

What's New?

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Income Tax (Exemption)(No. 2) Order 2020 -
Exemption for private healthcare facilities or services

Income Tax (Exemption)(No. 2) Order 2020



- In exercise of the powers conferred by paragraph 127(3)(b) of the Income Tax Act 1967 [Act 53], the Minister makes this order.
- The Minister **exempts** a **qualifying company** in the basis period for a year of assessment from the **payment of income tax** in respect of statutory income derived from a **qualifying project**, which is equivalent to the amount of qualifying capital expenditure incurred by that qualifying company in the basis period for that year of assessment.





Meaning of “qualifying project”

- a business of providing private healthcare services at a new private healthcare facility; or
- a project of expansion, modernization or refurbishment of the existing business of providing private healthcare services.

which has been approved by the **Minister of Health** and registered with the **Malaysia Healthcare Travel Council**.



Income Tax (Exemption)(No. 2) Order 2020



- The exemption referred to shall be for a period of **five consecutive years** commencing from the date of the first qualifying capital expenditure incurred by the qualifying company, as determined by the Malaysian Investment Development Authority.
- This Order is deemed to have come into operation from the year of assessment 2018.
- The Exemption Order covers applications made to MIDA on or after 1 January 2018 but not later than 31 December 2020





Non-application

This Order shall not apply to a qualifying company which in the basis period for the year of assessment-

- a) has made a claim for reinvestment allowance under Schedule 7A to the Act or investment allowance for service sector under Schedule 7B to the Act;
- b) has been granted any incentive under the Promotion of Investments Act 1986 in respect of the same qualifying project;
- c) has been granted an exemption under paragraph 127(3)(b) or subsection 127(3A) of the Act in respect of the same qualifying project; or





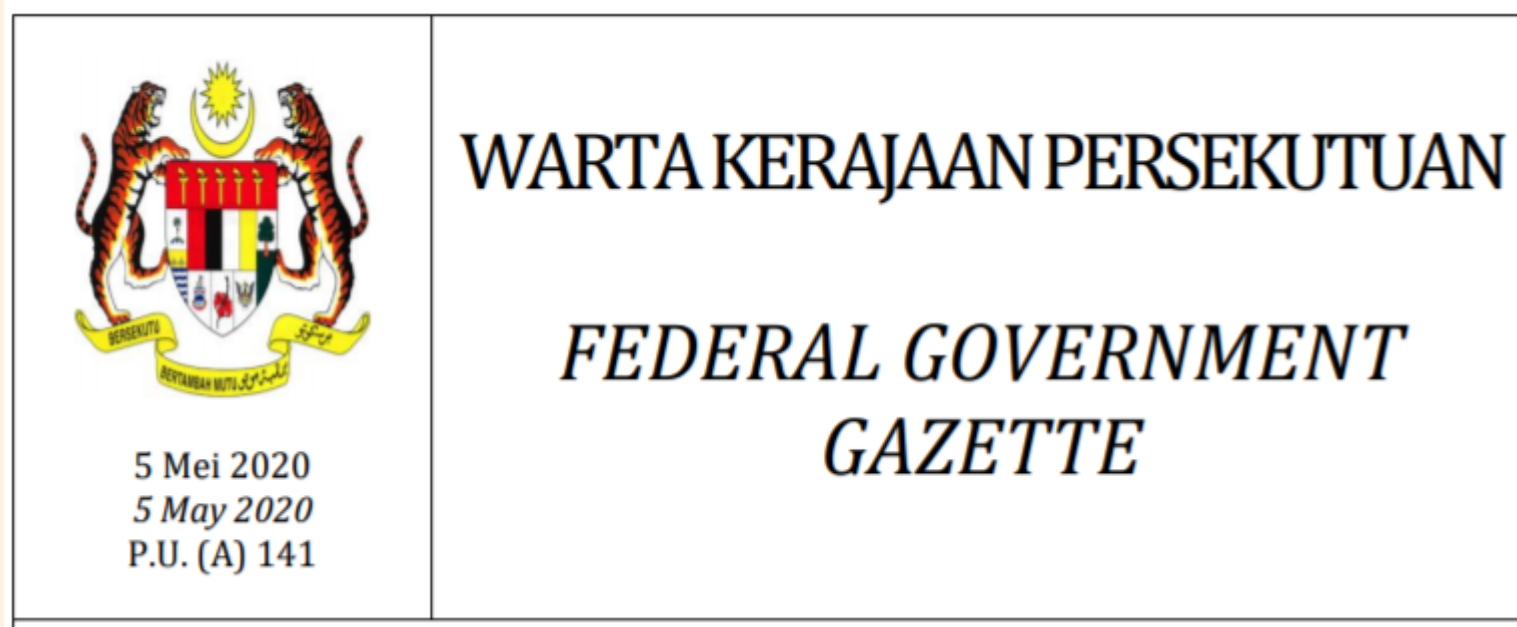
Non-application

This Order shall not apply to a qualifying company which in the basis period for the year of assessment-

- d) has made a claim for deduction under any rules made under section 154 of the Act except-
 - I. allowance under Schedule 3 to the Act;
 - II. the Income Tax (Deduction for Audit Expenditure) Rules 2006 [P.U. (A) 129/2006]; or
 - III. the Income Tax (Deduction for Expenses in relation to Secretarial Fee and Tax Filing Fee) Rules 2014 [P.U. (A) 336/2014].



- For more info, please download P.U. (A) 141
 - <http://tiny.cc/fa80pz>



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