

A BILL

intituled

An Act to amend the Labuan Offshore Business Activity Tax Act 1990.

[]

BE IT ENACTED by the Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

1. (1) This Act may be cited as the Labuan Offshore Business Activity Tax (Amendment) Act 1991. Short title and commencement.

(2) Section 2 shall have effect for the year of assessment 1992 and subsequent years of assessment.

2. The Labuan Offshore Business Activity Tax Act 1990 is amended by inserting, immediately after section 10, the following new section IOA: New section IOA. Act 445.

"Non-chargeability to tax of offshore trading activity. 10A. (1) Notwithstanding the provisions of Part II, an offshore company carrying on an offshore business activity which is an offshore trading activity shall not be charged to tax for a year of assessment if in that year of assessment that offshore company has paid a fee specified under section 151 of the Offshore Companies Act 1990. Ace 441.

(2) An offshore company not chargeable to tax under subsection (1) shall within a period of three months (or any extended period as may be allowed by the Director-General) from the commencement of a year of assessment, file a statutory declaration in the prescribed form with the Director-General."

EXPLANATORY STATEMENT

This Bill seeks to amend the Labuan Offshore Business Activity Tax Act 1990.

2. *Clause 1* seeks to provide for the commencement of the proposed amendment.

3. *Clause 2* seeks to provide for non-chargeability to tax in respect of an offshore company carrying on an offshore business activity which is an offshore trading activity if in that year of assessment that offshore company has paid a fee as specified under the Offshore Companies Act 1990. The offshore company is however required to file the prescribed statutory declaration with the Director-General within three months (or such extended period as may be allowed by the Director-General) from the commencement of a year of assessment.

FINANCIAL IMPLICATIONS

This Bill will not involve the Government in any extra financial expenditure. [PN. (U²) 1684.]