

# **EXPLANATORY NOTES B 2021**

## **RESIDENT INDIVIDUAL WHO CARRIES ON BUSINESS**

### **ADDITIONS / AMENDMENTS**

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This Explanatory Notes is provided to assist an **individual** who is **resident in Malaysia** in accordance with the provision of section 7 of Income Tax Act 1967 (ITA 1967) or **deemed to be resident** under subsection 7(1B) of the same Act, in completing the Form B for Year of Assessment 2021. Please read this with care so that the return form and declarations made therein for Year of Assessment 2021 are true, complete and correct.

In the case of a married individual who elects for joint assessment either in the name of husband or wife, and has total income to be aggregated, both the husband and wife are each required to fill out separately whether:

- (a) Form B (resident individual who carries on business); or
- (b) Form BT (resident individual who approved by the Minister as a knowledge worker / expert worker / non-citizen worker holding key position); or
- (c) Form BE (resident individual who does not carry on business)

Working sheets, appendices and other information to complete Form B are available at the LHDNM Official Portal: <https://www.hasil.gov.my> > Forms > Download Forms > Individual > **Computation Guide & Other Information**.

All records, working sheets and documents need not be enclosed when submitting the Form B EXCEPT for the purpose of tax refund, in which case the following working sheet(s) is / are required to be submitted:

- (i) Working Sheet HK-6 pertaining to the claim for section 110 tax deduction (others); and
- (ii) Working Sheet HK-8 / HK-9 (if relevant) relating to the tax deducted in the foreign country.

All records, documents and working sheets used in the computation must be kept for a period of seven (7) years after the end of the year in which the return form is furnished to the Director General of Inland Revenue, for future reference and inspection if required.

Please complete all relevant items in **BLOCK LETTERS** and use **black** ink pen. Leave the item(s) blank if not applicable.

#### BASIC PARTICULARS

1 - 4	Fill in relevant information only. For the item 'Income tax no.', enter <b>SG</b> or <b>OG</b> followed by the income tax number in the box provided.  <b>Example:</b> For Income tax no. OG 10234567080  <div style="display: flex; justify-content: space-between; align-items: center;"> <span>Income tax no.</span> <div style="border: 1px solid black; padding: 2px 10px; text-align: center;"><b>OG 10234567080</b></div> </div> For the item 'Identification no.', enter the MyKad / new identity card / police / army number.	
5	Passport no. registered with LHDNM	Enter the last passport number filed with LHDNM prior to the current passport.
<b>PART A:</b>		<b>PARTICULARS OF INDIVIDUAL</b>
A1	Citizen	Enter 'MY' for citizen of Malaysia. If not a citizen of Malaysia, please refer to the country code provided on page 31 of this explanatory notes or Appendix E.
A2	Gender	Enter '1' for male or '2' for female.
A3	Date of birth	Enter the date of birth according to the sequence: day, month and year.
A4	Status as at 31-12-2021	Enter '1' for single; '2' for married; '3' for divorcee / widow / widower or '4' for deceased.
A5	Date of marriage / divorce / demise	If the marriage / separation in accordance with any law or demise occurred in the current year, enter the date according to the sequence: day, month and year.
A6	Record-keeping	This refers to the keeping of sufficient records as required under the provision of ITA 1967. Enter '1' for full compliance or '2' for non-compliance.

A7	Type of assessment	<p>Enter:</p> <ul style="list-style-type: none"> <li>(i) '1' if the wife elects for joint assessment to be raised in the name of the husband. She does not have to fill in items B19 to B31 and Part F of her Form B; or</li> <li>(ii) '2' if the husband elects for joint assessment to be raised in the name of his wife. He does not have to fill in items B19 to B31 and Part F of his Form B; or</li> <li>(iii) '3' if the individual and spouse elect for separate assessment; or</li> <li>(iv) '4' if the individual is married with a spouse who has no income or no source of income or has income which is tax exempt.</li> <li>(v) '5' if the individual is single / a divorcee / a widow / a widower / a deceased person.</li> </ul> <p><b>Note:</b></p> <p>Conditions on eligibility to elect for joint assessment:</p> <ul style="list-style-type: none"> <li>(i) The husband and wife were living together in the basis year for a year of assessment and did not in that basis year cease to live together;</li> <li>(ii) Has total income to be aggregated with the total income of the spouse;</li> <li>(iii) The husband / wife who elects for joint assessment must be a Malaysian citizen, if not resident in Malaysia;</li> <li>(iv) The aggregation of total income can be made with one wife only.</li> </ul>												
<b>PART B:</b>		<b>COMPUTATION OF INCOME TAX</b>												
B1	Statutory income from business	<p>Gains or profits from carrying on a business, trade, vocation, profession and every manufacture, adventure or concern in the nature of trade are liable to tax.</p> <p>The gains or profits include gross receipts from the sales of goods and services rendered such as by doctors or lawyers.</p> <p>Amount J5 from Working Sheet HK-1 / amount L from Working Sheet HK-1D.</p>												
B1a	Number of businesses	<p>Complete this item if there is statutory income from business(es).</p> <table border="1" data-bbox="539 1207 1501 1783"> <thead> <tr> <th data-bbox="539 1207 628 1285">No.</th><th data-bbox="628 1207 1294 1285">Example</th><th data-bbox="1294 1207 1501 1285">Number of Business(es)</th></tr> </thead> <tbody> <tr> <td data-bbox="539 1285 628 1435">1.</td><td data-bbox="628 1285 1294 1435">           Mr. Hasan runs the following businesses:-            (i) HYS Enterprise (gas station and convenience store at the gas station)            (ii) Bersatu Enterprise (restaurant)         </td><td data-bbox="1294 1285 1501 1435">3</td></tr> <tr> <td data-bbox="539 1435 628 1644">2.</td><td data-bbox="628 1435 1294 1644">           Mr. Steven has the following businesses in the year 2021:-            (i) Steven &amp; Sons Enterprise (tyre shop) ceased with effect from 1 March 2021 but re-operates from 1 Nov. 2021.            (ii) Steven Enterprise (bicycle shop)         </td><td data-bbox="1294 1435 1501 1644">2</td></tr> <tr> <td data-bbox="539 1644 628 1783">3.</td><td data-bbox="628 1644 1294 1783">           Mr. Mark runs a business of selling foodstuffs since 2015. Commencing from 1 Sept. 2021, Mr. Mark changed the name of his business from Mark Enterprise to Mark &amp; Sons.         </td><td data-bbox="1294 1644 1501 1783">1</td></tr> </tbody> </table>	No.	Example	Number of Business(es)	1.	Mr. Hasan runs the following businesses:- (i) HYS Enterprise (gas station and convenience store at the gas station) (ii) Bersatu Enterprise (restaurant)	3	2.	Mr. Steven has the following businesses in the year 2021:- (i) Steven & Sons Enterprise (tyre shop) ceased with effect from 1 March 2021 but re-operates from 1 Nov. 2021. (ii) Steven Enterprise (bicycle shop)	2	3.	Mr. Mark runs a business of selling foodstuffs since 2015. Commencing from 1 Sept. 2021, Mr. Mark changed the name of his business from Mark Enterprise to Mark & Sons.	1
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B2	Statutory income from partnerships	<p>Share of profit / loss from carrying on a business, trade, vocation, profession and every manufacture, adventure or concern in the nature of trade is liable to tax.</p> <p>Amount E / G from Working Sheet HK-1B.</p>												

B2a	Number of partnerships	<p>This item has to be completed if there is statutory income from partnership business(es).</p> <table><tr><th>No.</th><th>Example</th><th>Number of Partnership(s)</th></tr><tr><td>1.</td><td>Mr. Phan received partnership income from the following legal firms in the year 2021:- (i) Phan &amp; Associates : Jan. 2021 – May 2021 (ii) Commencing from 1 June 2021, the partnership changed its name to Phan, Chris &amp; Associates with the entry of a new partner.</td><td>1</td></tr></table>	No.	Example	Number of Partnership(s)	1.	Mr. Phan received partnership income from the following legal firms in the year 2021:- (i) Phan & Associates : Jan. 2021 – May 2021 (ii) Commencing from 1 June 2021, the partnership changed its name to Phan, Chris & Associates with the entry of a new partner.	1						
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	Capital allowance	<p>Claim for depreciation on the use of business assets is disallowed. However, it is allowed in the form of capital allowance which is deductible from the adjusted business / partnership income. The applicable rate of allowance depends on the type of asset.</p> <p>Working Sheets HK-1.2 to HK-1.2A can be used as a guide to compute.</p>												
B4	Business losses brought forward	<p>Business / partnership losses suffered in earlier year / years of assessment brought forward to the current year to be set off against business / partnership income.</p> <p>Amount from Working Sheet HK-1.3. If the amount in B4 exceeds the amount in B3, enter the amount as per B3 in this item.</p>												
B6	Statutory income from employment													
B6a	Number of employment	<p>This item has to be completed if there is statutory income from employment.</p> <table><tr><th>No.</th><th>Example</th><th>Number of Employment(s)</th></tr><tr><td>1.</td><td>Mr. Adi received payment of director's fees from Mas Sdn. Bhd. and Dinar Sdn. Bhd. in the year 2021.</td><td>2</td></tr><tr><td>2.</td><td>Mr. Sami worked for the following employers during the year 2021:- (i) GHI Sdn. Bhd. : Jan. 2021 – April 2021 (ii) HIL Sdn. Bhd. : May 2021 – Nov. 2021 (iii) GHI Sdn. Bhd. : Dec. 2021</td><td>3</td></tr><tr><td>3.</td><td>Mrs. Edith who works for MDP Holdings Bhd., was seconded to MDP Technology Sdn. Bhd. (within the same group of companies) from 1 June 2021 until 30 Sept. 2021. Her salary from June until Sept. 2021 was paid by MDP Holdings Bhd. (i) MDP Holdings Bhd. : Jan. 2021 – May 2021 (ii) MDP Technology Sdn. Bhd. : June 2021 – Sept. 2021 (iii) MDP Holdings Bhd. : Oct. 2021 – Dec. 2021</td><td>1</td></tr></table>	No.	Example	Number of Employment(s)	1.	Mr. Adi received payment of director's fees from Mas Sdn. Bhd. and Dinar Sdn. Bhd. in the year 2021.	2	2.	Mr. Sami worked for the following employers during the year 2021:- (i) GHI Sdn. Bhd. : Jan. 2021 – April 2021 (ii) HIL Sdn. Bhd. : May 2021 – Nov. 2021 (iii) GHI Sdn. Bhd. : Dec. 2021	3	3.	Mrs. Edith who works for MDP Holdings Bhd., was seconded to MDP Technology Sdn. Bhd. (within the same group of companies) from 1 June 2021 until 30 Sept. 2021. Her salary from June until Sept. 2021 was paid by MDP Holdings Bhd. (i) MDP Holdings Bhd. : Jan. 2021 – May 2021 (ii) MDP Technology Sdn. Bhd. : June 2021 – Sept. 2021 (iii) MDP Holdings Bhd. : Oct. 2021 – Dec. 2021	1
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Salary, bonus, director's fee, commission and any perquisite [such as share option scheme (Public Ruling No. 11/2012), insurance premium / school and tuition fee paid by the employer] have to be declared. Entertainment and travelling expenditure incurred in the production of gross employment income and discharge of official duties are allowable deductions. Deduction of entertainment expenditure is restricted to the amount of entertainment allowance included as gross income from employment. However, reimbursements by the employer in respect of both types of expenditure are neither deductible nor liable to tax.

Amount N4 from Working Sheet HK-2.

**Note:**

With effect from the Year of Assessment 2016, where gross income from an employment is receivable in respect of any particular period, it shall, when received, be taxed in the year in which it is received [Subsection 25(1) of ITA 1967].

