

20 SEP 2002  
BUDGET-INCOME  
TAX EXEMPTION ON INTEREST INCOME EXTENDED

KUALA LUMPUR, Sept 20 (Bernama) -- Tax exemption on interest earned by individuals, unit trust and listed closed-end fund, will be extended to interest earned from securities or bonds guaranteed by the government; and debentures, other than convertible loan stock, approved by the Securities Commission.

The proposal is effective from the year of assessment 2003, said Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also the Finance Minister, in the Budget 2003 tabled in the Dewan Rakyat here today.

The move is to further promote financing through private debt securities, he added.

Currently, interest income derived from investments in selected private debt securities by an individual, unit trust and listed closed-end fund is exempted from income tax.

Such private debt securities comprised securities or bonds issued by the government; or bonds, other than convertible loan stock, issued by public companies listed on the Kuala Lumpur Stock Exchange; or bonds, other than convertible loan stock, issued by a company rated by Rating Agency Malaysia Bhd or Malaysian Rating Corporation Bhd; or Bon Simpanan Malaysia issued by Bank Negara Malaysia. -- BERNAMA

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