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</table>
| 1. Interest payable on loans to small businesses | (a) Employer to produce certificate of approval of loan from Authority  
(b) Interest must be allowable under S. 33 of the Income Tax Act 1967 (ITA 1967) | PU(A) 90/1981  
Y/A 1982 |
| 2. First three months’ remuneration of each employee trained in the construction industry | (a) Employer must register to participate in a training scheme  
(b) Employer to produce certificate from Ministry of Labour and Manpower | PU(A) 91/1981  
Y/A 1982  
Revoked w.e.f. Y/A 1992 |
| 3. Remuneration of disabled employees | (a) Employer has to prove to the Director General that the employee is physically or mentally disabled  
(b) Remuneration must be allowable under S. 33 of the ITA 1967 | PU(A) 73/1982  
Y/A 1982 |
| 4. Premium paid on export credit insurance taken with a company approved by the Minister of Finance (i) Conventional Insurance  
(ii) Takaful (Islamic) | Premium must be allowable under S. 33 of the ITA 1967  
Premium must be allowable under S. 33 of the ITA 1967 | PU(A) 526/1958  
Y/A 1986  
Y/A 2011  
(2011 Budget) |
| 5. Expenditure incurred by companies on approved training in the manufacturing sector | (a) The Company must be engaged in manufacturing and the training programme is for training employees in the manufacturing industry  
(b) The Company must produce a certificate of approval for the training programme  
(c) Training expenditure must be allowable under S. 33 of the ITA 1967 | PU(A) 213/1987  
Y/A 1988  
Revoked w.e.f. Y/A 1992 |
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| 6. Expenditure incurred by companies carrying on the business of providing higher education in Malaysia for the purpose of promoting the export of higher education | The Company/Institution:  
(a) must be resident in Malaysia  
(b) must be registered with the Ministry of Education Malaysia (MOE)  
(c) must get an approval letter from the MOE upfront before undertaking the promotional activities  
(d) can also engage an agency approved by the MOE to undertake the promotional activities outside Malaysia. The MOE will verify the expenses incurred for this purpose  
Refer to section B5.2 for details of eligible outgoings and expenses. | PU(A) 185/2001 Y/A 1996 |
| 7. Freight charges incurred for the export of rattan and wood-based products | The person claiming a deduction must be engaged in the manufacturing of rattan and wood-based products (excluding veneer and sawn timber) | PU(A) 422/1990 Y/A 1991 |
| 8. Fees incurred by small-scale companies on training their employees at NPC, SIRIM, MIT, MARDI, FRIM, CIAST, PSDC, IKM, ITI, GMI or MTIB (less than six months) | (a) The Company must be a small-scale company defined under S. 33(4) of the Promotion of Investments Act 1986 (PIA 1986)  
(b) The Company is required to produce a receipt of payment and a certificate from the relevant agency | PU(A) 423/1990 Y/A 1990 Revoked w.e.f. Y/A 1992 |
| 9. Research expenditure | (a) The research must be:  
(i) approved by the Minister; or  
(ii) undertaken by a person participating in an industrial adjustment approved under S. 31A of the PIA 1986  
(b) Expenses must be incurred within 10 years from the date of approval for (a)(ii) above  
