



INLAND REVENUE BOARD MALAYSIA

PERQUISITES FROM EMPLOYMENT

**THIRD ADDENDUM TO
PUBLIC RULING NO. 1/2006**

Translation from the original Bahasa Malaysia text

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DIRECTOR GENERAL'S PUBLIC RULING

A Public Ruling as provided for under section 138A of the Income Tax Act 1967 is issued for the purpose of providing guidance for the public and officers of the Inland Revenue Board Malaysia. It sets out the interpretation of the Director General of Inland Revenue in respect of the particular tax law, and the policy and procedure that are to be applied.

A Public Ruling may be withdrawn, either wholly or in part, by notice of withdrawal or by publication of a new ruling which is inconsistent with it.

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



PERQUISITES FROM EMPLOYMENT
THIRD ADDENDUM TO PUBLIC RULING NO. 1/2006

1. This Addendum provides clarification in relation to tax exemption on meal allowance and per diem allowance to cover meal expenses received by an employee pursuant to his employment.
2. Paragraph 3.2.3 iii. and Example 8 in the Second Addendum to the Public Ruling No. 1/2006 issued on 25 February 2009 are substituted with the paragraph and example below:

Meal allowance provided to an employee for purposes such as overtime or outstation/overseas trips and other similar purposes in exercising his employment is meant to cover meal expenses of the employee. Such meal allowance is paid according to the employee's position, duties or place where the employment is exercised. Any allowance pertaining to such meal expenses falls under this exemption. Similarly, a per diem allowance which is meant to cover meal expenses for an employee in exercising his employment is also included in this exemption.

However, the meal allowance and per diem allowance are only exempted if they are given based on the rate fixed in the internal circular or written instruction of the employer.

Example 8:

Kuey is an accountant employed by an IT company in Kuala Lumpur. In March 2008 he was assigned to Johor Bahru for five days to audit the records of a branch of the IT company. He was paid by his employer an outstation allowance to cover his meal expenses amounting to RM60 per day while carrying out his duties in Johor Bahru as provided in the internal circular of the IT company.

Kuey is entitled for the exemption on the amount of outstation allowance paid by his employer amounting to RM300 (RM60 x 5 days).

3. This Addendum forms part of the Public Ruling No. 1/2006 and is effective from the year of assessment 2008.

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