**Tax exempt allowances / perquisites / gifts / benefits:**

**Reference:** Public Ruling No. 5/2019 (Perquisites From Employment); and  
Public Ruling No. 11/2019 (Benefits-In-Kind)

**Gratuity** (Reference: Public Ruling No. 9/2016)

This refers to a sum received upon retirement / termination of a contract of employment and considered as a gift for past service. Refer to Working Sheet HK-2.2 and Appendix B1 for computation.

1. The following gratuity is exempted from income tax:

(i) **Retirement gratuity**

- The Director General is satisfied that the retirement is due to ill-health; or
- The retirement takes place on or after reaching the age of 55, or on reaching the compulsory age of retirement from employment and the individual has worked 10 years continuous employment with the same employer or companies within the same group; or
- The retirement takes place on reaching the compulsory age of retirement pursuant to a contract of employment or collective agreement at the age of 50 but before 55 and that employment has lasted for 10 years with the same employer or with companies in the same group.

(ii) **Gratuity paid out of public funds** – Gratuity paid to an employee out of public funds on his retirement from an employment under any written law.

(iii) **Gratuity paid to a contract officer** – Gratuity paid out of public funds to a contract officer on termination of a contract of employment regardless of whether the contract is renewed or not.

(iv) **Death gratuity** – Sums received by way of death gratuity.

**2. Partial exemption on gratuity**

With effect from the Year of Assessment 2016, an employee who receives sums by way of gratuity:

- (i) on retirement from an employment; or
- (ii) upon termination of a contract of employment

other than gratuity qualified for exemption under paragraph 1 above, is eligible for an exemption of **RM1,000 for each completed year of service**. However, for the purpose of computing partial exemption, the period of employment with other companies within the same group is NOT REGARDED as a period of employment with the same employer.

**Tax Allowance**

The income tax of an employee borne by his employer is Tax Allowance which is chargeable to tax under the provision paragraph 13(1)(a) of ITA 1967. Refer to the Working Sheet HK-2.3 and Appendix B2, as well as Public Ruling No. 11/2016 regarding computation.

**Subscriptions To Professional Bodies** – Membership subscription paid to professional bodies to ensure the continuance of a professional standing for practice such as medical or legal professional fees, can be claimed as a deduction.

**Repayment Of Perbadanan Tabung Pendidikan Tinggi Negara (PTPTN) Educational Loan By Employer**

This value of this benefit shall be the **amount of educational loan of PTPTN paid by the employer** on behalf of his employee for a period not earlier than 1 January 2019 and not later than 31 December 2021.

**Conditions for exemption:**

- The employee is a Malaysian citizen who has received the educational loan from PTPTN.
- The employee is employed on a full-time basis; and is not a relative of the employer.

Refer to the Income Tax (Exemption) (No. 8) Order 2019 [P.U. (A) 205/2019] and Income Tax (Exemption) (No. 8) (Amendment) Order [P.U. (A) 414/2019] which takes effect from the Year of Assessment 2019 until the Year of Assessment 2021.

**Note:** The employee who makes a claim for this exemption is required to fill in the incentive claim information in **Part G**.

**Benefits In Kind (BIK)**

Annual value of the benefits in kind provided by the employer such as motorcars, petrol, driver, household furnishings, apparatus and appliances, hand phones, asset(s) provided for the purpose of entertainment and recreation. Refer to the Working Sheet HK-2.4 and Appendix B3, and Public Ruling No. 11/2019 on computation.

**Value Of Living Accommodation**

Value of living accommodation provided in Malaysia by the employer. Working Sheet HK-2.5 and Appendix B4, as well as Public Ruling No. 3/2005 (Original and Addendum) regarding computation.

**Refund From Unapproved Pension Or Provident Fund, Scheme Or Society**

Contributions made by an employer to an unapproved pension or provident fund from which payment is made to his employee before or after the cessation of his employment. Refer to the Working Sheet HK-2.6 on computation.

**Compensation For Loss Of Employment**

Payment made by an employer to his employee as compensation for loss of employment or other reason. Refer to the Working Sheet HK-2.7 and Appendix B5, and Public Ruling No. 1/2012 regarding computation.

Full or partial exemption on compensation for loss of employment:

- Full exemption** – If the Director General is satisfied that the payment is made on account of loss of employment due to ill health; or
- Partial exemption** – For termination of employment on or after 1 July 2008, compensation other than paragraph (i) above is eligible for exemption of **RM10,000 for each completed year of service** with the same employer or companies within the same group. For Year of Assessment 2020 and 2021, the tax exemption limit for compensation for loss of employment is increased to **RM20,000 for each completed year of service** with the same employer or companies within the same group.

B7	Rents	<p>Rental received in respect of houses, shop houses, land, plant, machines, furniture and other similar assets.</p> <p><b>A. Special deduction for reduction of rental to a small and medium enterprise under P.U. (A) 353/2021 for month of April 2020 until December 2021:</b></p> <ol style="list-style-type: none"> <li>In ascertaining the adjusted rental income, a landlord who rents out a business premise to a small and medium enterprise is allowed a deduction of an amount equal to the total amount of rental reduction of at least 30% of the rate of monthly rental under the existing tenancy agreement for each of the qualifying month.</li> <li>If the rental reduction in a particular qualifying month is less than 30%, the landlord is not eligible to claim the special deduction for that month.</li> <li>Conditions of eligibility:</li> </ol>
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		<p>(a) a tenancy agreement which is stamped under the Stamp Act 1949 [Act 378];</p> <p>(b) a separate statement of income for rental income for the qualifying months in the basis period for a year of assessment;</p> <p>(c) a confirmation made by the –</p> <ul style="list-style-type: none"> <li>• landlord stating the amount of reduction of rental given; and</li> <li>• small and medium enterprise stating the receipt of reduction of rental; and</li> </ul> <p>(d) certificate by the SME Corp. Malaysia confirming the status of the small and medium enterprise.</p> <p>(iv) Use Working Sheet HK-4E to make the claim and transfer the eligible amount to HK-4 to claim the special deduction. The computation must be properly kept for examination.</p> <p><b>B. Special deduction for reduction of rental to a tenant other than a small and medium enterprise under P.U. (A) 354/2021 for month of January 2021 until December 2021</b></p> <p>(i) In ascertaining the adjusted rental income, a landlord who rents out a business premise to other than a small and medium enterprise is allowed a deduction of an amount equal to the total amount of rental reduction of at least 30% of the rate of monthly rental under the existing tenancy agreement for each of the qualifying month.</p> <p>(ii) If the rental reduction in a particular qualifying month is less than 30%, the landlord is not eligible to claim the special deduction for that month.</p> <p>(iii) Conditions of eligibility:</p> <p>(a) a tenancy agreement which is stamped under the Stamp Act 1949 [Act 378];</p> <p>(b) a separate statement of income for rental income for the qualifying months in the basis period for a year of assessment;</p> <p>(c) a confirmation made by the –</p> <ul style="list-style-type: none"> <li>• landlord stating the amount of reduction of rental given; and</li> <li>• tenant stating the receipt of reduction of rental; and</li> </ul> <p>(iv) Use Working Sheet HK-4E to make the claim and transfer the eligible amount to HK-4 to claim the special deduction. The computation must be properly kept for examination.</p>
B8	Interest	<p>Income in respect of interest received by individuals resident in Malaysia from money deposited with the following institutions is tax exempt:</p> <p>(i) A bank or a finance company licensed or deemed to be licensed under the Financial Services Act 2013;</p> <p>(ii) A bank licensed under the Islamic Financial Services Act 2013;</p> <p>(iii) A development financial institution prescribed under the Development Financial Institutions Act 2002;</p> <p>(iv) The Lembaga Tabung Haji established under the Tabung Haji Act 1995;</p> <p>(v) The Malaysia Building Society Berhad incorporated under the Companies Act 2016;</p> <p>(vi) The Borneo Housing Finance Berhad incorporated under the Companies Act 2016; and</p> <p>(vii) Co-operative societies registered under the Co-operative Societies Act 1993.</p>
	Discounts	Earnings from discounting transactions involving treasury bills, bills of exchange or promissory notes.

	Royalties	<p>Royalties received in respect of the use of copyrights / patents are taxable if they exceed the following exemption limits:</p> <table><tr><th>No.</th><th>Type of Royalty</th><th>Exemption (RM)</th></tr><tr><td>(i)</td><td>Publication of artistic works / recording discs / tapes</td><td>10,000</td></tr><tr><td>(ii)</td><td>Translation of books / literary works</td><td>12,000</td></tr><tr><td>(iii)</td><td>Publication of literary works / original paintings / musical compositions</td><td>20,000</td></tr></table> <p>Amount H from Working Sheet HK-5.</p>	No.	Type of Royalty	Exemption (RM)	(i)	Publication of artistic works / recording discs / tapes	10,000	(ii)	Translation of books / literary works	12,000	(iii)	Publication of literary works / original paintings / musical compositions	20,000
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	Pensions	<ul style="list-style-type: none"><li>• Pension derived from Malaysia and paid by the Government or from an approved pension scheme to a person on reaching the age of 55 years or compulsory age of retirement under any written law or if the retirement is due to ill-health, are exempt from tax.</li><li>• Where a person is paid more than one pension, only the higher or highest pension is exempt from tax. Other pensions have to be reported.</li></ul>												
	Annuities	These are sums of money received in accordance with a will or an investment of money entitling the annuitants or investors to a series of annual payments, whether or not received regularly or for a limited period only.												
	Periodical payments	These refer to recurring payments received at fixed times.												
	Other gains or profits	Other income such as payments received for part-time / occasional broadcasting, lecturing, writing and so forth.												
	Additions pursuant to paragraph 43(1)(c)	<p>The following earnings / proceeds are deemed income and must be taken into account as aggregate income.</p> <ul style="list-style-type: none"><li>• Earnings / proceeds in relation to expenditure on prospecting operations under Schedule 4 of ITA 1967.</li><li>• These earnings / proceeds are taken into account in the tax computation if claims for such expenditure have previously been made.</li><li>• Refer to paragraph 43(1)(c) and paragraph 16 Schedule 4 of ITA 1967 for computing the amount of income to be included as aggregate income.</li><li>• Computations must be properly kept for examination.</li></ul>												
B10	Approved investment under angel investor tax incentive	<p>A tax incentive for investment made by a qualified angel investor in a qualified investee company. The amount of aggregate income exempted is an amount equal to the amount of investment made by the angel investor in the investee company. The exemption is granted subject to the conditions specified by the Minister in the approval letter for the investment, which include the following:</p> <p>(i) the investment must not be disposed of (fully or in part) within two (2) years from the date the investment is made; and</p> <p>(ii) the amount of investment made per annum must not be less than RM5,000 and not more than RM500,000.</p> <p>Applicable to make an investment in an investee company is made on or after 1 January 2013 but not later than 31 December 2023 for the approval of the Minister of Finance.</p> <p>Refer to the Income Tax (Exemption) (No. 3) 2014 [P.U. (A) 167/2014] and Income Tax (Exemption) (Amendment) 2019 [P.U. (A) 399/2019] and Public Ruling No. 12/2020 for further information.</p> <p>Amount in B10 is restricted to the amount in B9. If the amount in B10 exceeds the amount in B9, enter the amount as per B9 in this item.</p>												



