

INCOME TAX ACT 1967

INCOME TAX (DEDUCTION FOR INVESTMENT IN AN APPROVED FOREST PLANTATION PROJECT) RULES 2009

IN exercise of the powers conferred by paragraph 154(1)(b) of the Income Tax Act 1967 [Act 53], the Minister makes the following rules:

Citation and commencement

1. (1) These rules may be cited as the **Income Tax (Deduction for Investment in an Approved Forest Plantation Project) Rules 2009**.

(2) These Rules are deemed to have come into operation on 21 May 2003 and shall have effect subject to its application as prescribed in rule 3.

Interpretation

2. In these Rules—

“investment” means investment in the form of cash or paid-up capital in respect of ordinary shares in a related company;

“forest plantation project” means the project referred to in rule 3;

“related company” means a company—

(a) incorporated under the Companies Act 1965 [Act 125] and is resident in Malaysia;

- (b) which expended the investment in undertaking a forest plantation project; and
- (c) exempted under the Income Tax (Exemption) (No. 11) Order 2009;

“qualifying company” means a company incorporated under the Companies Act 1965 and resident in Malaysia which directly owns—

- (a) prior to 11 September 2004, one hundred per cent of the paid-up capital in respect of ordinary shares of the related company; or
- (b) on or after 11 September 2004, at least seventy percent of the paid-up capital in respect of ordinary shares of the related company.

Application

3. (1) Subject to subrule (2), these Rules shall apply to the first forest plantation project undertaken by a related company for the species as specified in the Schedule.

(2) The application to undertake the forest plantation project referred to in subrule (1) shall be made to the Minister through the Minister charged with the responsibility for that project on or after 21 May 2003 but not later than 31 December 2011.

Deduction

4. (1) In ascertaining the adjusted income of a qualifying company from its business in the basis period for a year of assessment, there shall be allowed a deduction of an amount equivalent to the value of investment in a forest plantation project on the date the investment is made in the related company.

(2) The investment referred to in subrule (1)—

- (a) shall be made for a period and up to the amount, as approved by the Minister, through the Minister charged with the responsibility for the forest plantation project;
- (b) shall be for the sole purpose of financing a forest plantation project; and
- (c) shall not be disposed of within five years from the date of the last investment if such investment is in a form of paid-up capital in respect of ordinary shares.

(3) The investment made by the qualifying company prior to the commencement of a forest plantation project shall be deemed to have been incurred on the date the forest plantation project commences.

(4) Subject to subrules (5) and (6), where a qualifying company which has made an investment in the form of paid-up capital in respect of ordinary shares and claimed a deduction in respect of that investment under subrule (1), receives any consideration for the disposal of such shares, the value of consideration so received by that qualifying company shall be added in ascertaining his adjusted income for the year of assessment in the basis period in which that consideration was received.

(5) The value of the consideration referred to in subrule (4) shall not exceed the total deduction allowed in relation to that investment.

(6) Subrule (4) shall not apply where the disposal of the shares referred to in subrule (4) takes place after five years from the date of the last investment of paid-up capital in respect of ordinary shares is made in the related company.

Cessation of deduction

5. Where an investment is made by a qualifying company for the sole purpose of financing a forest plantation project is deducted under these Rules, the deduction shall cease to apply to the qualifying company in the basis period for a year of assessment upon which the related company has its first statutory income.