With effect from 1 Jan 1997, application for double deduction of expenses is to be submitted directly to and processed by the IRB. Commencing from Y/A 2005, the DGIR will only give approval for a research project. The application for an approved research project must be made within 6 months before the financial year-end of the business.  
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| 10. (i) Cash contributions to approved research institutes;  
(ii) Payments for use of the services of approved research institutes or companies; or  
(iii) Payment for the use of the services of an R&D company or a contract R&D company | (a) Approved research company/institute which fulfils the definition under S. 34B(4)(a) or 34B(4)(b) of the ITA 1967  
(b) Research and development (R&D) company which fulfils the definition in S. 2 of the PIA 1986  
(c) Contract R&D company which fulfils the definition in S. 2 of the PIA 1986  
Refer to section B5.2 for details of eligible outgoings and expenses. | S. 34B of the ITA 1967  
Y/A 1994 |
| 11. Overseas expenses incurred by hotel and tour operators for the promotion of tourism | Hotel and tour operating business must be registered with the Malaysian Tourism Promotion Board  
Refer to section B5.2 for details of eligible outgoings and expenses. | PU(A) 412/1991  
Y/A 1991 |
| 12. Expenditure incurred on approved training by:  
(i) Manufacturing company | (a) A training programme approved by MIDA; or  
(b) A training programme conducted by a training institution  
(c) If the company has commenced business, the expenditure must be incurred in training its employees for the purpose of upgrading and developing the employees’ craft, supervisory and technical skills or increasing the productivity or quality of its products  
(d) If the company has not commenced business, the expenditure must be incurred in training its employees for the acquisition of craft, supervisory or technical skills which will contribute directly to the future production of its products. Double deduction will be allowed in the year of assessment in which gross income first arises | PU(A) 61/1992  
Y/A 1992 |
| (ii) Non-manufacturing company | (a) A training programme approved by the Minister of Finance or any agency appointed by the Minister of Finance; or  
(b) A training programme conducted by a training institution  
Refer to section B5.2 for details of eligible outgoings and expenses. | PU(A) 61/1992  
Y/A 1992 |
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<tr>
<td>(iii) Company carrying on a hotel or tour operating business</td>
<td>(a) A training programme approved by the Ministry of Culture, Arts and Tourism; or (b) A training programme conducted by a training institution (c) The hotel or tour operating business must be registered with the Malaysian Tourism Promotion Board <em>Refer to section B5.2 for details of eligible outgoings and expenses.</em></td>
<td>PU(A) 61/1992 Y/A 1992</td>
</tr>
<tr>
<td>(iv) Handicapped persons</td>
<td>(a) A training programme conducted in Malaysia approved by the Minister of Finance; or (b) A training programme conducted by a training institution (c) The training programme is for the purpose of enhancing his/her employment prospects (d) The handicapped person must be registered with the Ministry of National Unity and Social Development (e) The person is not an employee of the company <em>Refer to section B5.2 for details of eligible outgoings and expenses.</em></td>
<td>PU(A) 61/1992 Y/A 1992</td>
</tr>
</tbody>
</table>

