction in respect of such expenditure shall not be allowed to the technology-based company in any subsequent years of assessment.

## SCHEDULE

[Subparagraph 3(a)(i)]

(1) No.	(2) Field	(3) Activity
1.	Advanced electronics and information technology	<p>(a) Components</p> <ul style="list-style-type: none"><li>(i) input or output technologies</li><li>(ii) storage and batteries</li><li>(iii) smart cards</li><li>(iv) integrated circuits</li><li>(v) micro-processors</li></ul> <p>(b) Systems and architectures</p> <ul style="list-style-type: none"><li>(i) operating systems environments</li><li>(ii) software component architectures</li><li>(iii) computing platforms</li><li>(iv) micro-processor-based products</li><li>(v) security</li><li>(vi) neural networks</li><li>(vii) fuzzy logic systems</li><li>(viii) display systems</li><li>(ix) pattern recognition system and image processing</li><li>(x) machine vision</li><li>(xi) facial recognition technology</li><li>(xii) artificial intelligence</li><li>(xiii) blockchain, digital assets</li><li>(xiv) digital wallet</li><li>(xv) internet of things</li></ul>

(1) No.	(2) Field	(3) Activity
		<p>(c) Software</p> <ul style="list-style-type: none"> <li>(i) fuzzy logic systems</li> <li>(ii) application development environments</li> <li>(iii) database management systems</li> <li>(iv) groupware, workflow, document and knowledge management</li> <li>(v) systems and network management</li> <li>(vi) animation, graphics, visualisation, image solutions, computer-aided design (CAD), shrink-wrap software</li> </ul> <p>(d) Applications</p> <ul style="list-style-type: none"> <li>(i) electronic commerce and electronic hailing services</li> <li>(ii) data warehousing and data centres</li> <li>(iii) corporate applications</li> <li>(iv) cloud services</li> <li>(v) virtual and augmented reality</li> <li>(vi) cyber security</li> <li>(vii) wearable technology</li> </ul> <p>(e) Communications</p> <ul style="list-style-type: none"> <li>(i) transmission media</li> <li>(ii) networking systems and protocols</li> <li>(iii) internet and intranet</li> </ul>

(1) No.	(2) Field	(3) Activity
		<ul style="list-style-type: none"> <li>(f) Supporting products and services               <ul style="list-style-type: none"> <li>(i) uninterrupted power supply</li> <li>(ii) network equipment or modem, server, etc.</li> </ul> </li> <li>(g) Big data, data analytics and predictive analytics</li> </ul>
2.	Telecommunications	<ul style="list-style-type: none"> <li>(a) Telecommunication network</li> <li>(b) Cellular or fixed lines services</li> <li>(c) Value-added interactive voice and data services</li> <li>(d) Value-added network data services</li> <li>(e) Satellite-based communications</li> <li>(f) Maritime and broadband communication</li> <li>(g) Equipment, components and parts</li> </ul>
3.	Equipment or instrumentation, automation and flexible manufacturing systems	<ul style="list-style-type: none"> <li>(a) Scientific, laboratory and medical equipment</li> <li>(b) Medical implants, devices and prostheses</li> <li>(c) Computer process control systems or equipment</li> <li>(d) Wireless technology and wireless processes</li> <li>(e) Process instrumentation</li> <li>(f) Robotics</li> <li>(g) Remote monitoring</li> <li>(h) High precision cutting or measurement or calibration machines</li> <li>(i) Powder metallurgy</li> <li>(j) Advanced factory machine operations</li> <li>(k) Rapid tooling and prototyping</li> </ul>

(1) No.	(2) Field	(3) Activity
4.	Life sciences and biotechnology	<ul style="list-style-type: none"> <li>(a) Genetic engineering</li> <li>(b) Cell cultures</li> <li>(c) Biopolymers</li> <li>(d) Metabolytes</li> <li>(e) Food and food supplements</li> <li>(f) Fine chemicals</li> <li>(g) Diagnostics</li> <li>(h) Waste, waste minimisation and waste treatment</li> <li>(i) Waste optimisation or utilisation</li> <li>(j) Waste remediation</li> <li>(k) Bioconversion processes</li> </ul>
5.	Healthcare	<ul style="list-style-type: none"> <li>(a) Pharmaceuticals</li> <li>(b) Nutraceuticals</li> <li>(c) Medical products</li> <li>(d) Diagnostic and imaging</li> <li>(e) Telemedicine</li> <li>(f) Nanomedicine</li> </ul>
6.	Electro-optics, non-linear optics and optoelectronics	<ul style="list-style-type: none"> <li>(a) Optical lenses</li> <li>(b) Laser application equipment and peripherals</li> <li>(c) Photonics, including fibre-optics communication equipment and peripherals</li> <li>(d) Optoelectronics systems components</li> <li>(e) Optical systems components</li> </ul>

(1) No.	(2) Field	(3) Activity
		<ul style="list-style-type: none"> <li>(f) Electronic sensors</li> <li>(g) Semiconductor lasers</li> </ul>
7.	Advanced materials	<ul style="list-style-type: none"> <li>(a) Polymers, biopolymers, biomaterials, composite and graphene materials</li> <li>(b) Superconductors</li> <li>(c) Fine ceramics and advanced ceramics</li> <li>(d) High strength composites</li> <li>(e) Specialty materials, rare earth elements, smart materials and new alloys</li> <li>(f) Magnetic and permanent magnetic materials</li> <li>(g) Nanomaterials</li> </ul>
8.	Energy	<ul style="list-style-type: none"> <li>(a) Fuel cells</li> <li>(b) Advanced batteries</li> <li>(c) Solar cells</li> <li>(d) Renewable energy</li> <li>(e) Hybrid energy technology</li> <li>(f) Energy efficiency methods</li> </ul>
9.	Aerospace	<ul style="list-style-type: none"> <li>(a) Aircraft and aircraft equipment, components, accessories and parts</li> <li>(b) Aircraft modification, conversion and refurbishment</li> <li>(c) Equipment, components, accessories or parts for satellites and micro satellites</li> <li>(d) Equipment, components, accessories or parts for satellite earth observation and aerial surveillance applications</li> <li>(e) Unmanned aerial vehicle</li> </ul>

(1) No.	(2) Field	(3) Activity
10.	Transportation	<ul style="list-style-type: none"><li>(a) Split engines</li><li>(b) High performing engines</li><li>(c) Micro engines</li><li>(d) Transport navigation and tracking systems</li><li>(e) Electronic vehicles</li></ul>
11.	Value-added services	<ul style="list-style-type: none"><li>(a) Education and training relating to application of smart technologies</li><li>(b) Education and training of knowledge workers</li><li>(c) System developers, system integrators, content or solution providers</li></ul>