B12	Current year business losses	<p>Current year business / partnership losses can be deducted from the same year's aggregate income.</p> <p><b>Example:</b> Business losses for the year 2021 can be deducted from the aggregate income of the year 2021.</p> <p>Transfer amount from Working Sheet HK-1.3 to this item. Amount in B12 is restricted to the amount in B11. If the amount in B12 exceeds the amount in B11, enter the amount as per B11 in this item.</p>
B14	Other deductions:	
	Qualifying prospecting expenditure – Schedule 4	<p>Expenditure on prospecting operations in searching for, discovering or winning access to mineral deposits in an eligible area or in testing such deposits, is deductible.</p> <p>This amount is restricted to the amount in B11. Refer to paragraph 44(1)(b) and Schedule 4 ITA 1967 regarding the eligibility to claim.</p> <p>The computation must be properly kept for examination.</p>
B15	Approved donations / gifts / contributions	<p>Transfer the amount from item E8, if any.</p> <p>Refer to Public Ruling No. 5/2021</p> <p>Receipts and supporting documents must be kept for a period of seven (7) years after the end of the year in which the return form is furnished to LHDNM, for future reference and inspection if required.</p>
B17	Taxable pioneer income	<p>Pioneer status is a tax incentive as defined in section 5 to section 25 of the Promotion of Investments Act (PIA) 1986. When granted to an individual, his business income from participating in a promoted activity or producing a promoted product in relation to agriculture (agro-based) shall be fully / partially tax exempt.</p> <p>Refer to Working Sheet HK-1E for the amount to be entered in this item.</p>
B19	<p>TOTAL INCOME TRANSFERRED FROM HUSBAND / WIFE FOR JOINT ASSESSMENT</p> <p>* Type of income transferred from HUSBAND / WIFE</p>	<p><b>ITEMS B19 AND B20 ARE ONLY TO BE FILLED IN BY THE INDIVIDUAL IN WHOSE NAME THE JOINT ASSESSMENT IS TO BE RAISED.</b></p> <p>Transfer the total income of the spouse to be aggregated with the total income of the individual to this item.</p> <p><b>Note:</b> Enter '1' if the income transferred from the spouse includes income from a business source or '2' if not.</p> <p>Items B19 and B20 <b>NEED NOT</b> be filled if:</p> <ul style="list-style-type: none"> <li>(i) the individual's status is single / a divorcee / a widow / a widower</li> <li>(ii) the spouse of the individual has no income, no source of income or has income which is tax exempt</li> <li>(iii) the individual elects for separate assessment</li> <li>(iv) the individual elects for joint assessment to be raised in the <b>name of his / her spouse</b></li> </ul>
B21	Total relief	Transfer the amount from item F21.
B22	Chargeable income	Amount ( B18 minus B21 ) or ( B20 minus B21 ).
B23	Income tax computation	
B23a	Tax on the first	Match the chargeable income from item B22 (chargeable income) with the range of chargeable income in the tax schedule on page 31 of this explanatory notes.
B23b	Tax on the balance	<p><b>Example:</b></p> <p>Chargeable income as per <b>B22:</b> <b>RM45,500</b></p> <p>Use <b>category D</b> of the tax schedule to compute as follows:</p> <p>Tax on the first <b>RM35,000</b> <b>RM 600.00</b></p>

B24	Total income tax	Tax on the balance <b>RM10,500 @ 8%</b> <b>RM 840.00</b> <b>RM1,440.00</b> Enter in items B23a, B23b and B24 of the Form B as shown below:																								
<div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 90%;"> <p style="font-size: small; margin: 0;">B23 INCOME TAX COMPUTATION (Refer to the tax rate schedule provided at the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a>)</p> <table border="1" style="width: 100%; border-collapse: collapse; font-size: x-small;"> <tr> <td style="width: 30%;">B23a Tax on the first</td> <td style="width: 10%; text-align: right;">35,000</td> <td style="width: 5%; text-align: right;">.00</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">B23a</td> <td style="width: 10%; text-align: right;">600</td> <td style="width: 5%; text-align: right;">.00</td> </tr> <tr> <td>B23b Tax on the balance</td> <td style="text-align: right;">10,500</td> <td style="text-align: right;">.00</td> <td style="text-align: center;">At rate</td> <td style="text-align: center;">8</td> <td style="text-align: center;">%</td> <td style="text-align: right;">B23b</td> </tr> <tr> <td>B24 TOTAL INCOME TAX ( B23a + B23b )</td> <td colspan="4"></td> <td style="text-align: right;">B24</td> <td style="text-align: right;">1,440 .00</td> </tr> </table> </div>						B23a Tax on the first	35,000	.00		B23a	600	.00	B23b Tax on the balance	10,500	.00	At rate	8	%	B23b	B24 TOTAL INCOME TAX ( B23a + B23b )					B24	1,440 .00
B23a Tax on the first	35,000	.00		B23a	600	.00																				
B23b Tax on the balance	10,500	.00	At rate	8	%	B23b																				
B24 TOTAL INCOME TAX ( B23a + B23b )					B24	1,440 .00																				
B25	Total rebate																									
	Self	A rebate of <b>RM400</b> is granted to an individual whose chargeable income does not exceed RM35,000.  Paragraph 6A(2)(a) of ITA 1967.																								
	Husband and wife	A rebate of <b>RM400</b> is granted to an individual whose chargeable income does not exceed RM35,000 and where he / she has been allowed a deduction of RM4,000 for the spouse.  Paragraph 6A(2)(b) / Paragraph 6A(2)(c) of ITA 1967.																								
	Departure levy for umrah travel / religious travel for other religions	<p>This tax rebate is granted to any individual who leaves Malaysia by air for the purpose of performing <i>umrah</i> or other religious pilgrimage but NOT for the purpose of performing hajj.</p> <p>The rebate granted is equivalent to the <b>amount of departure levy paid</b> but the claim is <b>limited to two (2) trips in a lifetime</b>.</p> <p>Eligibility to claim shall be evidenced by the following documents:</p> <p>(i) the boarding pass; and</p> <p>(ii) in the case of:</p> <ul style="list-style-type: none"> <li><b>umrah</b> - a copy of the visa issued by the embassy of the Kingdom of Saudi Arabia</li> <li><b>any other religious pilgrimage</b> - A written verification by a religious body recognised by the Committee for the Promotion of Inter Religious Understanding and Harmony Among Adherents, Department of National Unity and Integration in the Prime Minister's Department.</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px; font-size: x-small;"> <thead> <tr> <th rowspan="2" style="width: 30%;">Country / Class</th><th colspan="2" style="text-align: center;">ASEAN countries</th><th colspan="2" style="text-align: center;">Other than ASEAN countries</th></tr> <tr> <th style="width: 15%;">Economy class</th><th style="width: 15%;">Other than economy class</th><th style="width: 15%;">Economy class</th><th style="width: 15%;">Other than economy class</th></tr> </thead> <tbody> <tr> <td>Rate of departure levy</td><td style="text-align: center;">RM8</td><td style="text-align: center;">RM50</td><td style="text-align: center;">RM20</td><td style="text-align: center;">RM150</td></tr> </tbody> </table> <p><b>Note:</b> 'ASEAN countries' means Brunei Darussalam, the Kingdom of Cambodia, Republic of Indonesia, Lao People's Democratic Republic, Union of Myanmar, Republic of the Philippines, Republic of Singapore, Kingdom of Thailand or Socialist Republic of Vietnam.</p>				Country / Class	ASEAN countries		Other than ASEAN countries		Economy class	Other than economy class	Economy class	Other than economy class	Rate of departure levy	RM8	RM50	RM20	RM150							
Country / Class	ASEAN countries		Other than ASEAN countries																							
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		<p>Departure Levy (Rate of Departure Levy) Order 2019 [P.U. (A) 213/2019] and subsection 6A(2A) of ITA 1967.</p> <div style="border: 1px solid black; padding: 5px;"> <p><b>For the following types of assessment:</b></p> <p>(i) <b>joint assessment;</b></p> <p>(ii) <b>separate assessment; or</b></p> <p>(iii) <b>assessment on self whose spouse has no income, no source of income or no total income</b></p> </div> <p>The individual in whose name the assessment is raised, is:</p> <ul style="list-style-type: none"> <li>• eligible to claim for the amount of departure levy paid on own self travel.</li> <li>• <b>NOT</b> eligible to claim if the departure levy is paid for the behalf of spouse, family member or other party.</li> <li>• <b>NOT</b> eligible to claim if the departure levy for own travel is paid by other party.</li> </ul>
	<i>Zakat and fitrah</i>	<p>Payment of obligatory <i>zakat</i> and <i>fitrah</i> in the basis year.</p> <p>Subsection 6A(3) of ITA 1967.</p>
B27	Tax deduction under section 110 (others)	<p>Compute the tax deducted under section 110 by using Working Sheet HK-6 in respect of other income such as interest, royalties, section 4A income and income from a trust.</p> <p>Section 110 tax deduction (others) does NOT include withholding tax payment pursuant to Section 107A of ITA 1967.</p> <p>Please submit Working Sheet HK-6 if you are entitled to a tax refund. Amount B from Working Sheet HK-6.</p>
	Section 132 tax relief	<p>Tax relief in respect of income brought into Malaysia on which tax has been charged in the country of origin which have Avoidance of Double Taxation Agreements (DTA) with Malaysia.</p> <p>Refer to Appendix F for the list of countries which have DTA with Malaysia.</p> <p>Refer to Schedule 7 of ITA 1967 and Working Sheet HK-8 to compute the amount of credit.</p>
	Section 133 tax relief	<p>Tax relief in respect of income brought into Malaysia on which tax has been charged in the country of origin which does NOT have Avoidance of Double Taxation Agreements (DTA) with Malaysia.</p> <p>Refer to Schedule 7 of ITA 1967 and Working Sheet HK-9 to compute the amount of credit.</p>
B28	Tax payable	<p>B26 minus B27.</p> <p>If the amount in B27 exceeds the amount in B26, enter '0' in this box.</p>
B29	Tax repayable	B27 minus B26.
B30	Payment made for 2021 income – SELF and HUSBAND / WIFE for joint assessment	<p><b>Monthly Tax Deductions (MTD)</b></p> <p>Enter the amount of deductions amount made by the employer in the year 2021 in respect of the following income in this item:</p> <p>(i) Income for the year 2021;</p> <p>(ii) Employment income of preceding years (including bonus, director's fee, arrears, etc.) paid in the year 2021; and</p> <p>(iii) Employment income in respect of other year(s) paid in advance in the year 2021.</p> <p><b>Example:</b> Salary for the month of January 2022 paid in December 2021 and MTD is paid on or before 15 January 2022.</p> <p><b>Self-Instalments / CP500</b></p> <p>Enter the amount of self-paid instalments / CP500 payment (tax instalment according to the notice under section 107B) in this item.</p>

		<p>This <b>does not include</b> payments made in respect of outstanding tax for previous years of assessment.</p> <p>Use Working Sheet HK-10 for computation. Transfer amount E of Working Sheet HK-10 to this item.</p> <p>For joint assessment – Total up the MTD or self instalments / CP500 paid by the husband / wife for entry in this item.</p>
B31	Balance of tax payable	<p>B28 minus B30.</p> <p>The balance of tax payable must be paid within the stipulated period. Payment can be made via:</p> <p>(i) <b>ByrHASiL</b> at the ByrHASiL LHDNM Portal, <a href="https://byrhasil.hasil.gov.my/">https://byrhasil.hasil.gov.my/</a>.</p> <ul style="list-style-type: none"> <li>• Payment via FPX (<i>Financial Process Exchange</i>) at <a href="https://byrhasil.hasil.gov.my/fpx.php">https://byrhasil.hasil.gov.my/fpx.php</a>.</li> <li>• Payment via Visa, Mastercard and American Express credit cards at <a href="https://byrhasil.hasil.gov.my/creditcard/">https://byrhasil.hasil.gov.my/creditcard/</a>.</li> </ul> <p>(ii) <b>Appointed banks</b> - Information can be obtained at <a href="https://www.hasil.gov.my">https://www.hasil.gov.my</a></p> <p>(iii) <b>Pos Malaysia Berhad</b> - Counter only.</p> <p>Use <b>payment code '084'</b> and <b>instalment no. '99'</b> when making payment for tax or balance of tax payable.</p>
	Tax paid in excess	<p>B30 minus B28.</p> <p>Enter 'X' in the box provided for tax paid in excess.</p>

#### DECLARATION

A return form which is not duly signed, shall be deemed incomplete and will not be processed and a Notification of Incomplete Return Form will be issued to inform you. The use of signature stamp is not allowed. Penalty will be imposed in case of late resubmission of the return form to LHDNM.