For (i) to (iv) above, an approved training programme requires a letter of approval from the relevant approving authority, and in the case of a training programme conducted by a training institution, a letter from the training institution certifying that the employee of the Company has attended such training programme.

13. Approved outgoings and expenses incurred for the promotion of exports from Malaysia | (a) Products exported must be products which qualify for an export allowance or abatement of statutory income for exports (b) The Company must be resident in Malaysia *Refer to section B5.2 for details of eligible outgoings and expenses.* | S. 41 of the PIA 1986 w.e.f. 1 Jan 1986 |

14. Expenses incurred on international trade fairs held in Malaysia for the promotion of exports | (a) The trade fair must be an international trade fair approved by the Minister of International Trade & Industry (MITI); (b) The company must be approved by the MITI to participate in the international trade fair; and | PU(A) 361/1991 Y/A 1992 |
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<td></td>
<td>(c) The expenditure must be a kind allowable under S. 33 of the ITA 1967 but excludes the cost of exhibits. Refer to section B5.2 for further details on the claim.</td>
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<tr>
<td>15. Insurance premium paid for the export or import of cargo insured with local insurance companies</td>
<td>(a) The risks are insured with any insurance company incorporated in Malaysia. (b) The insurance premium must be allowed a deduction under S. 33 of the ITA 1967.</td>
<td>PU(A) 79/1995 Y/A 1995 PU(A) 72/1982 Y/A 1982</td>
</tr>
<tr>
<td>16. Freight charges paid to a Malaysian incorporated shipping company for transportation on board a Malaysian ship</td>
<td></td>
<td>PU(A) 229/1995 Y/A 1994 Revoked w.e.f. Y/A 1998</td>
</tr>
<tr>
<td>17. Expenditure incurred on advertising Malaysian brand name goods within Malaysia by:</td>
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<tr>
<td>(i) Registered proprietor</td>
<td>(a) The company is at least 70% Malaysian-owned; (b) The company is the registered proprietor of the Malaysian brand name used in the advertisement; (c) The Malaysian brand name goods are of export quality; (d) The expenditure incurred in advertising the Malaysian brand name or incurred on professional fees must be incurred within Malaysia; and (e) The expenditure must be a kind allowable under S. 33 of the ITA 1967.</td>
<td>PU(A) 129/1999 Y/A 1998 Revoked w.e.f. Y/A 2002 Replaced by PU(A) 62/2002 Y/A 2002</td>
</tr>
<tr>
<td>(ii) Company owned by the registered proprietor</td>
<td>(a) If the registered proprietor does not claim for the double deduction stated above; and (b) The company must be owned more than 50% by the registered proprietor of the Malaysian brand name. Refer to section B5.2 for details of eligible outgoings and expenses.</td>
<td>PU(A) 171/2007</td>
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<td>18. Outgoings and expenses incurred for promotion of export of services</td>
<td>Refer to section B5.2 for details of eligible outgoings and expenses. The incentive has been extended to partnerships or sole proprietors (for promotion of export of professional services)</td>
<td>PU(A) 193/1999&lt;br&gt;PU(A) 114/2002&lt;br&gt;Y/A 1996&lt;br&gt;PU(A) 124/2003&lt;br&gt;Y/A 2003</td>
</tr>
<tr>
<td>19. Freight charges for shipping goods from Sabah and Sarawak to Peninsular Malaysia</td>
<td>(a) To be claimed by manufacturers&lt;br&gt;(b) To use ports in Peninsular Malaysia</td>
<td>PU(A) 50/2000&lt;br&gt;Y/A 2000 (cyb)</td>
</tr>
<tr>
<td>20. Expenditure incurred on advertising Malaysian brand names overseas</td>
<td>(a) Expenses on advertising of Malaysian brand names registered overseas; and&lt;br&gt;(b) Professional fees paid to companies promoting Malaysian brand names</td>
<td>PU(A) 62/2002&lt;br&gt;Y/A 2002</td>
</tr>
<tr>
<td>21. Outgoings and expenses incurred for promotion of export of professional services</td>
<td>Professional services include:&lt;br&gt;(a) Legal;&lt;br&gt;(b) Accounting (including taxation and management consultancy);&lt;br&gt;(c) Architectural (including town planning and landscaping);&lt;br&gt;(d) Engineering and integrated engineering services (including valuation and quantity surveying); and&lt;br&gt;(e) Medical and dental</td>
<td>PU(A) 124/2003&lt;br&gt;Y/A 2003 onwards</td>
</tr>
<tr>
<td>22. Approved R&amp;D expenditure incurred during the Pioneer period</td>
<td>The approved expenditure incurred by a pioneer company during its tax relief period may be elected to be accumulated and carried forward and be given a single deduction in the post pioneer period. The election has to be done on a yearly basis</td>
<td>S. 34A&lt;br&gt;Y/A 2003</td>
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<tr>
<td>23. Expenditure incurred on R&amp;D activities undertaken overseas</td>
<td>The expenses incurred (including the training of Malaysian staff) will be considered for double deduction on a case-by-case basis</td>
<td>Economic Stimulus Package Y/A not mentioned</td>
</tr>
<tr>
<td>24. Leave passage provided to employees</td>