SCHEDULE

<i>Item</i>	<i>Specie</i>	<i>Local Name</i>
1.	<i>Acacia mangium, Acacia auriculiformis, Acacia hybrids</i>	Acacia
2.	<i>Agathis borneensis</i>	Damar minyak (Peninsular)/ Bindang (Sarawak)/Mengilan (Sabah)
3.	<i>Alstonia angustifolia, Alstonia angustiloba, Alstonia macrophylla, Alstonia pneumatophora, Alstonia scholaris, Alstonia spatulata</i>	Pulai (Peninsular)/Pelai (Sarawak)
4.	<i>Anisoptera costata, Anisoptera curtisii, Anisoptera grossivenia, Anisoptera laevis, Anisoptera marginata, Anisoptera megistocarpa, Anisoptera scaphula</i>	Mersawa/Pengiran (Sabah)
5.	<i>Araucaria cunninghamii, Araucaria hunstenii</i>	Hoop pine Klinki pine
6.	<i>Artocarpus altilis, Artocarpus elasticus, Artocarpus lowii, Artocarpus odoratissima, Artocarpus scortechinii, Artocarpus tamaran, Artocarpus teysmannii</i>	Cempedak/Terap
7.	<i>Azadirachta excelsa</i>	Sentang (Peninsular)/Runggu (Sabah, Sarawak)
8.	<i>Bischofia javanica</i>	Javan cedar/Jitang/Tuai

Item	Specie	Local Name
9.	<i>Calamus manan</i> <i>Calamus caesius</i>	Rotan manau Rotan sega
10.	<i>Calophyllum biflorum</i> , <i>Calophyllum calaba</i> , <i>Calophyllum canum</i> , <i>Calophyllum coriaceum</i> , <i>Calophyllum depressinervosum</i> , <i>Calophyllum</i> <i>ferrugineum</i> , <i>Calophyllum inophyllum</i> , <i>Calophyllum</i> <i>macrocarpum</i> , <i>Calophyllum pulcherrimum</i> , <i>Calophyllum sclerophyllum</i> , <i>Calophyllum</i> <i>symingtonianum</i> , <i>Calophyllum tetrapterum</i> , <i>Calophyllum teysmannii</i> , <i>Calophyllum wallichianum</i>	Bintangor
11.	<i>Camptosperma auriculatum</i> , <i>Camptosperma</i> <i>coriaceum</i> , <i>Camptosperma squamatum</i>	Terentang
12.	<i>Cananga odorata</i>	Kenanga
13.	<i>Canarium apertum</i> , <i>Canarium littorale</i> , <i>Canarium</i> <i>pseudosumatranum</i>	Kedondong (Peninsular)/ Seladah (Sarawak)
14.	<i>Casuarina cunninghamiana</i> , <i>Casuarina equisetifolia</i> , <i>Casuarina glauca</i> , <i>Casuarina junghuhniana</i>	Rhu/Jemara/Chemara
15.	<i>Ceiba pentandra</i> , <i>Bombax ceiba</i> , <i>Bombax valetonii</i>	Kapok (Sabah)/Kekabu
16.	<i>Chukrasia tabularis</i>	Surian batu