PART C:		PARTICULARS OF HUSBAND / WIFE
C1 – C4	Fill in relevant information only. Where there is more than one wife, please furnish the information as per format C1 to C4 by using attachment(s) and submit together with the Form B.	
PART D:		OTHER PARTICULARS
D1	Telephone no.	Telephone number of office / tax agent's firm / residence. Please ensure that the information is correct and accurate. This information is for the official use of LHDNM.
	Handphone no.	<p>Please ensure that the information given is correct. This information is for the official use of LHDNM only.</p> <p><b>Note:</b> Either the Handphone No. (D1) or e-Mail (D3) is compulsorily required to be completed during submission via e-Filing.</p>
D2	Address of business premise	Address where the main business is carried on.
D3	E-mail	<p>Please ensure that the information given is correct. This information is for the official use of LHDNM only.</p> <p><b>Note:</b> Either e-mail (D3) or handphone no. (D1) is compulsorily required to be completed during submission via e-Filing.</p>
D4	Employer's no.	Enter the latest employer's E reference number and also complete item D5
D5	Tax borne by employer	<p>This refers to an employee's income tax paid by the employer</p> <p>Enter '1' for 'Yes' if tax borne by employer or '2' for 'No' if tax not borne by employer.</p>

D6	Has financial account(s) at financial institution(s) outside Malaysia	<p>Enter '1' if there is / are financial account(s) at financial institution(s) outside Malaysia or '2' if there is none / not relevant. Refer to the following information before make an option:</p> <p>This declaration is a counter check measure to ensure compliance of the Malaysian tax law, in line with Malaysia's commitment to the Automatic Exchange of Financial Account Information with other tax jurisdictions. Under this commitment, Malaysia will also be receiving information on financial accounts kept at overseas by Malaysian tax resident.</p> <p>However, please note that having a financial account(s) in overseas is not an indication that a tax non-compliance has occurred.</p> <p>"Financial Account" refers to a financial account maintained by a financial institution outside Malaysia which includes:</p> <p>(i) Depository Accounts</p> <ul style="list-style-type: none"> <li>• Savings account, current account and other deposit accounts.</li> </ul> <p>(ii) Custodial Accounts</p> <ul style="list-style-type: none"> <li>• An account (other than an Insurance Contract or Annuity Contract) for the benefit of another person that holds any financial instrument or contract held for investment.</li> </ul> <p>(iii) Cash Value Insurance Contracts</p> <ul style="list-style-type: none"> <li>• An insurance contract where the policyholder is entitled to receive payment on surrender or termination of the contract. An insurance contract will also be a Cash Value Insurance Contract where the policyholder can borrow against the contract. It is an investment product that has an element of life insurance attached to it. The life insurance element usually is small compared to the investment element.</li> </ul> <p>(iv) Annuity Contracts</p> <p>A contract:</p> <ul style="list-style-type: none"> <li>• Under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals; or</li> <li>• That is considered to be an annuity contract in accordance with the law, regulation or practice of Malaysia in which the contract was issued and under which the issuer agrees to make payments for a term of years.</li> </ul> <p>(v) Equity and Debt Interests in Investment Entities.</p> <p>Further details on Automatic Exchange of Financial Account Information are available at the LHDNM Official Portal, <a href="https://www.hasil.gov.my">https://www.hasil.gov.my</a> &gt; International &gt; Automatic Exchange of Information (AEOI) &gt; Common Reporting Standard (CRS).</p>
D7a	Carries on e-Commerce	<p>Enter '1' for 'Yes' if the individual carries on a business in selling any goods or rendering any service online. If 'Yes', also complete item D9b.</p> <p>Enter '2' for 'No' if the individual does not carry on any e-Commerce business, or not relevant.</p> <p>An individual or business is considered to be engaged in e-commerce business if the business operations are included in the e-commerce business model as in the table below. This business model is a general guide for taxpayers.</p>

		<b>e-Commerce Business Model</b>	<b>Descriptions</b>	<b>Examples</b>
		1. Perform transactions for the sale of goods or services through online.	<p>Sales transaction on goods and services performed online that fulfilled the following criteria:</p> <p>a. Using electronic / internet network for the purpose of making and receiving orders.</p> <p>b. Payment and delivery of goods or services can be done online or offline.</p>	<p>a. Business that use:</p> <p>i. Social media e.g.: Instagram, Facebook, Whatsapp, Telegram, and etc.</p> <p>ii. e-Commerce Platform e.g.: Lazada, Shopee, Zalora, e-Bay, and etc.</p> <p>iii. e-Commerce website</p> <p>iv. Other mediums that not mentioned above.</p> <p>b. Online service providers / consultations such as online learning, health consultations and lifestyle, ebook services and others. (e.g.: <a href="http://www.doctoroncall.com.my/">www.doctoroncall.com.my/</a>)</p>
		2. App stores/ play stores/ website	<p>a. Provider of Apps Store / Play Store / website that enable the user to subscribe, place order or generate income through the online platform.</p> <p>b. Users who conduct e-commerce activities through App Stores/Play Stores/Websites to generate revenue online.</p>	<p>a. Provide applications that offer subscriptions to music or video streaming. e.g.: Tonton, iflix, and etc.</p> <p>b. Generate income through the online platform using service applications. e.g.: Airasia, Trivago, Grab, Foodpanda, Lalamove, and etc.</p>
		3. Online advertising	Using the Internet as an advertising medium for promoting products or services to customers.	<p>a. Advertisers and search engine ads e.g.: Google Adsense, Facebook Ads, Blog, Instagram Ads, and etc.</p> <p>b. Users that generate income through the online platform e.g.: Youtube, Tik Tok, Facebook, Instagram paid review, online games, and etc.</p>
		4. Cloud computing	Provision of standardised, configurable, on-demand, online computer services which can include computing, storage, software, data	<p>a. Infrastructure-as-a-service e.g.: Amazon Web Services, Windows Azure, Google Compute Engine, Rackspace Open Cloud IBM SmartCloud Enterprise and etc.</p> <p>b. Platform-as-a-service</p>

			management, using shared physical and virtual resources. Users can access the services using various types of device provided that they have internet connection.	<p>e.g.: Window Azure, Google App Engine, Force.com and etc.</p> <p>c. Content-as-a-service e.g.: Spotify, Netflix and etc.</p> <p>d. Data-as-a-service e.g.: BrightPlanet DaaS Platform, ATTOM Daas Platform, Third Eye Data, ScaleFocus, ScienceSoft and etc.</p> <p>e. Software-as-a-service e.g.: Microsoft 365, Google Workspace, Adobe Cretaive Cloud and etc.</p>
		5. Payment services	Providers of online payment services that involve online transactions by buyers and sellers	Online payment platform providers such as MOLPay, lpay88, Boost and etc.
		6. Digital currency / token	Selling, buying or mining or digital tokens.	Digital currency e.g.: Bitcoin, Ripple, Ethareum, and etc.
		<p>For more information, please refer to the Guidelines on Taxation of Electronic Commerce Transactions dated 13<sup>th</sup> May 2019 that is accessible on the Official Website of LHDNM, <a href="https://www.hasil.gov.my">https://www.hasil.gov.my</a></p>		
D7b	Website / social media address	<p>Website address refers to the address of the website</p> <p>Social media address refers to the address of the social media that used to conduct the business (if any)</p>		
D8	Methods of payment for tax refund	Enter '1' for payment via bank account, and also complete item D9 or '2' for payment via "DuitNow", and also complete item D10.		
D9	Details of bank account	If D8 =1 Enter the name of the bank (D9a) and bank account number (D9b) for the purpose of electronic income tax refund. Ensure the bank account provided is active and opened under own name to avoid payment issues.		
D10	Information of DuitNow	<p>If D8 = 2, tax refund will be made using the DuitNow ID registered at the bank of choice. "DuitNow" is a service provided that allows instant money transfer using the recipient's DuitNow ID.</p> <p>For the purpose of repayment through DuitNow, the individual's DuitNow registration with the bank of choice must use identification card number or passport number. Ensure that the identification number registered at the bank of choice is the same as the identification number in the LHDNM record as per item 3 of Basic Particulars.</p>		
D10a	Identification type (self)	Enter '1' for 'Identification card' or "2" for 'Passport'.		
D10b	Passport no.	Enter passport number if D10a is "2"		
D11a	Disposal of asset under the Real Property Gains Tax Act 1976	<p>Refers to chargeable asset under the Real Property Gains Tax Act 1976.</p> <p>Enter '1' for 'Yes' if there is disposal of asset, and also complete item D11b.</p> <p>Enter '2' for 'No' if not applicable.</p>		
D11b	Disposal declared to LHDNM	<p>Enter '1' ('Yes') if the disposal has been declared to LHDNM or '2' ('No') if not.</p> <p>If not yet declared, contact the LHDNM branch which handles the income tax file of the disposer. Further details are available from the LHDNM Official Portal, <a href="https://www.hasil.gov.my">https://www.hasil.gov.my</a>.</p>		

PART E:		DONATIONS / GIFTS / CONTRIBUTIONS	
<b>Contribution in fighting against the COVID-19 pandemic</b> Tax deductions will be given to donors who donate cash or contribution in kind that will be used for fighting against the COVID-19 pandemic as well as helping people affected by the pandemic. For classification purpose, please refer to the LHDNM Official Portal, <a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a> > Quick Links > FAQs PKP 3.0 > Soalan Lazim Berkenaan Sumbangan / Derma (Available in Malay Language Only).			
<b>Gift of money to the Government / State Government / local authority</b> Subsection 44(6) of ITA 1967.			
<b>Gift of money to approved institutions / organizations / funds</b> Gift of money to institutions / organizations / funds approved by the Director General of Inland Revenue. Subsection 44(6) and proviso, ITA 1967. <b>Gift of money for any sports activity approved by the Minister of Finance</b> Subsection 44(11B) and proviso, ITA 1967. <b>Gift of money or cost of contribution in kind for any project of national interest approved by the Minister of Finance</b> Subsection 44(11C) and proviso, ITA 1967. <b>Gift of money in the form of wakaf to any religious authority / religious body / public university or gift of money in the form of endowment to a public university</b> Gift of money in the form of: (i) wakaf made to any appropriate religious authority established under any written law, body established by that appropriate religious authority or public university allowed by that appropriate religious authority to receive wakaf; or (ii) endowment made to a public university. The wakaf or endowment must be made for the purpose of achieving the objective of establishment of the appropriate religious authority, body or public university. Subsection 44(11D), ITA 1967.		Restricted to <b>10%</b> of item B9	
<b>Gift of artefacts / manuscripts / paintings to the Government or State Government</b> Gift of artefacts, manuscripts or paintings to the Government will be based on the value determined by the Department of Museums Malaysia or the National Archives. Subsection 44(6A) of ITA 1967. <b>Gift of money for the provision of library facilities or to libraries</b> Gift of money not exceeding RM20,000 for the provision of library facilities to public libraries and libraries of schools and institutions of higher education provided that a claim for the same expenses is not made under paragraph 34(6)(g) of ITA 1967 in computing the adjusted income from business. Subsection 44(8) of ITA 1967. <b>Gift of money or contribution in kind for the provision of facilities in public places for the benefit of disabled persons</b> Gift of money or contribution in kind (the value to be determined by the relevant local authority) for the provision of public facilities for the benefit of disabled persons. Subsection 44(9) of ITA 1967. <b>Gift of money / cost / value of gift of medical equipment to any healthcare facility approved by the Ministry of Health</b> Gift of money or the cost or value (as certified by the Ministry of Health) of any gift of medical equipment not exceeding RM20,000 to any healthcare facility approved by the Ministry of Health. Subsection 44(10) of ITA 1967. <b>Gift of paintings to the National Art Gallery or any state art gallery</b> The value of any gift of painting to be determined by the National Art Gallery or any state art gallery. Subsection 44(11) of ITA 1967.			