<td>Cost of leave passage for domestic travel provided to employees incurred from 1 Jun 2003 to 31 May 2004</td>
<td>PU(A) 350/2003 1 Jun 2003 to 31 May 2004</td>
</tr>
<tr>
<td>25. Salaries to employees</td>
<td>(a) Unemployed graduates must be registered with the Economic Planning Unit (b) This scheme will be effective for the Y/A 2004 and 2005 and will only apply to employers who hire graduates on or after 13 Sep 2003 (c) An employer who hires graduates who are already employed or who have previously been employed is not entitled to the double deduction (d) Definition of “salary” excludes allowances, incentives, bonus, EPF, SOCSO, etc.</td>
<td>PU(A) 266/2004 Y/A 2004 and 2005 only</td>
</tr>
<tr>
<td>26. Expenditure incurred in obtaining certification for recognised quality systems and standards, and halal certification</td>
<td>The certification has to be evidenced by a certificate issued by a certification body as determined by the Minister</td>
<td>S. 34(6)(ma) Y/A 2005</td>
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<tr>
<td>27. Allowances paid to participants under the Unemployed Graduates Training programme</td>
<td>(e) The employer must be a listed company (f) The programme must be certified by the Securities Commission (SC) from 1 Oct 2005 to 31 Dec 2008 (g) Deduction is given for a period of three years from the date of certification</td>
<td>PU(A) 203/2006 1 Oct 2005 to 31 Dec 2008 PU(A) 172/2007</td>
</tr>
<tr>
<td>28. Allowances paid to participants attending in-house training schemes for graduates</td>
<td>(h) The employer may be a listed or unlisted company under supervision of the SC (i) The in-house training scheme must be certified by the SC from 2 Sep 2006 to 31 Dec 2008 (j) Deduction is given for a period of three years from the date of certification</td>
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<td>29. <strong>Expenses for the registration of patents, trademarks and product licensing overseas</strong></td>
<td>Malaysian resident company</td>
<td>PU(A) 14/2007 Y/A 2006</td>
</tr>
</tbody>
</table>
| 30. **Expenditure incurred by employers in training their employees** | The relevant fields include:  
(a) post graduate courses in information communication and technology (ICT), electronics and life sciences;  
(b) post basic courses in nursing and allied health care; and  
(c) aircraft maintenance engineering courses | PU(A) 261/2009  
Effective from Y/A 2009 to Y/A 2012 |
| 31. **Outgoings and expenses incurred for promotion of Malaysia as an International Islamic Financial Centre** | Eligible persons include:  
(a) a person approved by the Malaysia International Islamic Financial Centre Secretariat who establishes, manages and owns a private higher educational institution registered with the Ministry of Higher Education that provides professional courses in Islamic finance;  
(b) a person licensed, registered or approved by the Securities Commission under the Capital Markets and Services Act 2007;  
(c) a person licensed under the Islamic Banking Act 1983;  
(d) a person licensed under the Banking and Financial Institutions Act 1989;  
(e) a person registered under the Takaful Act 1984;  
(f) Bursa Malaysia Berhad and its related companies; or  
(g) such other persons as the Malaysia International Islamic Financial Centre Secretariat may approve  
*Refer to section B5.2 for details of eligible outgoings and expenses.* | PU(A) 307/2008  
Effective from Y/A 2008 to Y/A 2010.  
PU(A) 416/2009  
The effective period is extended to Y/A 2015. |
| 32. **Remuneration paid between 10 Mar 2009 to 31 Dec 2010 to** | (a) The employee must be registered with the Director General of Labour, Ministry of Human Resources  
(b) The employment with a previous employer has been terminated pursuant to a separation scheme or retrenchment on or after 1 Jul 2008 | PU(A) 110/2009  
Y/A 2009 and 2010 only |
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<td>a new employee who is a citizen and resident in Malaysia and was terminated pursuant to a separation scheme or retrenched by a previous employer on or after 1 Jul 2008</td>
<td>(c) The employee must be employed on a full-time basis between the period of 10 Mar 2009 to 31 Dec 2010</td>
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<td>(d) The amount of further deduction shall not exceed a maximum amount of RM10,000 for each month in respect of each employee for a maximum period of 12 consecutive months</td>
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<td></td>
<td>(e) The incentive is not applicable if the employee is employed to replace a former employee to perform the same or similar function of the former employee, or that the former employer and the present employer are associates as defined under S. 139 of the ITA 1967, or where one has control over the other, or where both are controlled by the same person</td>
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<td>“Remuneration” refers to wages, salary or allowances in respect of having or exercising the employment</td>
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5.2 DETAILS OF OUTGOINGS AND EXPENSES ELIGIBLE FOR DOUBLE DEDUCTION

