

INCOME TAX (DEDUCTION FOR EXPENDITURE ON ISSUANCE OF RETAIL DEBENTURE AND RETAIL SUKUK) RULES 2013

PU (A) 71
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IN exercise of the powers conferred by paragraphs 154(1)(b) and 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 Expenditure on Issuance of Retail Debenture and Retail Sukuk) Rules 2013**.
- 1(2) These Rules are deemed to have effect from the year of assessment 2012 until the year of assessment 2015.

INTERPRETATION

- 2(1) For the purpose of ascertaining the adjusted income of a company resident in Malaysia, from its business for the basis period for a year of assessment, a deduction on additional expenses incurred by the company shall be allowed on the issuance of—
 - (a) a retail debenture approved or authorized by the Securities Commission under the Capital Markets and Services Act 2007 [Act 671]; and
 - (b) a retail sukuk approved or authorized by the Securities Commission under the Capital Markets and Services Act 2007.
- 2(2) The following are the additional expenses referred to in subrule (1):
 - (a) a professional fee relating to due diligence, drafting and preparation of prospectus;
 - (b) a printing cost of prospectus;
 - (c) an advertisement cost of prospectus;
 - (d) the Securities Commission prospectus registration fee;
 - (e) the Bursa Malaysia processing fee and initial listing fee;
 - (f) the Bursa Malaysia new issue crediting fee; and
 - (g) a primary distribution fee.
- 2(3) A retail debenture referred to in paragraph (1)(a)—
 - (a) has the same meaning assigned to the definition of “**debenture**” in the Capital Market and services Act 2007; and
 - (b) shall be any debenture that is proposed to be issued or offered to a retail investor and includes a debenture where an invitation to subscribe or purchase of the debenture is proposed to be issued to the retail investor.

- 2(4)** A retail sukuk referred to in paragraph (1)(a)—
- (a) has the same meaning as provided in the guidelines relating to sukuk issued by the Securities Commission under the Capital Markets and Services Act 2007; and
 - (b) shall be any sukuk that is proposed to be issued or offered to a retail investor and includes a sukuk where an invitation to subscribe or purchase of the sukuk is proposed to be issued to the retail investor.
- 2(5)** A retail investor referred to in subrules (2) and (3) shall be any person other than—
- (a) the Central Bank of Malaysia referred to in the Central Bank of Malaysia Act 2009 [*Act 701*];
 - (b) a person to whom an excluded offer or excluded invitation is made as specified in Part A of Schedule 6 to the Capital Markets and Services Act 2007; and
 - (c) a person to whom an excluded issue is made as specified in Part A of Schedule 7 to the Capital Markets and Services Act 2007.
- 2(6)** The total amount of deduction allowed under paragraph (1)(a) shall be equivalent to twice the amount of additional expenses allowed under these Rules.
- 2(7)** The total amount of deduction allowed under paragraph (1)(b) shall be an amount equal to the additional expenses allowed under these Rules.