



**INLAND REVENUE BOARD OF MALAYSIA**

**TAX INCENTIVE FOR  
ORGANISING CONFERENCES  
IN MALAYSIA**

**PUBLIC RULING NO. 2/2022**

*Translation from the original Bahasa Malaysia text*

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#### **DIRECTOR GENERAL'S PUBLIC RULING**

Section 138A of the Income Tax Act 1967 (ITA) provides that the Director General is empowered to make a Public Ruling in relation to the application of any provisions of the ITA.

A Public Ruling is published as a guide for the public and officers of the Inland Revenue Board of Malaysia. It sets out the interpretation of the Director General in respect of the particular tax law and the policy as well as the procedure applicable to it.

The Director General may withdraw this Public Ruling either wholly or in part, by notice of withdrawal or by publication of a new Public Ruling.

**Director General of Inland Revenue,  
Inland Revenue Board of Malaysia.**

## **1. Objective**

This Public Ruling (PR) provides an explanation on the tax incentive available to:

- (a) conference promoter promoting and organising conferences in Malaysia as its main activity; and
- (b) qualifying person whose main activities are other than promoting and organising conferences in Malaysia.

## **2. Relevant Provisions of the Law**

- 2.1 This PR takes into account laws which are in force as at the date this PR is published.
- 2.2 The provisions of the Income Tax Act 1967 (ITA) related to this PR are sections 2, 7, 8, 21 and 21A.
- 2.3 The relevant subsidiary legislation are:
  - (a) Income Tax (Exemption) (No.53) Order 2000 [P.U. (A) 500/2000]; and
  - (b) Income Tax (Exemption) (No.4) Order 2021 [P.U. (A) 195/2021].

## **3. Interpretation**

The words used in this PR have the following meaning:

- 3.1 “Qualifying person” means a company incorporated under the Companies Act 2016 or an association or an organization registered under the Societies Act 1966 which carries on business or activity other than business or activity of promoting and organizing conferences.
- 3.2 “Resident” means resident in Malaysia for the basis year for a year of assessment (YA) by virtue of section 7 and section 8 of the ITA.
- 3.3 “Statutory income”, in relation to a person, a source and a year of assessment, means statutory income ascertained in accordance with the ITA.
- 3.4 “Conference promoter” means a company incorporated under the Companies Act 2016, or an association or organization registered under the Societies Act 1966 performing the duties of promoting and organizing conferences

including the arranging of accommodation, tours and sightseeing for foreign participants.

- 3.5 “Foreign participants” means individuals who are non-Malaysian citizens participating in conferences held in Malaysia, but does not include individuals who are non-Malaysian citizens who reside in Malaysia.
- 3.6 “Year of assessment” subject to subsection 2(5) of the ITA, means calendar year.
- 3.7 “Basis period” in relation to a person, a source of his and a year of assessment, means such basis period, if any, as is ascertained in accordance with section 21 or section 21A of the ITA.

#### **4. Introduction**

Generally, a conference is a large meeting for consultation, exchange of information or discussion where researchers, academicians and professionals can share their work and research in different fields such as medicine, law, science, engineering, technologies, business management, etc. Conference organisers in Malaysia whose main activities are in promoting and organising conferences have been accorded tax incentives since the year of assessment 1997 when they bring in at least 500 foreign participants annually.

In an effort to promote Malaysia as the preferred destination for hosting international conferences, the Government has introduced tax incentives in Budget 2020 for qualifying persons whose main activities are other than promoting or organising conferences. These qualifying persons must bring in at least 500 foreign participants annually for conferences that promoted or organised.

#### **5. Tax Incentive**

##### **5.1 Income Tax (Exemption) (No.53) Order 2000 [P.U. (A) 500/2000]**

- (a) Eligibility criteria of a conference promoter

A conference promoter must be:

- (i) a company incorporated under the Companies Act 2016; or

- (ii) an association or organisation registered under the Societies Act 1966; and
- (iii) a resident in Malaysia whose main activities are in promoting and organising conferences in Malaysia including the arranging of accomodation, tours and sightseeing for foreign participants.

(b) Tax exemption

An eligible conference promoter:

- (i) brought in at least five hundred (500) foreign participants to attend conferences held in Malaysia in the basis year for a year of assessment; and
- (ii) the exemption is on 100% of the statutory income derived from organising conferences held in Malaysia in the relevant year of assessment.