1. Research Expenditure — S. 34A of the ITA 1967

   (a) Raw materials used in research

   Excluding the purchase of fixed assets used in the research and cost of moulds, dies and soft tools (life span not exceeding one year) which cannot be reused.

   (b) Manpower in the research project

   Only expenditure on the basic salary of an employee directly involved in the research project is eligible for double deduction. Expenditure such as EPF, SOCSO, bonus, medical fees and benefits-in-kind will not be considered for double deduction. If an employee is not involved in the research project on a full-time basis, expenditure claimed should be apportioned according to the time spent by that employee on research.

   Salaries of employees involved in the research attending courses/seminars directly relevant to the research project may be considered for the claim.

   Employees involved in the research are those providing technical input, feedback, guidance or direction on the research project.
(c) **Technical services**

Inclusive of:

(i) Consultancy fees paid to a particular research organisation or individual for obtaining information/advice pertaining to the research being undertaken.

(ii) Payment to a particular organisation for the use of testing equipment such as those available in SIRIM, FRIM and universities.

(iii) Payment to a particular organisation or individual for analytical services and data evaluation processing.

The above payments are subject to the following restrictions:

(i) If more than 70% of the allowable expenditure for a particular research project is for technical services undertaken outside Malaysia, then the expenditure for the technical services will not be allowed for double deduction. However, ordinary allowable expenditure incurred locally such as raw materials, travelling, transportation, etc. will be allowed for double deduction.

(ii) For technical services obtained from overseas but undertaken in Malaysia, the expenditure for the technical services will be allowed for double deduction.

(iii) If payment is made to a non-resident as in the case of employing a foreign researcher/consultant, deduction and payment of withholding tax, where applicable, must be made.

(d) **Travelling cost**

(i) Travelling costs incurred by research employees related to visiting research stations. Allowable expenditure includes travelling costs and daily allowances. Daily allowances are restricted to RM400 per person or the actual cost incurred, whichever is lower. This allowance includes the cost of food and lodging.

(ii) Travelling costs related to attending courses/seminars solely for the purpose of obtaining the latest or up-to-date scientific information which is directly relevant to research projects, locally or overseas. Allowable expenditure includes travelling costs, daily allowances and course/seminar fees. Daily allowances are restricted to RM400 per person or the actual cost incurred, whichever is lower. This allowance includes the cost of food and lodging. In the case of air travel, only the economy class rate will be allowed.

(e) **Transportation cost**

Cost of transporting materials used in the research.

(f) **Maintenance cost**

(i) Motor vehicles;

(ii) Buildings;

(iii) Equipment and machinery which are directly used for the research project.
(g) Rental
   (i) Motor vehicles;
   (ii) Buildings;
   (iii) Equipment and machinery which are directly used for the research project.

(h) Other expenditure
   A claim for expenditure other than those categorised under items (a) to (g) above can be
   made as long as it is not against the principle of allowing double deduction under S. 34A of
   the ITA 1967 (see note below). Detailed information on the types of expenditure and their
   relevance to the research project should be furnished.

Note:
Non-Allowable Expenditure
   (a) Capital expenditure incurred on plant and machinery, fixtures, land, premises, buildings,
       structure or works of a permanent nature;
   (b) Expenditure on alterations, additions or extensions of items in item (a) above;
   (c) Expenditure on acquisition of any rights in or over any property; and
   (d) Research fees paid to holding company.

Please refer to Public Ruling No 5/2004 dated 30 December 2004 and Addendum to Public Ruling

2. Research Expenditure – S. 34B of the ITA 1967

Cash contribution
Cash contribution or donation is allowable if made:
   (i) to an approved research institute only; and
   (ii) contribution is not for the purpose of purchasing a capital asset, for example contribution
        towards a building fund or for the purchase of plant and machinery.

Payment for the use of services of an approved research institute/company
   (i) Payment of capital in nature does not qualify for double deduction.
   (ii) This deduction will not be given to a related company of a research and development
        company which has been granted and is still enjoying investment tax allowance under the
        Promotion of Investments Act 1986.

3. Overseas Expenses Incurred by Hotel and Tour Operators for Promotion of Tourism

   (a) Expenses incurred in respect of publicity and advertisements in any media outside Malaysia
   (i) Expenses which are allowable are advertising expenses in mass media outside Malaysia.
   (ii) Relevant advertisement notice together with details of the date(s) it was advertised
        should be kept and made readily available for audit purposes.
(b) **Expenses directly attributable to the provision of brochures, magazines and guidebooks for prospective tourists**

Expenses which are allowable are cost of printing and production of printed materials including cost of delivery. The above printed materials are to be distributed overseas free of charge to prospective tourists.