17.	<i>Cinnamomum altissimum</i> , <i>Cinnamomum iners</i> , <i>Cinnamomum sintoc</i> , <i>Cinnamomum javanicum</i> , <i>Cinnamomum porrectum</i> , <i>Cinnamomum scortechinii</i>	Pokok Teja/Medang Teja/ Medang
18.	<i>Coelostegia borneensis</i> , <i>Coelostegia griffithii</i>	Punggai (Peninsular)/Durian hantu (Sarawak)
19.	<i>Cratoxylum arborescens</i> , <i>Cratoxylum glaucum</i>	Geronggang
20.	<i>Dacrydium beccarii</i> , <i>Dacrydium comosum</i> , <i>Dacrydium elatum</i> , <i>Dacrydium gibbsiae</i>	Sempilor/Ekor (Peninsular)
21.	<i>Dactylocladus stenostachys</i>	Jongkong
22.	<i>Dillenia borneensis</i> , <i>Dillenia excelsa</i> , <i>Dillenia</i> <i>grandifolia</i> , <i>Dillenia pulchella</i> , <i>Dillenia reticulata</i>	Simpoh (Peninsular)/Buan (Sarawak)
23.	<i>Dipterocarpus acutangulus</i> , <i>Dipterocarpus</i> <i>applanatus</i> , <i>Dipterocarpus elongates</i> , <i>Dipterocarpus</i> <i>baudii</i> , <i>Dipterocarpus caudiferus</i> , <i>Dipterocarpus</i> <i>chartaceus</i> , <i>Dipterocarpus concavus</i> , <i>Dipterocarpus</i> <i>cornutus</i> , <i>Dipterocarpus confertus</i> , <i>Dipterocarpus</i> <i>conformis</i> , <i>Dipterocarpus costatus</i> , <i>Dipterocarpus</i> <i>costulatus</i> , <i>Dipterocarpus crinitus</i> , <i>Dipterocarpus</i> <i>dyeri</i> , <i>Dipterocarpus elongatus</i> , <i>Dipterocarpus</i> <i>eurynchus</i> , <i>Dipterocarpus fagineus</i> , <i>Dipterocarpus</i> <i>geniculatus</i> , <i>Dipterocarpus gracilis</i> , <i>Dipterocarpus</i> <i>grandiflorus</i> , <i>Dipterocarpus hasseltii</i> , <i>Dipterocarpus</i> <i>humeratus</i> , <i>Dipterocarpus kerrii</i> , <i>Dipterocarpus</i> <i>kunstleri</i> , <i>Dipterocarpus lamellatus</i> , <i>Dipterocarpus</i> <i>lowii</i> , <i>Dipterocarpus obtusifolius</i> , <i>Dipterocarpus</i> <i>oblongifolius</i> , <i>Dipterocarpus ochraceus</i> , <i>Dipterocarpus pachyphyllus</i> , <i>Dipterocarpus</i> <i>palembanicus</i> , <i>Dipterocarpus pseudofagineus</i> , <i>Dipterocarpus rigidus</i> , <i>Dipterocarpus rotundifolius</i> , <i>Dipterocarpus sarawakensis</i> , <i>Dipterocarpus</i> <i>semivestitus</i> , <i>Dipterocarpus sublamellatus</i> , <i>Dipterocarpus stellatus</i> , <i>Dipterocarpus validus</i> , <i>Dipterocarpus verrucosus</i>	Keruing

