



## NOTICE

The Income Tax (Deduction for Cost of Developing Website) Rules 2003 provides tax incentive for the development of e-commerce enabled website. The application for certification can be made by completing the form entitled *Application Form for Certification of E-Commerce Website* and this can be submitted to Malaysian Communications and Multimedia Commission (MCMC) to the following address:

**Numbering and Electronic Addressing Management Department  
Licensing and Monitoring Division**

Malaysian Communications and Multimedia Commission  
Level 11, MCMC Tower 1, Jalan Impact, Cyber 6, 63000 Cyberjaya  
Selangor Darul Ehsan

Attn: Head

Licensing and Monitoring Division

Tel: +603 8688 8000

<http://www.skmm.gov.my>

## **GUIDELINES FOR THE CERTIFICATION OF E-COMMERCE ENABLED WEBSITES**

### **COMMENCEMENT**

The *Income Tax (Deduction for Cost of Developing Website) Rules 2003* (the Rules) are deemed to have effect from the year of assessment 2002.

### **ELIGIBILITY FOR TAX DEDUCTION**

Pursuant to the Rules, for the purpose of ascertaining under the Income Tax Act 1967 the adjusted income from a business resident in Malaysia who has incurred the cost of developing a website which is electronic commerce enabled for the basis period for a year of assessment, there shall be allowed a deduction of an amount equal to one-fifth of that cost for that year of assessment and for each of the four following years of assessment.

In these Guidelines "electronic commerce enabled" means a system of processes where transaction involving the transfer of information, products, services or payments can be made through electronic networks for an electronically confirmed consideration as verified by the Suruhanjaya Komunikasi dan Multimedia Malaysia (MCMC).

### **QUALIFYING CRITERIA**

The above tax deduction may be given to an applicant upon fulfilling the following requirements:

1. The applicant must have a website.
2. The Domain Name System (DNS) for the website must be registered under Malaysia (.my) domain names and hosted on a web server that is located in Malaysia.
3. The website must be configured/enabled with DNS Security Extensions (DNSSEC).
4. The website can be accessed via both Internet Protocol (IP); Internet Protocol version 4 (IPv4) and Internet Protocol version 6 (IPv6).
5. There must be server software or applications that supply information to the web server on request. There must be:

- a. Shopping cart or any programs that facilitates the collection of information.

The program is a way to let web shoppers select the products or services they want, preview the sale amounts, and delete items if they change their minds about, enter their payment and shipping information, and then cancel the order completely if they want.

- b. Security capabilities that will allow the encryption of data during the transfer of customer information.
6. The collection of payment may be made online or offline. If the collection of payment is carry-out online, there must be:
    - a. Software to process transactions and send information to all of the involved parties (seller's bank, customer's bank, etc.).
    - b. Security capabilities that will allow the encryption of data during the transfer of customer information.
  7. The application will not be considered complete and would be rejected if it is:
    - a. missing mandatory information as required in the application form;
    - b. contains misleading or false information;
    - c. defective in any way;
    - d. not accompanied with signature of the applicants; or
    - e. not accompanied with the processing payment.

## APPLICATION PROCEDURE

The application procedure is as follows:

1. Application must be made by completing the form entitled "**Application Form for Certification of E-Commerce Website**" and a non-refundable processing fee of **RM100.00** (Ringgit Malaysia One Hundred).
2. The fee shall be made via Online/Telegraphic Transfer (to include all bank charges including those of the receiving bank). Kindly remit payment to:  
**Processing Fees** : RM100.00 (Ringgit Malaysia One Hundred)  
**Account Name** : SURUHANJAYA KOMUNIKASI DAN MULTIMEDIA MALAYSIA  
**Bank Name** : CIMB Bank Berhad  
**Bank Address** : Cyberjaya Branch, Prima 5-A Jalan Teknokrat 5, 63000 Cyberjaya, Selangor  
**Account No** : 8003224396  
**Swift Code** : CIBBMYKL
3. For purposes of this application, MCMC may request for additional information.
4. The completed "**Application Form for Certification of E-Commerce Website**" and receipt of the processing fee of **RM100.00** shall be submitted to [neamd@mcmc.gov.my](mailto:neamd@mcmc.gov.my).
5. Once the certification has been obtained, the applicant must attach the certification to the income tax return form for submission to the Inland Revenue Board.

Note: The criteria may change over time depending on advances in technology and other conditions. For queries and information, kindly refer to:

### **Numbering and Electronic Addressing Management Department Licensing and Monitoring Division**

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Level 11, MCMC Tower 1, Jalan Impact, Cyber 6, 63000 Cyberjaya  
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