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MINISTRY OF FINANCE**

RELIGIOUS INSTITUTIONS TO REMAIN TAX EXEMPTED

The amendment of paragraph 13(1) Schedule 6 of the Income Tax Act 1967 had recently created some confusion among the parties affected. However, the issue has been clarified and resolved during a meeting held on 9 January 2017, between Second Finance Minister YB Datuk Johari Abdul Ghani, with representatives from religious institutions. The meeting was also attended by Inland Revenue Board of Malaysia Chief Executive Officer Datuk Sabin Samitah, along with senior officers from the Ministry of Finance.

The Minister provided an explanation on the government's intention behind the amendment that was tabled and passed during the last session in Parliament. The amendment, in principal, is not intended to revoke tax exemption status that is currently enjoyed by religious institutions. To further clarify the matter, the Minister has agreed to issue an exemption order under section 127 of Income Tax Act 1967 to exempt all income of religious institutions that are registered under The Registry of Societies Malaysia or under any written law that governs these institutions. The prerequisite to register and qualify for the exemption would be in line with the government's intention that religious institutions are well managed and not abused by irresponsible parties. YB Datuk Johari Abdul Ghani Minister of Finance II 10 Januari 2017

The Minister's decision was conveyed to representatives of religious institutions who attended the meeting. The said exemption order will be issued soon.

**YB Datuk Johari Abdul Ghani
Minister of Finance II**

10 Januari 2017



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