PART F:		RELIEF
<p>Receipts and supporting documents must be kept for a period of seven (7) years after the end of the year in which the return form is furnished to LHDNM, for future reference and inspection if required.</p> <p><b>Reference:</b></p> <p>Taxation Of A Resident Individual</p> <ul style="list-style-type: none"> <li>• Part I - Gifts Or Contributions And Allowable Deductions (Public Ruling No. 5/2021)</li> <li>• Part II - Computation Of Total Income And Chargeable Income (Public Ruling No. 5/2018); and</li> <li>• Part III - Computation Of Income Tax And Tax Payable (Public Ruling No. 6/2018)</li> </ul>		
F1	Individual and dependent relatives	<p>Relief of <b>RM9,000</b> for an individual in respect of himself and his dependent relatives is granted automatically.</p> <p>Paragraph 46(1)(a) of ITA 1967.</p>
F2	Medical treatment, special needs and carer expenses for parents	<p>Medical treatment, special needs and carer expenses incurred on parents is allowed as a deduction <b>up to RM8,000</b>.</p> <p>Parents refer to natural parents or foster parents where the individual is an adopted child.</p> <p>Expenses on medical treatment for parents which qualify for deduction include:</p> <ol style="list-style-type: none"> <li>medical care and treatment provided by a nursing home; and</li> <li>dental treatment limited to tooth extraction, filling, scaling and cleaning but excluding cosmetic dental treatment expenses such as teeth restoration and replacement involving crowning, root canal and dentures.</li> </ol> <ul style="list-style-type: none"> <li>• Such claim must be evidenced by a medical practitioner registered with Malaysian Medical Council (MMC) certifying that the medical condition of parents requires medical treatment, special needs or a carer.</li> <li>• Parents shall be individuals resident in Malaysia.</li> <li>• The medical treatment and care services are provided in Malaysia.</li> </ul> <p>In the case of carer, a receipt or written certification from carer, or work permit of the carer.</p> <p>'Carer' shall not include that individual, his wife or her husband or the child of the individual concerned.</p> <p>Paragraph 46(1)(c) of ITA 1967.</p>
F3	Basic supporting equipment for disabled self, spouse, child or parent	<p>Expenditure incurred for the purchase of any necessary basic supporting equipment is allowed as a deduction <b>up to RM6,000</b> for the use by:</p> <ol style="list-style-type: none"> <li>the individual, if he / she is a disabled person; or</li> <li>the spouse, if he / she is a disabled person; or</li> <li>his / her child, if the child is a disabled person; or</li> <li>his / her parent, who is a disabled person.</li> </ol> <p>This deduction will NOT be allowed if the disabled individual for whom the basic supporting equipment is purchased, is not registered with the Department of Social Welfare (DSW) as a disabled person.</p> <p>Basic supporting equipment includes hemodialysis machine, wheel chair, artificial leg and hearing aids but excludes spectacles and optical lenses.</p> <p>Paragraph 46(1)(d) of ITA 1967.</p>
F4	Disabled individual	<p>A further deduction of <b>RM6,000</b> is allowed if the individual is a disabled person.</p> <p>An individual is eligible to claim this deduction if he is certified in writing by the Department of Social Welfare (DSW) as a disabled person.</p> <p>Paragraph 46(1)(e) of ITA 1967.</p>

F5	Education fees (Self)	<p>A deduction <b>up to RM7,000</b> can be claimed on fees expended for any of the following courses of study : -</p> <p>(i) <b>Other than a degree at Masters or Doctorate level</b></p> <p>Any course of study up to tertiary level undertaken for the purpose of acquiring law, accounting, Islamic finance approved by Bank Negara Malaysia or Securities Commission, technical, vocational, industrial, scientific or technological skills or qualifications undertaken in any institution or professional body in Malaysia recognized by the Malaysian Government or approved by the Minister of Finance:</p> <p>(ii) <b>Degree at Masters or Doctorate level</b></p> <p>Any course of study undertaken for the purpose of acquiring any skill or qualification undertaken in any institution or professional body in Malaysia recognized by the Malaysian Government or approved by the Minister of Finance:</p> <p>Refer to the list of recognized local institutions or approved professional bodies in Malaysia at the official portal of the Ministry of Higher Education Malaysia at <a href="https://www.mohe.gov.my">https://www.mohe.gov.my</a> for deduction of F5(i) and F5(ii)</p> <p>(iii) <b>Course of study undertaken for the purpose of up-skilling or self-enhancement</b></p> <p>A deduction <b>up to RM1,000</b> can be claimed on any skill area recognized by Director General of Skills Development under National Skills Development Act 2006 [Act 652]. The deduction increased to RM2,000 from the year of assessment 2022 to 2023.</p> <p>Paragraph 46(1)(f) of ITA 1967.</p>
F6	Medical expenses on:	
F6(i)	Serious diseases for self, spouse or child	<p>Medical expenses on serious diseases include the treatment of Acquired Immune Deficiency Syndrome (AIDS), Parkinson's disease, cancer, renal failure, leukemia and other similar diseases. "Other Similar Diseases" in relation to serious diseases include heart attack, pulmonary hypertension, chronic liver disease, fulminant viral hepatitis, head trauma with neurological deficit, tumor in brain or vascular malformation, major burns, major organ transplant and major amputation of limbs.</p> <p>Amount expended on own self, husband / wife or child is deductible <b>up to a maximum of RM8,000</b>. Total deductions allowable for <b>F6 and F7 is restricted to RM8,000</b>.</p> <p>Receipt of the treatment and a certification issued by a medical practitioner registered with the Malaysian Medical Council (MMC) must be kept for future reference and inspection, if required.</p> <p>Paragraph 46(1)(g)(i) of ITA 1967.</p>
F6(ii)	Fertility treatment for self or spouse	<p>Expenses for fertility treatment include Intrauterine Insemination (IUI) treatment, In vitro fertilization (IVF) or any other fertility treatments including consultation fees and medicines on yourself or your spouse. Claim conditions are:</p> <p>(i) the claim for medical expenses has to be evidenced by a receipt and certification issued by a medical practitioner registered with the Malaysian Medical Council (MMC) that the serious disease treatment was provided to that individual, spouse or child; or fertility treatment was provided to the individual or the spouse; and</p> <p>(ii) married individual.</p> <p>Deductions of up to <b>RM8,000</b> are allowed on the amount expended or deemed to be expended on fertility treatment for yourself or your spouse. Total deductions allowable for <b>F6 and F7 is restricted to RM8,000</b>.</p>

		<p>Receipt of the treatment and a certification issued by a medical practitioner registered with the MMC must be kept for future reference and inspection, if required.</p> <p>If the husband or wife chooses Joint Assessment, the allowable deduction for expenses incurred by the spouse will be deemed to be spent by the husband / wife whose assessment is raised in his name is limited to <b>RM8,000</b>.</p> <p>Paragraph 46(1)(g)(ii) of ITA 1967.</p>	
F6(iii)	Vaccination expenses for self, spouse and child	<p>Vaccination expenses include the following:</p> <ul style="list-style-type: none"> <li>(i) <i>Pneumococcal</i>;</li> <li>(ii) <i>Human papillomavirus (HPV)</i>;</li> <li>(iii) <i>Influenza</i>;</li> <li>(iv) <i>Rotavirus</i>;</li> <li>(v) <i>Varicella</i>;</li> <li>(vi) <i>Meningococcal</i>;</li> <li>(vii) Combination of <i>tetanus-diphtheria-acellular-pertussis (Tdap)</i>; and</li> <li>(viii) <i>Coronavirus Disease 2019 (COVID-19)</i></li> </ul> <p>Deduction up to RM1,000 are allowed on the amount expended on vaccination for own self, spouse or child. Total deductions allowable for <b>F6 and F7 is restricted to RM8,000</b></p> <p>Paragraph 46(1)(g)(ii) of ITA 1967.</p>	
F7	Expenses (Restricted to 1,000) on:		
F7(i)	Complete medical examination for self, spouse or child	<p>Complete medical examination refers to thorough examination as defined by the Malaysian Medical Council (MMC).</p> <p>Amount expended on own self, spouse or child is allowable as a deduction <b>up to a maximum of RM1,000</b> for F7(i) and F7(ii). Total deduction allowable for <b>F6 and F7 is restricted to RM8,000</b>.</p> <p>Paragraph 46(1)(h)(i) of ITA 1967.</p>	
F7(ii)	COVID-19 detection test including purchase of self detection test kit for self, spouse or child	<p>COVID-19 detection test expenses include the following expenses:</p> <ul style="list-style-type: none"> <li>(i) Fees for a COVID-19 detection test conducted in clinic or hospital. Expenses must be evidenced by receipt issued by a hospital or clinic or medical practitioner registered with the Malaysian Medical Council (MMC)</li> <li>(ii) Purchase of self detection test kit evidenced by receipt</li> </ul> <p>Amount expended on own self, spouse or child is allowable as a deduction <b>up to a maximum of RM1,000</b> for F7(i) and F7(ii). Total deduction allowable for <b>F6 and F7 is restricted to RM8,000</b>.</p> <p>Paragraph 46(1)(h)(ii) of ITA 1967.</p>	
F8	Lifestyle - Expenses for the use / benefit of self, spouse or child in respect of:		
F8(i)	Purchase or subscription of books / journals / magazines / newspapers / other similar publications	<p>Expenditure for the purchase or subscription of books, journals, magazines, newspapers and other similar publications (in the form of hardcopy or electronic but <b>EXCLUDING banned reading materials</b> such as morally offensive magazines) for the use by own self, spouse or child.</p> <p>Subparagraph 46(1)(p)(i) of ITA 1967.</p>	

F8(ii)	Purchase of personal computer, smartphone or tablet	Expenditure for the purchase of personal computer, smartphone or tablet <b>[Does NOT include additional charge for warranty]</b> for own use or for the use by own husband / wife or child, and <b>NOT being used for the purpose of own business.</b>  Subparagraph 46(1)(p)(ii) of ITA 1967.	<b>Total deduction for F8(i), F8(ii), F8(iii) and F8(iv) are restricted to RM2,500</b>
F8(iii)	Purchase of sports equipment for sports activity defined under the Sports Development Act 1997 and payment of gym membership	Expenditure for the use by own self, spouse or child in respect of the: (i) purchase of sports equipment for any sports activity as defined under the Sports Development Act 1997. Sports equipment includes equipment with short lifespan e.g. golf balls and shuttlecocks but <b>EXCLUDING motorized bicycles</b> ; and (ii) payment for gym membership ( <b>EXCLUDING club membership which provides gym facilities</b> ).  Subparagraph 46(1)(p)(iii) of ITA 1967.	
F8(iv)	Payment of monthly bill for internet subscription	Payment of monthly bill for internet subscription <b>registered under own name</b> for the use by own self, spouse or child.  Subparagraph 46(1)(p)(iv) of ITA 1967.	
F9a	Lifestyle - Additional expenses for the use / benefit of self, spouse or child in respect of:		
F9a(i)	Purchase of sports equipment for sports activity defined under the Sports Development Act 1997	Expenditure for the purchase of sports equipment for any sports activity listed under the Sports Development Act 1997 (EXCLUDING motorized two-wheel bicycles) for the use by own self, spouse or child.  The amount of this deduction is in addition to the lifestyle relief under F8(iii).  <b>Example:</b> Mr Kevin bought sports equipment for the use of himself and his family members in 2021 worth RM3,000. The amount eligible to be claimed for expenses for the purchase of sports equipment under paragraph 46(1)(p) for YA 2021 is RM2,500 while the remaining expenditure of RM500 is eligible to be claimed as additional relief specifically for sports under paragraph 46(1)(u) for YA 2021  Paragraph 46(1)(p)(iii) and Subparagraph 46(1)(u)(i) of ITA 1967	<b>Total deduction for F9a(i), F9a(ii) and F9a(iii) are restricted to RM 500</b>
F9a(ii)	Payment of rental or entrance fee to any sports facility	Expenditure for rental or entrance fee to any sports facility for the use by own self, spouse or child.  The amount of this deduction is in addition to the lifestyle relief under F8(iii).  Paragraph 46(1)(p)(iii) and Subparagraph 46(1)(u)(ii) of ITA 1967	
F9a(iii)	Payment of registration fee for any sports competition where the organizer is approved and licensed by the Commissioner of Sports under the Sport Development Act 1997	Expenditure for payments of registration fee for any sports competition where the organizer is approved and licensed by the Commissioner of Sports under the Sport Development Act 1997 for the use by own self, spouse or child.  Subparagraph 46(1)(u)(iii) of ITA 1967	

