

INCOME TAX (EXEMPTION) (NO. 10) 2018 (AMENDMENT) ORDER 2024

PU (A) 84
8 March 2024

IN exercise of the powers conferred by paragraph 127(3)(b) of the Income Tax Act 1967 [Act 53], the Minister makes the following rules:

CITATION AND COMMENCEMENT

- 1(1)** This order may be cited as the **Income Tax (Exemption) (No. 10) 2018 (Amendment) Order 2024**.
- 1(2)** Except for subsubparagraphs 2(d), 2(e) and 9(b), this Order is deemed to have come into operation on 1 January 2019.
- 1(3)** Subsubparagraphs 2(d), 2(e) and 9(b) are deemed to have come into operation on 25 March 2022.

AMENDMENT OF PARAGRAPH 2

- 2** the Income Tax (Exemption) (No. 10) Order 2018 [P.U. (A) 389/2018], which is referred to as the “principal Order” in this Order, is amended in paragraph 2—
- (a) by deleting the definition of “promoted activities for Multimedia Super Corridor”;
- (b) by substituting for the definition of “core income generating activities” the following definition:
‘ “core income generating activities” means activities as provided under paragraph 3A;’;
- (c) by inserting after the definition of “core income generating activities” the following definition:
‘ “Malaysia Digital Economy Corporation Sdn. Bhd.” means a company incorporated under the Companies Act 2016 [Act 777];’;
- (d) by deleting the definition of “Multimedia Super Corridor cyber city or cyber centre”;
- (e) by deleting the definition of “designated premises”;
- (f) by deleting the definition of “approval letter”; and
- (g) by deleting the definition of “Multimedia Super Corridor status”.

SUBSTITUTION OF PARAGRAPH 3

- 3** The principal Order is amended by substituting for paragraph 3 the following paragraph:

“Qualifying company

- 3(1)** A qualifying company referred to in this Order is a company which is incorporated under the Companies Act 2016 and resident in Malaysia—

- (a) which fulfills the following requirement:
 - (i) has not issued any invoice for the core income generating activities in Malaysia on the date the application for the award of the Multimedia Super Corridor status is made; or
 - (ii) has sixty per cent Malaysian equity ownership and has not issued any invoice for the core income generating activities in Malaysia more than twelve months prior to the date the application for the award of the Multimedia Super Corridor status is made;
- (b) which has made an application to the Minister through Malaysia Digital Economy Corporation Sdn. Bhd. for the award of the Multimedia Super Corridor status on or after 1 January 2019; and
- (c) which has been awarded the Multimedia Super Corridor status by the Government of Malaysia.

3(2) For the purposes of this Order, “Multimedia Super Corridor status” means the Multimedia Super Corridor status awarded by the Government of Malaysia to the qualifying company.”.

NEW PARAGRAPH 3A

4 The principal Order is amended by inserting after paragraph 3 the following paragraph:

“Core income generating activities

3A. (1) The core income generating activities referred to in this Order are the activities undertaken by a qualifying company in Malaysia to provide services in relation to promoted activities for Multimedia Super Corridor as—

- (a) approved under the award of the Multimedia Super Corridor status; and
- (b) approved by the Minister.

3A. (2) For the purposes of this Order, “promoted activities for Multimedia Super Corridor” means activities as specified in column (2) of Schedule 1 as approved by the Minister, but not including trading, manufacturing activities or provision of telecommunication services.”.

NEW PARAGRAPH 4A

5 The principal Order is amended by inserting after paragraph 4 the following paragraph:

“Related company to the qualifying company

4A. (1) If a qualifying company has any related company which has been granted an exemption in respect of the core income generating activities, the qualifying company shall not be qualified to be granted an exemption under subparagraph 4(1) in respect of the same core income generating activities.

4A. (2) For the purposes of this paragraph, “related company” has the same meaning assigned to it in subsection 2(1) of the Promotion of Investments Act 1986 [Act 327].”.

NEW PARAGRAPH 6A

6 The principal Order is amended by inserting after paragraph 6 the following paragraph:

“Surrender of exemption

- 6A. (1)** The Minister may, except where the qualifying company fails to comply with any conditions imposed by the Minister, allow the qualifying company to surrender the exemption granted under this Order by notice in writing to the Minister.
- 6A. (2)** The surrender of the exemption referred to in subparagraph (1) shall have effect—
- (a) on the date the approval of the award of the Multimedia Super Corridor status is granted to the qualifying company; or
 - (b) in the case where the exemption period has commenced—
 - (i) on the date the application for surrender of the exemption is received by the Minister; or
 - (ii) on the first day in the basis period for the year of assessment in which the application for surrender of the exemption is received by the Minister.”.

AMENDMENT OF PARAGRAPH 9

- 7** Paragraph 9 of the principal Order is amended—
- (a) in subparagraph (2)(b), by inserting after the words “the existing qualifying company” the words “and any additional activity which is approved by the Minister as core income generating activities”;
 - (b) in subparagraph (2)(d)—
 - (i) by substituting for subparagraph (i) the following subparagraph:

“(i) subparagraph 3(1)(a) and (b);”;
 - (ii) in subparagraph (ii), by substituting for the full stop at the end of the subparagraph the words “; and”; and
 - (iii) by inserting after subparagraph (ii) the following subparagraph:

“(iii) paragraph 5.”; and
 - (c) in subparagraph (4)—
 - (i) in subparagraph (a), by inserting after the words “the first five years of the exemption period thereunder has expired before 1 January 2019” the words “or the exemption period granted under subparagraph (1) has expired”;
 - (ii) by inserting after subparagraph (a) the following subparagraph:

“(aa) the core income generating activities shall be the activities approved under the award of the Multimedia Super Corridor status of the existing qualifying company which exemption period has ended and any additional activity which is approved by the Minister as core income generating activities;”;

(iii) in subsubparagraph (c), by substituting for subsubsubparagraph (i) the following subsubsubparagraph:

“(i) subsubparagraphs 3(1)(a) and (b);”.

AMENDMENT OF SCHEDULE 1

8 Schedule 1 to the principal Order is amended by substituting for the words “SCHEDULE 1” the following words:

“SCHEDULE 1

[Subparagraph 3A(2)]”.

AMENDMENT OF SCHEDULE 2

9 Schedule 1 to the principal Order is amended—

(a) by substituting for the words “SCHEDULE 2” the following words:

“SCHEDULE 2

[Paragraph 4]”; and

(b) by deleting the item “Location where core income generating activities are carried out” and the particulars relating to it.