(c) Period of exemption

The exemption under P.U.(A) 500/2000 is effective from the year of assessment 1997 onwards.

(d) Statutory income derived from organising conferences held in Malaysia

Statutory income derived from organising conferences held in Malaysia means fees and other payments received by a company, an association or an organisation in performing its duties as a conference promoter less allowable expenses for tax purposes and capital allowances, if any.

**Example 1**

AA Sdn Bhd is resident in Malaysia and its main activity is in organising and promoting local and international conferences in Malaysia. The company was engaged by various organisers to organise and promote 5 conferences in Malaysia in the year 2020. AA Sdn Bhd managed to bring in 2,000 foreign participants from around the world to attend the 5 conferences. AA Sdn Bhd received a total payment of RM1 million for its services. AA Sdn Bhd closes

its financial accounts on 31 December annually. The statutory income of AA Sdn Bhd for the year ended 31.12.2020 for organising conferences was RM500,000.

AA Sdn Bhd had organised and promoted international conferences in Malaysia and brought in 2,000 foreign participants in the basis period for the year of assessment 2020. Therefore, the company would be eligible for a tax exemption on the statutory income of RM500,000 derived from promoting and organising conferences.

### **Example 2**

Same facts as in Example 1 except that in the basis period for the year of assessment 2020, AA Sdn Bhd only managed to bring in 490 foreign participants to attend the 5 conferences that it had organised and promoted.

AA Sdn Bhd is not eligible for any tax exemption as it did not fulfil the condition of bringing in at least 500 foreign participants to attend the conferences held in Malaysia in the basis period for the year of assessment 2020.

## **5.2 Income Tax (Exemption) (No.4) Order 2021 [P.U. (A) 195/2021]**

### **(a) Eligibility criteria of a qualifying person**

A qualifying person must be:

- (i) a company incorporated under the Companies Act 2016; or
- (ii) an association or organisation registered under the Societies Act 1966; and
- (iii) a resident in Malaysia which carries on business or activity other than business or activity of promoting and organising conferences in Malaysia including the arranging of accommodation, tours and sight seeing for foreign participants.

(b) Exemption

An eligible qualifying person:

- (i) need to bring in at least five hundred (500) foreign participants to attend conferences held in Malaysia in the basis year for a year of assessment; and
- (ii) the exemption granted is on 100% of the statutory income derived from organising conferences held in Malaysia in the relevant year of assessment.

(c) Period of exemption

The exemption under P.U.(A) 195/2021 is effective from the year of assessment 2020 until the year of assessment 2025.

(d) Statutory income derived from organising conferences held in Malaysia

Statutory income derived from organising conferences held in Malaysia means fees and other payments received by a qualifying person from promoting and organising conferences which includes the arranging of accommodation, tours and sightseeing for foreign participants derived from organizing conference held in Malaysia, less allowable expenses for tax purposes and capital allowances, if any.

**Example 3**

XY Sdn Bhd, a manufacturer of local organic beauty products, decided to host a conference for researchers, manufacturers and distributors of organic beauty products. XY Sdn Bhd organised and promoted the conference and managed to bring in 560 foreign participants and 900 local participants for the 2-day conference from 1.11.2021 to 2.11.2021 held in Penang. The company closes its financial accounts on 31 December annually. The statutory income for the year ended 31.12.2021 is as follows:

<b>Details</b>	<b>RM</b>
Statutory income from the manufacturing business	800,000
Statutory income from organising and promoting a conference	30,000
Aggregate income	830,000

Organising and promoting a conference is an activity other than its manufacturing business. As the company brought in 560 foreign participants to attend the conference it organised in Penang, the statutory income of RM30,000 is exempted from tax for the year of assessment 2021.

**6. Separate Accounts**

An organiser seeking an exemption under both P.U.(A) 500/2000 or P.U.(A) 195/2021 is required to maintain a separate account for the income derived from organising conferences held in Malaysia.

**7. Submission of Income Tax Return Form**

A person being a conference promoter or qualifying person that organises conferences held in Malaysia is required to file the relevant Income Tax Return Form (ITRF). The grant of an exemption under both P.U.(A) 500/2000 and P.U.(A) 195/2021 does not absolve the conference promoter or the qualifying person from complying with any requirement to submit any ITRF or statement of accounts or to furnish any other information under the Act.

**8. Disclaimer**

The examples in this PR are for illustration purposes only and are not exhaustive.

**Director General of the Inland Revenue Board,  
Inland Revenue Board Malaysia.**