Item	Specie	Local Name
24.	<i>Dryobalanops aromatica</i> , <i>Dryobalanops beccarii</i> , <i>Dryobalanops fusca</i> , <i>Dryobalanops keithii</i> , <i>Dryobalanops lanceolata</i> , <i>Dryobalanops oblongifolia</i> , <i>Dryobalanops rappa</i>	Kapur
25.	<i>Duabanga moluccana</i> , <i>Duabanga grandiflora</i>	Magasawih/Sawih (Sarawak) Magas (Sabah)/Berembang bukit (Peninsular)/Tagahas (Sabah)
26.	<i>Durio carinatus</i> , <i>Durio grandiflorus</i> , <i>Durio graveolens</i> , <i>Durio lowianus</i> , <i>Durio malaccensis</i> , <i>Durio oxleyanus</i> , <i>Durio singaporensis</i> , <i>Durio wyatt-smithii</i> , <i>Durio zibethinus</i>	Durian
27.	<i>Dyera costulata</i> , <i>Dyera polyphylla</i>	Jelutong
28.	<i>Endospermum diadenum</i> , <i>Endospermum peltatum</i>	Sesenduk (Peninsular)/Senduk-senduk mata/Marapangi (Sabah)/Terbulan (Sarawak)
29.	<i>Eucalyptus deglupta</i> , <i>Eucalyptus grandis</i> , <i>Eucalyptus camadulensis</i> , <i>Eucalyptus pellita</i> , <i>Eucalyptus tereticornis</i> , <i>Eucalyptus hybrids</i>	Eucalyptus
30.	<i>Eusideroxylon zwageri</i>	Belian
31.	<i>Fagraea crenulata</i>	Malabera/Malabira (Sabah)
32.	<i>Gigantochloa levis</i> <i>Gigantochloa ligulata</i> <i>Bambusa blumeana</i> <i>Dendrocalamus asper</i>	Buluh beting/Buluh poring Buluh tumpat Buluh duri Buluh betong
33.	<i>Gmelina arborea</i>	Yemane
34.	<i>Gonystylus affinis</i> , <i>Gonystylus bancanus</i> , <i>Gonystylus brunnescens</i> , <i>Gonystylus confuses</i> , <i>Gonystylus maingayi</i>	Ramin
35.	<i>Hevea brasiliensis</i>	Rubber/Getah (Timber-Latex Clones)
36.	<i>Heritiera albiflora</i> , <i>Heritiera aurea</i> , <i>Heritiera borneensis</i> , <i>Heritiera globosa</i> , <i>Heritiera javanica</i> , <i>Heritiera littoralis</i> , <i>Heritiera simplicifolia</i> , <i>Heritiera sumatrana</i>	Mengkulang/Dungun/ Kembang (Sabah)
37.	<i>Hopea apiculata</i> , <i>Hopea auriculata</i> , <i>Hopea beccariana</i> , <i>Hopea bilitonensis</i> , <i>Hopea bracteata</i> , <i>Hopea coriaceae</i> , <i>Hopea dryobalanoides</i> , <i>Hopea dyeri</i> , <i>Hopea ferrea</i> , <i>Hopea ferruginea</i> , <i>Hopea glaucescens</i> , <i>Hopea griffithii</i> , <i>Hopea helferi</i> , <i>Hopea johorensis</i> , <i>Hopea mengarawan</i> , <i>Hopea nervosa</i> , <i>Hopea nutans</i> , <i>Hopea odorata</i> , <i>Hopea latifolia</i> , <i>Hopea pachycarpa</i> , <i>Hopea pedicellata</i> , <i>Hopea pierrei</i> , <i>Hopea polyalthioides</i> , <i>Hopea pubescens</i> , <i>Hopea sangal</i> , <i>Hopea semicuneata</i> , <i>Hopea subalata</i> , <i>Hopea sublancoolata</i> , <i>Hopea sulcata</i>	Merawan/Selangan (Sabah)
38.	<i>Ilex cissoidea</i> , <i>Ilex cymosa</i>	Mensirah (Peninsular)/Kerdam (Sarawak)/Morogis (Sabah)
39.	<i>Intsia palembanica</i> , <i>Intsia bijuga</i>	Merbau
40.	<i>Khaya ivorensis</i> , <i>Khaya senegalensis</i>	Khaya