(c) **Expenses directly attributable to carrying out market research outside Malaysia**

(i) Expenses which are allowable for market research include expenses incurred in employing market consultants overseas to carry out market research and approval of the Minister of Culture, Arts and Tourism must be obtained prior to the carrying out of the market research. A letter from *Lembaga Penggalakan Pelancongan Malaysia (LPPM)* or Malaysian Tourism Board stating that the market research has the prior approval of the Minister of Culture, Arts & Tourism should be kept and made readily available for audit purposes.

(ii) The objectives for each market research are restricted to identifying new market potential.

(d) **Expenses on travels overseas undertaken for purposes of negotiation or concluding contracts for overseas advertisements or for participation in trade fairs, conferences or forums approved by the Minister of Culture, Arts & Tourism**

(i) For expenses incurred for the purpose of participation in trade fairs, conferences or forums approved by the Minister of Culture, Arts & Tourism, a letter from the LPPM stating that such trade fairs, conferences or forums have been approved by the Minister should be kept and made readily available for audit purposes.

(ii) Allowable expenses with regard to the above are expenses in respect of travel to a country outside Malaysia by one representative of the company, such as:

(a) economy class rate of travelling by air;

(b) actual expenses for hotel accommodation subject to a maximum of RM300 per day;

(c) actual expenses for sustenance subject to a maximum of RM150 per day; and

(d) overseas ground transport.

(e) **Expenses directly attributable to the holding of overseas trade fairs, conferences or forums approved by the Ministry of Culture, Arts & Tourism**

(i) For expenses directly attributable to the holding of overseas fairs, conferences or forums approved by the Minister of Culture, Arts & Tourism, a letter from the LPPM stating that such trade fairs, conferences or forums have been approved by the Minister should be kept and made readily available for audit purposes.

(ii) Allowable expenses with regard to the above include:

(a) economy class rate of travelling by air;

(b) actual expenses for hotel accommodation subject to a maximum of RM300 per day;

(c) actual expenses for sustenance subject to a maximum of RM150 per day;

(d) transportation cost of materials and exhibits for trade fairs;

(e) expenses for the setting up of trade fairs and decoration;
(f) cost of gifts and promotional items; and

(g) overseas ground transport.

(f) Expenses for the cost of maintaining sales offices overseas for the purpose of promoting tourism to Malaysia

Allowable expenses for maintaining sales offices overseas are rental, maintenance of office, and employees’ remuneration.

4. Expenditure Incurred on Approved Training

(a) Incentives for manufacturing companies

Manufacturing companies are allowed to claim training expenses before or after commencement of business.

(i) Training expenses incurred after the company has commenced business

Double deduction is allowed to a manufacturing company for expenditure incurred after commencement of business in training its employees for the purpose of upgrading and developing the employees’ craft, supervisory and technical skills or increasing the productivity or quality of its products under:

(a) a training programme approved by the Malaysian Industrial Development Authority (MIDA); or

(b) a training programme conducted by a training institution.

(ii) Training expenses incurred before the company has commenced business

In a similar manner, double deduction is allowed to a manufacturing company for expenditure incurred before commencement of business in training its employees for the acquisition of craft, supervisory and technical skills which will contribute directly to the future production of its products under:

(a) a training programme approved by the Malaysian Industrial Development Authority (MIDA); or

(b) a training programme conducted by a training institution.

The double deduction is however allowed against the adjusted income for the year of assessment in which the gross income first arises. For example, if a company with a 31 December year end incurs training expenses of RM10,000 in 2008 before it commenced business and had its first sale in 2009, the training expense will be eligible for double deduction in the Y/A 2009.

(b) Incentives for non-manufacturing companies

Double deduction is allowed to a non-manufacturing company for expenditure incurred in training its employees under:

(i) a training programme approved by the Minister of Finance or any agency appointed by the Minister of Finance; or

(ii) a training programme conducted by a training institution.

(c) Incentives for companies carrying on a hotel or tour operating business

Double deduction is allowed to a company carrying on a hotel business in a hotel registered with the Malaysian Tourism Promotion Board or to a company carrying on a tour operating business registered with the Malaysian Tourism Promotion Board for expenditure incurred in training its employees under:
(i) a training programme approved by the Minister of Culture, Arts & Tourism; or
(ii) a training programme conducted by a training institution.

