

# INCOME TAX (EXEMPTION) (NO. 7) ORDER 2022

PU (A) 312  
6 October 2022

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. 7) Order 2022**.
- 1(2)** This Order shall have effect from the year of assessment 2021 until the year of assessment 2023.

## EXEMPTION

- 2(1)** The Minister exempts the person referred to in subparagraph (3) in the basis period for a year of assessment from the provisions of subsections 54A(1) and (2) of the Act and from the payment of income tax in respect of the statutory income derived from a source of business consisting of a Malaysian ship.
- 2(2)** An exemption granted under subparagraph (1) shall be subject to the person obtaining annual verification from the Ministry of Transport Malaysia that the following conditions have been fulfilled:
- (a) incurs annual operating expenditure of at least two hundred and fifty thousand ringgit (RM250,000.00) for each Malaysian ship; and
  - (b) has number of full-time employees in Malaysia for each Malaysian ship—
    - (i) in the case of shore employees, at least four of the following employees and majority of the employees shall be Malaysian citizens:
      - (A) A chief executive officer;
      - (B) an administrative and finance officer;
      - (C) an operating officer; and
      - (D) an officer in charge of the health, protection, safety and environmental affairs; and
    - (ii) in the case of employees who are ship personnel as provided under Part III of the Merchant Shipping Ordinance 1952 [Ord. 70/1952], shall be subject to the minimum requirement as specified in the Safe-Manning Certificate issued by the Marine Department Malaysia.
- 2(3)** The person referred to in subparagraph (1) is a person resident in Malaysia who carries on the business of—
- (a) transporting passengers or cargo by sea on a Malaysian ship; or
  - (b) letting out on charter a Malaysian ship owned by him on a voyage or time charter basis.
- 2(4)** Nothing in this paragraph shall absolve or is deemed to have absolved the person referred to in this paragraph from complying with any requirement to submit any return or statement of account or to furnish any other information under the Act.