F9b	Lifestyle – Purchase of personal computer, smartphone or tablet for own use / benefit or for spouse or child and not for business use	<p>Additional lifestyle relief for the purchase of personal computer, smartphone or tablet <b>[Does NOT include additional charge for warranty]</b> for own use or for the use by own husband / wife or child, and <b>NOT being used for the purpose of own business.</b></p> <p>The allowable deduction for this additional relief is the amount expended or deemed to be expended limited to RM2,500 for purchases made during the <b>period until 31 December 2022 only.</b></p> <p><b>Example:</b></p> <p>Mr Lim bought a smartphone for RM2,000 on 1 March 2021. He also bought a laptop for his son's use for RM4,000 on 15 July 2021.</p> <p><b>Tax Treatment:</b> Purchase of a laptop on 15 July 2021 is allowed for claim under <b>F9b</b> limited to RM2,500. While another RM500 from the purchase of the laptop and the expense of buying a smartphone of RM2,000 (1 March 2021) can be claimed under <b>F8(ii)</b> limited to RM2,500.</p> <p>Paragraph 46 (1)(p)(ii) and Paragraph 46 (1)(t) of the ITA 1967.</p>
F10	Purchase of breastfeeding equipment for own use for a child aged 2 years and below	<p>This deduction is allowed exclusively for <b>women taxpayers</b>, provided that the individual:</p> <ul style="list-style-type: none"> <li>(i) is a breastfeeding mother;</li> <li>(ii) has incurred expenditure for the purchase of breastfeeding equipment for her own use to breastfeed her own child aged 2 years and below; and</li> <li>(iii) makes a claim that is evidenced by receipts issued in respect of the purchase.</li> </ul> <p><b>Breastfeeding equipment which qualifies</b> are:</p> <ul style="list-style-type: none"> <li>(i) breast pump kit and ice pack;</li> <li>(ii) breast milk collection and storage equipment; and</li> <li>(iii) cooler set or cooler bag.</li> </ul> <p>The amount of deduction is <b>limited to RM1,000</b> although the individual has more than one child.</p> <p>This deduction is only <b>allowed ONCE in every two (2) years of assessment.</b></p> <p><b>In the case of a Combined Assessment, this deduction is only allowed if the assessment is made in the name of the wife.</b></p> <p><b>Example 1: Joint Assessment in the Wife's Name</b></p> <p>Madam Arina has given birth to a child in the year 2021 and has purchased breastfeeding equipment at the cost of RM1,700. Her husband who is a non-resident Malaysian citizen <b>has elected for joint assessment in the name of his wife.</b></p> <p>Madam Arina is entitled to claim this deduction but limited to RM1,000.</p> <p><b>Example 2: Joint Assessment in the Husband's Name</b></p> <p>Madam Sally has given birth to a child in the year 2021 and has purchased breastfeeding equipment at the cost of RM1,300. Madam Sally <b>has elected for joint assessment in the name of her husband.</b></p> <p>The claim for this deduction is NOT allowed because the joint assessment is made in the name of Madam Sally's husband.</p> <p>Paragraph 46(1)(q) of ITA 1967</p>
F11	Child care fees to a registered child care centre / kindergarten for a child aged 6 years and below	<p>This deduction is allowed in respect of <b>child care fees for a child aged 6 years and below</b> paid to a:</p> <ul style="list-style-type: none"> <li>(i) <b>child care centre registered</b> with the Department of Social Welfare (DSW) pursuant to the Child Care Centre Act 1984 (Act 308) under the Ministry of Women, Family and Community Development; or</li> <li>(ii) <b>kindergarten registered</b> with the Ministry of Education Malaysia pursuant to the Education Act 1996 (Act 550).</li> </ul>

This deduction is **restricted to RM3,000** even though the number of children who fulfills the mentioned conditions exceeds one. If the amount of claim is less than RM3,000, the amount of deduction allowed is **limited to the amount paid** only.

Where a husband and a wife are assessed separately, the tax deduction under this paragraph can only be claimed either by the husband **OR** the wife who incurs the expenses.

Where a husband and wife are divorced, the tax deduction can be claimed by the former husband and the former wife provided that they both made payment for the fees of the child and that child is not the same child.

The claim for this deduction must be evidenced by the:

- (i) birth document of the child (MyKid or birth certificate); and
- (ii) receipts for the monthly fees issued by the child care centre or kindergarden.

Paragraph 46(1)(r) of ITA 1967

#### Example 1: Husband and wife (living together)

Scenario	No. of Child	Expenditure on child (RM)		Type of assessment	Who is entitled to claim & amount (RM)	Notes
a	1	Husband Wife	1,600 1,500	Separate	Husband - 1,600 <b>OR</b> Wife - 1,500	Only one person is entitled to claim (restricted to the amount expended)
b	2	Husband Wife	3,200 (child no. 1) 3,400 (child no. 2)	Separate	Husband - 3,000 <b>OR</b> Wife - 3,000	Only one person is entitled to claim (restricted to the amount RM3,000)
c	2	Husband	3,500 (child no. 1 & 2)	Separate	Husband - 3,000	Restricted to the amount RM3,000
d	3	Husband Wife	5,200 (child no. 1 & 2) 3,100 (child no. 3)	Separate	Husband - 3,000 <b>OR</b> Wife - 3,000	Only one person is entitled to claim (restricted to the amount RM3,000)
e	2	Husband Wife	1,900 (child no. 1) 1,100 (child no. 2)	Separate	Husband - 1,900 <b>OR</b> Wife - 1,100	Only one person is entitled to claim based on the amount expended or restricted to the amount RM3,000
f	1	Husband Wife	1,200 1,200	Joint	Husband - 2,400 <b>OR</b> Wife - 2,400	Expenditure incurred by the spouse is deemed expended by the husband / wife in whose name the assessment is raised (restricted to the amount expended)
g	2	Husband Wife	1,600 (child no. 1) 1,500 (child no. 2)	Joint	Husband - 3,000 <b>OR</b> Wife - 3,000	Expenditure incurred by the spouse is deemed expended by the husband / wife in whose name the assessment is raised (restricted to the amount RM3,000)

**Example 2: Divorced husband and wife**

Scenario	No. of child	Expenditure on child (RM)		Who is entitled to claim & amount (RM)	Notes
a	1	Former husband	1,800	Former husband - 1,800	Only entitled to claim RM1,800 (restricted to the amount expended)
b	1	Former husband Former wife	3,400 3,200	Former husband - 3,000 <b>OR</b> Former wife - 3,000	Only one person is entitled to claim (restricted to the amount RM3,000)
c	2	Former husband Former wife	3,400 (child no. 1) 3,200 (child no. 2)	Former husband - 3,000 <b>AND</b> Former wife - 3,000	- Former husband claims RM3,000 - Former wife claims RM3,000 (provided that the claim is made on different child)
d	3	Former husband Former wife	3,200 (child no. 1) 1,800 (child no. 2) & 1,600 (child no. 3)	Former husband - 3,000 <b>AND</b> Former wife - 3,000	- Former husband claims RM3,000 - Former wife claims RM3,000 (provided that the claim is made on different child)

F12	Net deposit in Skim Simpanan Pendidikan Nasional (SSPN)	<p>This relief takes effect for the <b>Years of Assessment 2019 and 2022</b>.</p> <p>Amount deposited in SSPN by an individual for his children's education is deductible <b>up to a maximum of RM8,000</b>. The allowable deduction is limited to the net amount deposited in that basis year only.</p> <p><b>Example:</b> For the year 2021,  Balance Brought Forward : RM4,500;  Total Deposit : RM2,000; and  Total Withdrawal : RM1,500.</p> <p>Allowable deduction is <b>RM500</b> (RM2,000 – RM1,500).  The Balance Brought Forward of RM4,500 is not taken into account.  Paragraph 46(1)(k) of ITA 1967.</p>
F13	Husband / wife / payment of alimony to former wife	<p>(i) <b>A deduction for husband of RM4,000</b> is given to the wife if the husband has no source of income / no total income or the husband has elected for joint assessment in the name of his wife. Only one wife is eligible to claim this deduction although the husband has more than one wife.  Section 45A(1) of ITA 1967.</p> <p><b>With effect from Year of Assessment 2017, the deduction for husband is NOT allowed if the husband (not a husband who is a disabled person) has gross income exceeding RM4,000 derived from sources outside Malaysia.</b>  Subsection 45A(2) of ITA 1967.</p> <p>(ii) <b>A deduction for wife of RM4,000</b> is given to the husband who has a wife living together with him in the basis year, and the wife has no source of income / no total income or the wife has elected for joint assessment in the name of her husband.  Paragraph 47(1)(a) and subsection 47(5) of ITA 1967.</p> <p><b>With effect from Year of Assessment 2017, the deduction for wife is NOT allowed if the wife (not a wife who is a disabled person) has gross income exceeding RM4,000 derived from sources outside Malaysia.</b>  Subsection 47(6) of ITA 1967.</p> <p>(iii) Deduction for payment of alimony to a former wife is limited to RM4,000 or the actual amount paid if the amount of alimony paid is less than the allowable deduction. The total deduction for a wife living together and alimony payments to the former wife is restricted to <b>RM4,000</b>.  Voluntary alimony payments under a mutual agreement but without any formal agreement do not qualify for deduction.  Subsection 47(2) and 47(3) of ITA 1967.</p>

F14	Disabled husband / wife	A further deduction of <b>RM5,000</b> is given in respect of a disabled husband / wife. Section 45A and Paragraph 47(1)(b) and of ITA 1967.																								
F15	Child <ul style="list-style-type: none"><li>No.</li><li>100% Eligibility</li><li>50% Eligibility</li></ul>	<p>Refer to Working Sheet HK-13.</p> <p><u>No.</u> Enter the total number of children on whom full relief (100% Eligibility) or partial relief (50% Eligibility) is entitled to be claimed by the individual.</p> <p><u>100% Eligibility</u> This item is to be completed by an individual entitled to claim full child relief.</p> <p><u>50% Eligibility</u> This item is only relevant where two or more individuals (not husband and wife living together) are each entitled to claim a deduction for payment made in respect of the same child, and each of those individuals is entitled to claim 50% of the allowable relief as a deduction. For example, when divorce occurs and there are two or more individuals entitled to claim a deduction on the same child.</p> <p>For separate assessment, the individual and his spouse are required to select the relief in respect of each child on whom to claim respectively.</p> <p><b>Example:</b> Ali has five (5) children and elected for separate assessment. The number of children on whom relief may be claimed by Ali and his wife is:</p> <table><tr><td></td><td>Ali</td><td>Wife</td><td></td><td>Ali</td><td>Wife</td></tr><tr><td>(i)</td><td>5</td><td>0</td><td>(iv)</td><td>2</td><td>3</td></tr><tr><td>(ii)</td><td>4</td><td>1</td><td>(v)</td><td>1</td><td>4</td></tr><tr><td>(iii)</td><td>3</td><td>2</td><td>(vi)</td><td>0</td><td>5</td></tr></table> <p>The deduction for child is not allowed if the child is in receipt of his own income whereby his total income exceeds the amount of deduction otherwise due.</p> <p>However, the following receipts are not treated as income of a child:</p> <ul style="list-style-type: none"><li>Amount received as scholarship, grant or allowance of a similar nature (paragraph 24 Schedule 6 of ITA 1967); and</li><li>Payments received by a child who is serving an employer under articles or indentures.</li></ul> <p>Subsection 48(5) of ITA 1967.</p>		Ali	Wife		Ali	Wife	(i)	5	0	(iv)	2	3	(ii)	4	1	(v)	1	4	(iii)	3	2	(vi)	0	5
	Ali	Wife		Ali	Wife																					
(i)	5	0	(iv)	2	3																					
(ii)	4	1	(v)	1	4																					
(iii)	3	2	(vi)	0	5																					
F15a	Child - Under the age of 18 years	<p>A deduction of <b>RM2,000</b> per child is allowed if the child is unmarried and who at any time in the basis year is below the age 18 years.</p> <p>Paragraph 48(1)(a) and 48(2)(a) of ITA 1967.</p>																								
F15b	Child - 18 years and above and studying	<p>(i) A deduction of <b>RM2,000</b> per child is allowed if the child is unmarried, 18 years of age and above, and receiving full-time instruction. Paragraph 48(1)(b) &amp; (c) and 48(2)(a) of ITA 1967</p> <p>OR</p> <p>(ii) A deduction of <b>RM8,000</b> is allowed if the child is unmarried, 18 years of age and above, and satisfies the following conditions:</p> <ul style="list-style-type: none"><li>receiving full-time instruction (excluding matriculation course / pre degree / A-Level) at a university, college or other similar educational establishment in Malaysia; or</li><li>serving under articles or indentures with a view to qualify in a trade or profession in Malaysia; or</li><li>receiving full-time instruction outside Malaysia in respect of a degree (including a degree at Master or Doctorate level) or the equivalent of a degree.</li></ul> <p>Paragraph 48(3)(a) of ITA 1967.</p>																								



