

# INCOME TAX (EXEMPTION) ORDER 2022

PU (A) 96  
1 April 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) Order 2022.

1(2) This Order has effect for the year of assessment 2022.

## APPLICATION

2 This Order shall apply to a company which has income received in Malaysia from outside Malaysia from 1 July 2022.

## INTERPRETATION

3 In this Order—

“income received in Malaysia from outside Malaysia” means income arising from outside Malaysia which is brought into Malaysia;

“company” means a company which is incorporated or registered under the Companies Act 2016 [Act 777] and resident in Malaysia.

## EXEMPTION

4(1) The Minister exempts the application of the provision of subparagraph 2(2) of Part I of Schedule 1 to the Act, to a company in respect of its chargeable income in relation to any income received in Malaysia from outside Malaysia in the basis period for the year of assessment 2022.

4(2) For the purposes of subparagraph (1), the chargeable income in relation to any income received in Malaysia from outside Malaysia in the basis period for the year of assessment 2022 shall be determined in accordance with the following formula:

$$\frac{A \quad X \quad C}{B}$$

- where
- |   |                                                                                                                                                   |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------|
| A | is the statutory income in relation to the income received in Malaysia from outside Malaysia in the basis period for the year of assessment 2022; |
| B | is the aggregate income in the basis period for the year of assessment 2022;                                                                      |
| C | is the chargeable income of the company in the basis period for the year of assessment 2022.                                                      |

- 4(3)** Where chargeable income in relation to the income received in Malaysia from outside Malaysia has been determined under subparagraph (2), any excess of the chargeable income of that company which is subject to tax shall be charged to income tax for the year of assessment 2022 under subparagraph 2(1) or 2(2) of Part I of Schedule 1 to the Act, as the case may be.
- 4(4)** Nothing in subparagraph (1) shall absolve or be deemed to have absolved a company from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the provisions of the Act.