(d) Incentives for companies that train handicapped persons

Double deduction is allowed to any company for expenditure incurred in training any handicapped person registered with the Ministry of National Unity and Social Development, who is not an employee of the company under:

(i) a training programme approved by the Minister of Finance, which is conducted in Malaysia; or

(ii) a training programme conducted by a training institution.

The training programme should be for the purpose of enhancing the handicapped person's employment prospects.

For (a) to (d) above, the double deduction incentive is not applicable to companies that contribute for deduction to the Human Resource Development Fund.

5. Approved Outgoings and Expenses for the Promotion of Exports from Malaysia

Double deduction is allowed in respect of the following outgoings and expenses incurred by a company on its business primarily and principally for the purpose of seeking opportunities, or in creating or increasing a demand for the export of goods or agricultural produce manufactured, produced, assembled, processed, packed, graded or sorted in Malaysia:

(a) Expenses incurred in respect of publicity and advertisements in any media outside Malaysia;
(b) Expenses directly attributable to the provision of samples without charge to prospective customers outside Malaysia, including the cost of delivery of the samples;
(c) Expenses directly attributable to carrying out export market research or the obtaining of export marketing information;
(d) Expenses directly attributable to the preparation of tenders for the supply of goods or agricultural produce (not being goods or agricultural produce of the same kind and specifications as those regularly manufactured, produced or supplied by the company) to prospective customers outside Malaysia;
(e) Expenses by way of fares in respect of travel to a country outside Malaysia by a representative of the company, being travel necessarily undertaken for the purpose of negotiating or concluding contracts for sales of goods or agricultural produce on behalf of the company or for the purpose of participating in trade fairs or trade or industrial exhibitions approved by the Minister, and actual expenses subject to a maximum of RM300 per day for accommodation and RM150 per day for sustenance for the whole of the period commencing with the representative's departure and ending with his/her return to Malaysia;
(f) Expenses for giving technical information to persons outside Malaysia relating generally to goods or agricultural produce of the company offered for sale, excluding expenses for giving technical information to purchasers after purchase;
(g) Expenses directly attributable to the provision of exhibits for trade fairs or trade or industrial exhibitions which are held outside Malaysia and approved by the Minister;
(h) Expenses for services rendered for public relations work connected with export;
(i) Expenses directly incurred for participating in trade fairs or trade or industrial exhibitions approved by the Minister other than the expenses specified in subparagraphs (e) and (g);
(j) Expenses for the cost of maintaining sales offices overseas for the purpose of promotion of exports from Malaysia;

(k) Professional fees incurred in packaging design on condition that the goods are of export quality and the company uses local professional services;

(l) Expenses incurred for participating in virtual trade shows;

(m) Expenses incurred for participating in trade portals for the promotion of local products; and

(n) Cost of maintaining warehouses overseas.

Exports include the sale of locally manufactured goods from companies located in areas other than the Free Industrial Zones (FIZs) and licensed manufacturing warehouses (LMWs) to companies in the FIZ and to LMWs, and the sale of films and videos outside Malaysia.

6. Expenses Incurred on International Trade Fairs Held in Malaysia for the Promotion of Exports

For expenses incurred for the purpose of participation in international trade fairs approved by the Minister of International Trade and Industry (MITI), an approval letter should be kept and made readily available for audit purposes.

7. Expenditure Incurred on Advertising Malaysian Brand Name Goods within Malaysia

(1) Qualifying advertising expenditure is expenditure incurred within Malaysia for the cost of advertising Malaysian brand name goods through:

   (a) advertisements on the Internet where the host website is located in Malaysia;
   (b) advertisements in magazines and newspapers where the magazines and newspapers are printed in Malaysia;
   (c) advertisements on local licensed television stations;
   (d) advertisements approved by the relevant local authority on advertisement hoarding located in Malaysia;
   (e) advertisements in trade publications where the trade publications are printed in Malaysia;
   (f) advertisements in any form in the course of sponsoring an approved international sporting event held in Malaysia; and
   (g) advertisements in any form in the course of sponsoring an approved international trade conference or an approved international trade exhibition held in Malaysia.

(2) Professional fees paid to Malaysian resident companies for advertising or promoting Malaysian brand name goods on behalf of the company which is the registered proprietor of the Malaysian brand name.