Item	Specie	Local Name
41.	<i>Kokoona littoralis</i> , <i>Kokoona ochracea</i> , <i>Kokoona ovata-lanceolata</i> , <i>Kokoona reflexa</i>	Mata ulat (Peninsular)/Bajan (Sarawak)/Perupok Kuning (Sabah)
42.	<i>Koompassia malaccensis</i> <i>Koompassia maingay</i>	Kempas (Peninsular)/ Menggaris (Sarawak) Tapang(Sarawak)
43.	<i>Macaranga beccariana</i> , <i>Macaranga conifera</i> , <i>Macaranga gigantea</i> , <i>Macaranga hosei</i> , <i>Macaranga hypoleuca</i> , <i>Macaranga lowii</i> , <i>Macaranga pruinosa</i> , <i>Macaranga tanarius</i> , <i>macaranga triloba</i> , <i>Macaranga winkleri</i>	Mahang (Peninsular)/ Merkubong (Sarawak)/ Merkubong (Sabah)
44.	<i>Maesopsis eminii</i>	Maesopsis
45.	<i>Mallotus macrostachyus</i> , <i>Mallotus leucodermis</i> , <i>Mallotus miquelianus</i> , <i>Mallotus muticus</i> , <i>Mallotus penangensis</i> , <i>Mallotus philippensis</i> , <i>Mallotus wrayi</i>	Balek angin, Mallotus dau/ Dahu (Sabah)
46.	<i>Mangifera applanata</i> , <i>Mangifera caesa</i> , <i>Mangifera foetida</i> , <i>Mangifera griffithii</i> , <i>Mangifera indica</i> , <i>Mangifera longipetiolata</i> , <i>Mangifera laurina</i> , <i>Mangifera odorata</i> , <i>Mangifera pajang</i> , <i>Mangifera parviflora</i> , <i>Mangifera quadrifida</i> , <i>Mangifera torquenda</i>	Machang (Peninsular)/ Embang (Sarawak) Beluno/ Bambangan/Mangga (Sabah)
47.	<i>Neobalanocarpus heimii</i>	Chengal
48.	<i>Neolamarckia cadamba</i> , <i>Anthocephalus chinensis</i> .	Kelempayan (Peninsular)/ Laran (Peninsular, Sabah)/ Selimpoh (Sarawak)
49.	<i>Octomeles sumatrana</i>	Binuang
50.	<i>Palaquium clarkeanum</i> , <i>Palaquium gutta</i> , <i>Palaquium hexandrum</i> , <i>Palaquium hispidum</i> , <i>Palaquium impressinervium</i> , <i>Palaquium maingayi</i> , <i>Palaquium microphyllum</i> , <i>Palaquium obovatum</i> , <i>Palaquium oxleyanum</i> , <i>Palaquium regina-montium</i> , <i>Palaquium rostratum</i> , <i>Palaquium semaram</i> , <i>Palaquium xanthochymum</i>	Nyatoh
51.	<i>Paraserianthes falcataria</i> , <i>Albizia falcataria</i> , <i>Albizia chinensis</i> , <i>Albizia lebbek</i> , <i>Albizia acle</i> , <i>Albizia pedicellata</i> , <i>Albizia procera</i>	Batai/Kayu machis/Kungkur (Sabah)
52.	<i>Parashorea densiflora</i> , <i>Parashorea globosa</i> , <i>Parashorea stellata</i> , <i>Parashorea parvifolia</i> , <i>Parashorea smythiesii</i>	Urat mata/Gerutu
53.	<i>Parkia speciosa</i> , <i>Parkia singularis</i> , <i>Parkia timoriana</i>	Petai/ Kupang (Sabah)
54.	<i>Pentace adenophora</i> , <i>Pentace curtisii</i> , <i>Pentace laxiflora</i> , <i>Pentace macrophylla</i> , <i>Pentace triptera</i>	Melunak (Peninsular)/Baru (Sarawak)/Takalis (Sabah)
55.	<i>Pentaspadon motleyi</i> , <i>Pentaspadon velutinus</i>	Pejon/Pelajau
56.	<i>Peronema canescens</i>	Sungkai
57.	<i>Pinus caribaea</i> , <i>Pinus insularis</i> , <i>Pinus merkusii</i> , <i>Pinus kesiya</i>	Pine
58.	<i>Pithecellobium splendens</i>	Kungkur
59.	<i>Pterospermum diversifolium</i> , <i>Pterospermum jackianum</i> , <i>Pterospermum subpeltatum</i>	Bayor