F15c	Child - Disabled child	<p>(i) Relief allowed for a disabled child who is unmarried is <b>RM6,000</b>.</p> <p>(ii) An additional relief of <b>RM8,000</b> is allowed if the disabled child is unmarried, 18 years of age and above, and satisfies the following conditions:</p> <ul style="list-style-type: none"> <li>• receiving full-time instruction (excluding matriculation course / pre degree / A-Level) at a university, college or other similar educational establishment in Malaysia; or</li> <li>• serving under articles or indentures with a view to qualify in a trade or profession in Malaysia; or</li> <li>• receiving full-time instruction outside Malaysia in respect of a degree (including a degree at Master or Doctorate level) or the equivalent of a degree.</li> </ul> <p>An individual is entitled to a child relief of <b>RM14,000</b> if the above conditions are complied with.</p> <p>Paragraph 48(1)(d), 48(3)(a) and 48(2)(b) of ITA 1967.</p>
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F16

Life insurance and EPF

Working sheet, HK-14 can be used for the purpose of computation and record.

(i)

Payment of life insurance premiums or takaful contribution on life insurance policy contracted on the life of the individual husband or wife / wives is deductible.

\* Deduction is NOT allowed on premiums paid for life insurance policy contracted on the life of the child.

(ii)

Contribution to an approved scheme (other than private retirement scheme) or contribution under any written law. Example of an approved scheme is the Employees Provident Fund (EPF).

(iii)

Allowable deduction commencing from Year of Assessment 2019:

No.	Type of Contribution	Public Servant *	Other Than Public Servant
i.	Life insurance premium payments and takaful contributions	Restricted to RM7,000	Restricted to RM3,000
ii.	Contribution to an approved scheme (NOT including private retirement scheme) or contribution under any written law		Restricted to RM4,000
TOTAL:			Restricted to RM7,000

\* Pensionable public servant category

Conditions for claiming:

• The public servant must be a pensionable officer who opted for the pensionable retirement scheme and already confirmed in his appointment in accordance with sections 2, 6A and 7 of the Pensions Act 1980 (Akta 227);

• Did not contribute to an approved scheme (other than private retirement scheme) or contribution under any written law.

Example 1:

Madam Sally retired from the government sector with effect from 1 April 2021. From 1 August 2021, she started work on contract with a private company.

EPF contribution (August – December 2021) : RM2,500

Payment for life insurance premiums (2021) : RM8,000

	Amount Paid (RM)	Deduction Allowed (RM)
Life insurance premium	8,000	3,000 (restricted)
EPF contribution	2,500	2,500
TOTAL:	10,500	5,500

**Example 2:**

Mr. Manaf ceased employment with a company on 30 June 2021. From 1 September 2021, he started work in the government sector.

EPF contribution (January – June 2021) : RM3,600

Payment for life insurance premiums (2021) : RM7,200

	Amount Paid (RM)	Deduction Allowed (RM)
Life insurance premium	7,200	3,000 * (restricted)
EPF contribution	3,600	3,600
<b>TOTAL:</b>	<b>10,800</b>	<b>6,600</b>

\* Mr. Manaf is a public servant with effect from 1 September 2021 but has not attained pensionable status because he is not yet confirmed in his appointment in accordance with sections 7 of the Pensions Act 1980 (Akta 227).

**Separate Assessment**

A resident individual and his / her spouse who elect for separate assessment, are respectively entitled to claim the deduction as per the schedule in paragraph (c) above.

**Example 3:**

Mr. Eddy and his wife, Milly who work with a statutory body since 2010, are assessed separately for the Year of Assessment 2021.

The allowable deduction for the Year of Assessment 2021 is as follows:

	EPF contribution (RM)	Payment for life insurance premium (RM)	Deduction Allowed (RM)
Eddy	8,000 (restricted to <b>4,000</b> )	3,800 (restricted to <b>3,000</b> )	<b>7,000</b>
Milly	<b>3,500</b>	<b>2,400</b>	<b>5,900</b>

**Combined Assessment**

Life insurance premiums and EPF contributions paid by the husband / wife who elects for combined assessment shall be deemed to be paid by the spouse.

**Example 4:**

Mr. Samy is a pensionable public servant who opted for the pensionable retirement scheme whereas his wife, Milly works in the private sector.

Madam Prema elected for combined assessment in the name of her husband for the Year of Assessment 2021.

	EPF contribution (RM)	Payment for life insurance premium (RM)	Deduction Allowed (RM)
Samy	3,600 (Refer to the Note *)	5,600	<b>5,600</b>
Prema	2,400	1,800	<b>4,200</b>
<b>TOTAL</b>			<b>9,800</b>

The amount allowed for deduction is restricted to RM7,000.

**\* Note:**

The EPF contribution made by Mr. Samy is NOT ALLOWED as a deduction because he is a pensionable public servant who opted for the pensionable retirement scheme.

**F17 Private retirement scheme and deferred annuity**

- This deduction is effective from the **Year of Assessment 2012 until 2021**.
- The deduction allowed shall **not exceed RM3,000** in respect of contributions made to a Private Retirement Scheme (PRS) approved by the Securities Commission and paid premiums for deferred annuity.
- The total deduction for PRS contributions and deferred annuity premiums is **restricted to RM3,000 for an individual and RM3,000 for the spouse who has source of income**. If the husband or wife elects for **joint assessment**, the deduction allowed for the aggregate amount of PRS contributions and deferred annuity premiums is **restricted to RM3,000**.

	<ul style="list-style-type: none"> <li>Refer to Working Sheet HK-14.</li> <li><b>Reference:</b> Public Ruling No. 4/2014 (Deferred Annuity); and Public Ruling No. 9/2021 (Private Retirement Scheme). Subsections 49(1D), 49(1E), 49(3), 50(2) and 50(3) of ITA 1967.</li> </ul>
F18	<p>Education and medical insurance</p> <p>A deduction <b>not exceeding RM3,000</b> is available on insurance premiums in respect of education or medical benefits for an individual, husband, wife, or child.</p> <p><b>An education policy must satisfy the following criteria:</b></p> <ul style="list-style-type: none"> <li>(i) the policy must be contracted by the individual for himself or herself, his or her spouse or child;</li> <li>(ii) the beneficiary should be the child;</li> <li>(iii) where the insured is the parent, the child must be the nominee;</li> <li>(iv) where the child is the insured:- <ul style="list-style-type: none"> <li>it is compulsory that the life of the person paying the premium (parent) must be covered (payor benefit rider);</li> <li>the rider must also have the same duration as the basic policy;</li> <li>where the rider is packaged together with the basic policy in a single premium, the whole premium paid will qualify for deduction; and</li> <li>where the parent does not qualify for payor benefit rider, the premium paid for the basic policy will not qualify for deduction;</li> </ul> </li> <li>(v) in respect of a takaful policy, the participant is the parent and proceeds of the policy must be made "hibah" (gift) to the child;</li> <li>(vi) the maturity amount in respect of both conventional or takaful policy must be scheduled to be payable when the child is between the ages of 13 and 25.</li> </ul> <p><b>A medical policy must satisfy the following criteria:</b></p> <ul style="list-style-type: none"> <li>(i) the expenses should be related to the medical treatment resulting from a disease or an accident or a disability;</li> <li>(ii) the policy coverage should be for a period of 12 months or more;</li> <li>(iii) the policy can be a stand-alone policy or as a rider to a life insurance policy. If it is a rider, only the rider premium can qualify for deduction;</li> <li>(iv) where a dreadful disease cover is attached to a basic policy, the whole amount of the rider premium paid is allowed as a deduction;</li> <li>(v) where a dreadful disease cover is packaged together with a term life/personal accident cover, 60% of the package premium is allowed as a deduction;</li> <li>(vi) group medical policy where the employee pays the premium for the medical benefit also qualifies for deduction; and</li> <li>(vii) premium for waiver benefit rider and travel and medical expenses insurance are not allowable as a deduction.</li> </ul> <p>The total deduction in respect of premiums paid for insurance on education and medical benefits is <b>restricted to RM3,000</b> for an individual and <b>RM3,000 for the wife who has source of income</b>. If the husband or wife elects for <b>joint assessment</b>, the deduction allowed for the total of premiums paid for insurance on education and medical benefits is restricted to <b>RM3,000</b>.</p> <p>Refer to Working Sheet HK-14.</p> <p>Subsections 49(1B), 49(4) and 50(2) of ITA 1967.</p>
F19	<p>Contribution to the Social Security Organization (SOCSO)</p> <p>A deduction <b>not exceeding RM250</b> is allowed in respect of contribution to the Social Security Organization (SOCSO) made or suffered by the individual in the basis year.</p> <p>Paragraph 46(1)(n) of ITA 1967.</p>

F20	Domestic tourism expenses	<p>Domestic tourism expenses include:</p> <ul style="list-style-type: none"> <li>(i) Payment for accommodation at the premises registered with the Commissioner of Tourism under the Tourism Industry Act 1992</li> <li>(ii) Payment for entrance fee to a tourist attraction</li> <li>(iii) Purchase of domestic tour package through a licensed travel agent registered with the Commissioner of Tourism under the Tourism Industry Act 1992. Allowable tour packages include: <ul style="list-style-type: none"> <li>• Fees for local tour guide services</li> <li>• Purchase of local handicraft products</li> <li>• Food and drinks; and</li> <li>• Transportation includes <i>hop on hop off</i></li> </ul> </li> </ul> <p>The allowable deduction for this relief is limited to <b>RM1,000</b> for payments made <b>untill 31 December 2022</b>.</p> <p>If the husband or wife chooses Joint Assessment, the allowable deduction for expenses incurred by the spouse will be deemed to be spent by the husband / wife whose assessment is raised in his name is limited to RM1,000.</p> <p>Paragraph 46(1)(s) of the ITA 1967.</p>
F21	Total relief	<p>Sum of amounts from items F1 to F20.</p> <p>Transfer this amount to item B21.</p>
<b>PART G:</b>		<b>INCENTIVE CLAIM</b>
G1	Claim for Special Deduction(s) / Further Deduction(s) / Double Deduction(s) / Incentive(s) under paragraph 127(3)(b) of Income Tax Act 1967	<p>Use the claim codes (Appendix D) which can be obtained from the LHDNM Official Portal:</p> <p><a href="http://www.hasil.gov.my">http://www.hasil.gov.my</a> &gt; Forms &gt; Download Forms &gt; Non-Company &amp; Non-Individual &gt; Computation Guide &amp; Other Information.</p> <p>Incentive claims are divided into four (4) categories as follows:</p> <ul style="list-style-type: none"> <li>(i) Special deduction</li> <li>(ii) Further deduction</li> <li>(iii) Double deduction</li> <li>(iv) Incentive under paragraph 127(3)(b) of Income Tax Act 1967</li> </ul> <p>Select the relevant code from the list of incentives provided for the above categories of claims, and enter the amount.</p> <p>For expenditure categorised as 'further deduction', the amount to be entered in this section is the amount of deduction claimed in addition to the original expenditure claimed in the accounts.</p> <p><b>Paragraph 127(3)(b) of ITA 1967</b></p> <p>Exemption given by the Minister of Finance to any class of persons from complying with any provision of the ITA 1967, either generally or in respect of any income.</p> <p>Computation of the incentive amount and supporting documents should be kept for future reference / examination by LHDNM, if required.</p>