8. Outgoings and Expenses Incurred for Promotion of Export of Services

(a) Expenses incurred in respect of market research for the purpose of the export of services;

(b) The cost of tender preparations including the cost of preparation of models or payment made to a company resident in Malaysia for the preparation of models used in the bidding of international contracts as verified by the Professional Services Development Corporation Sdn Bhd for the purpose of the export of services;
9. Outgoings and Expenses Incurred for Promotion of Export of Professional Services

(a) Expenses incurred in feasibility studies for overseas projects identified for the purpose of tender;

(b) Tender preparations which include the preparation of models made by the person which is used in the bidding of international contracts as verified by the Professional Services Development Corporation Sdn Bhd for the purpose of the export of professional services;

(ba) Preparation of models made by the person which is used for participation in an international competition as verified by the Professional Services Development Corporation Sdn Bhd for the purpose of the export of professional services;

(bb) Payment made by the person to a company resident in Malaysia for the preparation of models referred to in paragraphs (b) and (ba);

(c) Expenses incurred in respect of market research for the purpose of the export of professional services;

(d) The cost of preparing technical information for the export of professional services;

(e) Expenses directly incurred for participating in a trade or industrial exhibition in Malaysia or overseas which is approved by the Malaysia External Trade Development Corporation;

(f) Expenses directly incurred for participating in exhibitions held in a Malaysian Permanent Trade and Exhibition Centre overseas which is approved by the Malaysia External Trade Development Corporation;
(g) Expenses by way of fares in respect of travel to a country outside Malaysia by a representative of the company, being a travel necessarily undertaken for the promotion of export of professional services, and actual expenses subject to a maximum of RM300 per day for accommodation and a maximum of RM150 per day for sustenance for the whole of the period commencing with the representative’s departure from Malaysia and ending with his/her return to Malaysia;

(h) Expenses for the cost of maintaining sales offices overseas for the purpose of promoting the export of professional services; and

(i) Expenses incurred in respect of publicity and advertisements in any media outside Malaysia for the promotion of the export of professional services.

10. Outgoings and Expenses Incurred for Promotion of Export of Higher Education

(a) Expenses incurred in respect of market research for the purpose of the export of higher education;

(b) The cost of tender preparations for the purpose of the export of higher education;

(c) The cost of preparing technical information for the export of higher education;

(d) Expenses by way of fares in respect of travel to a country outside Malaysia by a representative of the company, being travel necessarily undertaken for the promotion of the export of higher education or participating in education fairs for the purpose of promoting the export of higher education which are held outside Malaysia and approved by the Ministry of Education Malaysia, and actual expenses subject to a maximum of RM300 per day for accommodation and a maximum of RM150 per day for sustenance for the whole of the period commencing with the representative’s departure from Malaysia and ending with his/her return to Malaysia;

(e) Expenses directly incurred for participating in education fairs for the purpose of promoting the export of higher education approved by the Ministry of Education Malaysia other than those expenses specified in paragraph (d) above;

(f) Expenses for the cost of maintaining sales offices overseas for the purpose of promoting the export of higher education; and

(g) Expenses incurred in respect of publicity and advertisements in any media outside Malaysia for the promotion of the export of higher education.

11. Outgoings and Expenses Incurred for Promotion of Malaysia as an International Islamic Financial Centre

(a) Expenses incurred in respect of market research and feasibility study;

(b) The cost of preparing technical information to a person outside Malaysia relating to types of service offered excluding expenses for giving technical information to that other person after purchase;

(c) Expenses directly incurred for participating in an event other than expenses specified in paragraph (d);

(d) Expenses by way of fares in respect of travel to a country outside Malaysia by a representative of a person for the purpose of any event and the actual expenses are subject to a maximum of RM300 per day for accommodation and a maximum of RM150 per day for sustenance for the whole of the period commencing with the representative’s departure from Malaysia and ending with his return to Malaysia for participating in the event;
(e) Expenses incurred for the cost of maintaining sales offices overseas, provided that the sales offices had been approved by the Malaysia International Islamic Financial Centre Secretariat;

(f) Expenses verified by the Malaysia International Islamic Financial Centre Secretariat which were incurred for participating in an event other than those specified in paragraphs (c) and (d); and

(g) Expenses incurred in respect of publicity and advertisement in any media outside Malaysia.