Item	Specie	Local Name
60.	<i>Pterocarpus dalbergioides</i> , <i>Pterocarpus indicus</i> , <i>Pterocarpus macrocarpus</i> , <i>Pterocarpus marsupium</i> , <i>Pterocarpus santalinus</i>	Angsana/Sena/Narra
61.	<i>Pterocymbium tinctorium</i> , <i>Pterocymbium javanicum</i>	Melembu/Teluto
62.	<i>Pterospermum javanicum</i>	Bayor Batu
63.	<i>Sandoricum beccarianum</i> , <i>Sandoricum koetjape</i>	Kelampu (Sarawak)/Sentul (Peninsular, Sabah)
64.	<i>Santiria apiculata</i> , <i>Santiria conferta</i> , <i>Santiria tomentosa</i>	Kedondong (Peninsular)/ Seladah (Sarawak)
65.	<i>Scaphium linearicarpum</i> , <i>Scaphium longiflorum</i> , <i>Scaphium macropodium</i> , <i>Scaphium scaphigerum</i>	Kembang semangkok
66.	<i>Schima wallichii</i>	Gegatal/Gatal-gatal (Sabah)
67.	<i>Scorodocarpus borneensis</i>	Kulim (Peninsular)/Bawang hutan (Sabah)/Ungsunah (Sarawak)
68.	<i>Shorea acuminata</i> , <i>Shorea albida</i> , <i>Shorea almon</i> , <i>Shorea andulensis</i> , <i>Shorea argenteifolia</i> , <i>Shorea assamica</i> , <i>Shorea bracteolata</i> , <i>Shorea dasyphylla</i> , <i>Shorea fallax</i> , <i>Shorea henryana</i> , <i>Shorea hopeifolia</i> , <i>Shorea hypochra</i> , <i>Shorea laxa</i> , <i>Shorea leprosula</i> , <i>Shorea macroptera</i> , <i>Shorea myrionerva</i> , <i>Shorea ochrophloia</i> , <i>Shorea ovalis</i> , <i>Shorea ovata</i> , <i>Shorea parvifolia</i> , <i>Shorea parvistipulata</i> , <i>Shorea pauciflora</i> , <i>Shorea platyclados</i> , <i>Shorea polyandra</i> , <i>Shorea quadrinervis</i> , <i>Shorea revolute</i> , <i>Shorea retusa</i> , <i>Shorea roxburghii</i> , <i>Shorea rubra</i> , <i>Shorea rugosa</i> , <i>Shorea scabrida</i> , <i>Shorea slootenii</i> , <i>Shorea smithiana</i> , <i>Shorea talura</i> , <i>Shorea teysmanniana</i> , <i>Shorea waltonii</i>	Meranti/Seraya (Sabah)
69.	<i>Shorea macrophylla</i> <i>Shorea pinanga</i> , <i>Shorea palembanica</i> <i>Shorea splendida</i> <i>Shorea macrantha</i> <i>Shorea hemsleyana</i> <i>Shorea stenoptera</i> , <i>Shorea seminis</i> and other Engkabang	Engkabang jantung Engkabang langgai bukit Engkabang asu Engkabang bintang Engkabang bungkus Engkabang gading Engkabang rusa Engkabang terendak Kawang (Sabah) species
70.	<i>Sindora coriacea</i> , <i>Sindora echinocalyx</i> , <i>Sindora siamensis</i> , <i>Sindora velutina</i> , <i>Sindora wallichii</i>	Sepetir (Peninsular)/Tampar hantu (Sarawak)
71.	<i>Swietenia macrophylla</i>	Mahogany
72.	<i>Tectona grandis</i>	Teak/Jati
73.	<i>Terminalia bellirica</i> , <i>Terminalia calamansanai</i> , <i>Terminalia catappa</i> , <i>Terminalia citrina</i> , <i>Terminalia copelandii</i> , <i>Terminalia foetidissima</i> , <i>Terminalia phellocarpa</i> , <i>Terminalia subspathulata</i>	Talisai (Sabah)/Jelawai/Jaha (Semenanjung)/ Kedandi (Sarawak)
74.	<i>Tetramerista glabra</i>	Punah (Peninsular)/Kayu hujan (Sarawak)/Tuyot (Sabah)
75.	<i>Toona calantas</i> , <i>Toona ciliata</i> , <i>Toona sinensis</i> , <i>Toona sureni</i>	Surian/Limpaga/Red cedar

<i>Item</i>	<i>Specie</i>	<i>Local Name</i>
76.	<i>Vatica albiramis, Vatica bella, Vatica cinerea, Vatica cuspada, Vatica dulitensis, Vatica flavida, Vatica havilandii, Vatica heroptera, Vatica lowii, Vatica maingayi, Vatica mangachapoi, Vatica maritima, Vatica micrantha, Vatica nitens, vatica oblongifolia, Vatica odorata, Vatica pauciflora, Vatica rassak, Vatica sarawakensis, Vatica scortechinii, Vatica venulosa</i>	Resak

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DATO' SERI HAJI AHMAD HUSNI BIN MOHAMAD HANADZLAH
Second Minister of Finance

[*To be laid before the Dewan Rakyat pursuant to subsection 154(2) Income Tax Act 1967*]