		<p><b>Example:</b> Mr. Alex runs a sole proprietorship business and claims the following incentives:</p> <table border="1"> <thead> <tr> <th>Code</th> <th>Subject</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>225</td> <td>Deduction for employment of senior citizen, ex-convict, parolee, supervised person and ex-drug dependant</td> <td>12,000</td> </tr> <tr> <td>532</td> <td>Income in respect of qualifying expenditure for the purpose of obtaining a green building index certificate</td> <td>20,000</td> </tr> <tr> <td>620</td> <td>Withdrawal from a private retirement scheme before reaching the age of 55 and approved under the Capital Market and Services Act 2007</td> <td>10,000</td> </tr> </tbody> </table> <p>Complete item G1 as follow:</p> <table border="1"> <thead> <tr> <th>Claim Code</th> <th>Balance Brought Forward</th> <th>Amount Claimed</th> <th>Amount Absorbed</th> <th>Balance Carried Forward</th> </tr> </thead> <tbody> <tr> <td>225</td> <td>0</td> <td>12,000</td> <td>12,000</td> <td>0</td> </tr> <tr> <td>532</td> <td>0</td> <td>20,000</td> <td>20,000</td> <td>0</td> </tr> <tr> <td>620</td> <td>0</td> <td>10,000</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Code	Subject	Amount	225	Deduction for employment of senior citizen, ex-convict, parolee, supervised person and ex-drug dependant	12,000	532	Income in respect of qualifying expenditure for the purpose of obtaining a green building index certificate	20,000	620	Withdrawal from a private retirement scheme before reaching the age of 55 and approved under the Capital Market and Services Act 2007	10,000	Claim Code	Balance Brought Forward	Amount Claimed	Amount Absorbed	Balance Carried Forward	225	0	12,000	12,000	0	532	0	20,000	20,000	0	620	0	10,000	0	0
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620	0	10,000	0	0																														
G2	Claim for incentive(s) under subsection 127(3A) of Income Tax Act 1967	<p><b>Subsection 127(3A) ACP 1967</b></p> <p>Exemption given by the Minister of Finance to any specific person from complying with any provision of the ITA 1967, either generally or in respect of any income.</p> <p>Enter the Serial Number of the Approval Letter issued by the Ministry of Finance and the amount.</p> <p>The Minister's Approval Letter, computation of incentive and supporting documents should be kept for future reference / examination by LHDNM, if required.</p> <p><b>Example:</b> Mr. Faizal runs a business in relation to aquaculture. He has received an exemption order (the serial number of the approval letter, CP 1234/2020) from the Ministry of Finance. He is eligible for income tax exemption of RM45,000 for Year of Assessment 2021.</p> <p>Complete item G2 as follow:</p> <table border="1"> <thead> <tr> <th>Incentive Approval No.</th> <th>Balance Brought Forward</th> <th>Amount Claimed</th> <th>Amount Absorbed</th> <th>Balance Carried Forward</th> </tr> </thead> <tbody> <tr> <td>CP1234/2020</td> <td>0</td> <td>45,000</td> <td>45,000</td> <td>0</td> </tr> </tbody> </table>	Incentive Approval No.	Balance Brought Forward	Amount Claimed	Amount Absorbed	Balance Carried Forward	CP1234/2020	0	45,000	45,000	0																						
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<b>PART H:</b>		<b>NON-EMPLOYMENT INCOME OF PRECEDING YEARS NOT DECLARED</b>																																
H1 – H2	<p>Income OTHER THAN from employment received in respect of preceding year(s) not previously declared.</p> <p><b>Example:</b> Income from rents or interest</p> <p>Please use attachment in case of insufficient writing space.</p>																																	

PART J:		PARTICULARS OF BUSINESS INCOME
J1	Summary of business and partnership losses subjected to restriction under subsection 44(5F) of the Income Tax Act 1967	<p>This section provides the space for reporting <b>business / partnership</b> losses of the current year and previous year.</p> <p><b>Losses Of Current Year Of Assessment</b></p> <p>Current year of assessment business and partnership losses absorbed in the current year of assessment and the balance of losses carried forward for deduction in the following year of assessment.</p> <p><b>Losses Of Prior Years Of Assessment *</b></p> <p>Reporting of prior years losses absorbed in the current year shall be made according to the year of assessment in which losses are first incurred and includes the following information:</p> <ul style="list-style-type: none"> <li>• Unabsorbed losses position at the beginning of the current year of assessment; and</li> <li>• Losses absorbed / disregarded in the current year of assessment and balance of losses carried forward to be disregarded absorbed in the following year of assessment</li> </ul> <p><b>* Note:</b></p> <p>With effect from the Year of Assessment 2019, unabsorbed losses in the current year are only allowed for carrying forward to be absorbed for a maximum period of up to ten (10) consecutive years [Subsection 44(5F)].</p> <p><b><u>Special provision relating to sections 43 and 44</u></b></p> <p>This special provision allows the carrying forward of unabsorbed losses in the Year of Assessment 2018 to be absorbed up to a maximum of ten (10) years commencing from the Year of Assessment 2019.</p> <p>Working Sheet HK-1.3.</p>
J2	Business capital allowances carried forward	<p>Balance of capital allowances unabsorbed in the computation of statutory income from business.</p> <p>Amount K6 from Working Sheet HK-1 / amount N6 from Working Sheet HK-1D.</p>
J3	Partnership capital allowances carried forward	<p>Balance of capital allowances unabsorbed in the computation of statutory income from partnership.</p> <p>Amount H5 from Working Sheet HK-1B.</p>
PART K:		FINANCIAL PARTICULARS OF INDIVIDUAL (MAIN BUSINESS ONLY)
K1	Name of business	Enter the name of the business for the main business only. If there is more than one main business, enter the name of the business with the highest turnover.
K2	Business code	<p>Enter the business code for the main business.</p> <p>Refer to Appendix G for list of codes for types of businesses at the LHDNM Official Portal: <a href="https://www.hasil.gov.my">https://www.hasil.gov.my</a> &gt; Forms &gt; Download Forms &gt; Individual &gt; Computation Guide &amp; Other Information &gt; Appendices</p>
K2a	Type of business activity	Specify the type of activity of the business concerned in the box provided.
K3	Sales or turnover	Gross income including accrued income from sales, fees and other receipts.
K4	Opening stock	Opening stock of finished goods as per Trading Account.
K5	Purchases and cost of production	<ul style="list-style-type: none"> <li>• Gross amount of purchases minus discounts / rebates.</li> <li>• Cost of production as per Manufacturing Account.</li> </ul>
K6	Closing stock	Closing stock of finished goods as per Trading Account.
K7	Cost of sales	K4 plus K5 minus K6. Enter '0' if none.
K8	Gross profit / loss	K3 minus K7. Enter 'X' in the box provided for loss.

K9	Other business(es)	Total sales or turnover from sources other than K1. For partnership income – Amount from item A13, CP30.
K10 – K12	Dividends, interest and discounts, rents, royalties and premiums	Gross income from respective sources.
K13	Other income	Sum of all gross income from other non-business sources not mentioned above.
K15 – K24	Expenses	Amount as per Profit and Loss Account. <b>K15 : Loan Interest</b> Total expenditure on interest excluding interest on hire-purchase / lease.
K26	Net profit / loss	Net profit or loss as per Profit and Loss Account.
K27	Non-allowable expenses	Amount F1 from Working Sheet HK-1, HK-1D or HK-1E.
K28 – K31	Fixed assets	Net book value as per Balance Sheet.
K33	Investments	Cost of investments and fixed deposits.
K34 – K39	Current assets	Amount as per Balance Sheet.
K42 – K44	Liabilities	Amount as per Balance Sheet.
K46	Capital account	Amount as per Balance Sheet.
K47	Current account balance brought forward	Current account balance carried forward from last year, excluding capital.
K48	Current year profit / loss	Amount as per Profit and Loss Account.
K49	Drawing / advance (Net)	Takings of cash or stock in trade for personal use, or cash advance in the current year.
K50	Current account balance carried forward	Sum of amounts from items K47 to K49.
<b>PART L:</b>		<b>PARTICULARS OF TAX AGENT WHO COMPLETES THIS RETURN FORM</b>
L1 – L9	<ul style="list-style-type: none"> <li>• Tax Agent's Approval No. is the approval number given to tax agent's approved under subsection 153(3) of ITA 1967.</li> <li>• This section has to be completed and duly signed by the tax agent who completes this return form.</li> </ul>	

TAX SCHEDULE YEAR OF ASSESSMENT 2021					
CATEGORY	RANGE OF CHARGEABLE INCOME (a)	COMPUTATION RM (b)		RATE % (c)	TAX RM (d)
<b>A</b>	0 - 5,000	First	5,000	0	0
<b>B</b>	5,001 - 20,000	First	5,000	1	0
		Next	15,000		150
<b>C</b>	20,001 - 35,000	First	20,000	3	150
		Next	15,000		450
<b>D</b>	35,001 - 50,000	First	35,000	8	600
		Next	15,000		1,200
<b>E</b>	50,001 - 70,000	First	50,000	13	1,800
		Next	20,000		2,600
<b>F</b>	70,001 - 100,000	First	70,000	21	4,400
		Next	30,000		6,300
<b>G</b>	100,001 - 250,000	First	100,000	24	10,700
		Next	150,000		36,000
<b>H</b>	250,001 - 400,000	First	250,000	24.5	46,700
		Next	150,000		36,750
<b>I</b>	400,001 - 600,000	First	400,000	25	83,450
		Next	200,000		50,000
<b>J</b>	600,001 - 1,000,000	First	600,000	26	133,450
		Next	400,000		104,000
<b>K</b>	1,000,001 - 2,000,000	First	1,000,000	28	237,450
		Next	1,000,000		280,000
<b>L</b>	Exceeding 2,000,000	First	2,000,000	30	517,450
		For every next ringgit			.....

COUNTRY CODES					
The following are some of the country codes for selection. Please refer to <b>Appendix E</b> for the full list if country is not listed below.					
Country	Code	Country	Code	Country	Code
Australia	AU	Iran (Islamic R.O.)	IR	Philippines	PH
Bangladesh	BD	Iraq	IQ	Saudi Arabia	SA
Brunei	BN	Japan	JP	Singapore	SG
Cambodia	KH	Korea, D.P.R.	KP	South Africa	ZA
Canada	CA	Korea, R.O.	KR	Sri Lanka	LK
China	CN	Laos, D.P.R.	LA	Taiwan	TW
Denmark	DK	<b>Malaysia</b>	<b>MY</b>	Thailand	TH
Hong Kong	HK	Myanmar	MM	United Kingdom	GB
India	IN	New Zealand	NZ	United States	US
Indonesia	ID	Pakistan	PK	Vietnam	VN

Note: R.O. = Republic of;

D.P.R. = Democratic People's Republic of