

'Tax waiver for aiding poor students'

Exemption for UTAR meets govt policy on non-profit educational bodies, says PM

By ARFA YUNUS

arfayunus@thestar.com.my

PETALING JAYA: The tax waiver granted to Universiti Tunku Abdul Rahman (UTAR) aligns with Malaysia's policy of granting tax exemptions to non-profit educational foundations, especially those that help underprivileged students, says Datuk Seri Anwar Ibrahim.

Dispelling claims of favouritism, the Prime Minister said that the RM83mil waiver is strictly for educational purposes.

Anwar acknowledged the criticism surrounding the tax relief provided to UTAR, which some opposition figures have portrayed as preferential treatment.

He refuted this notion, stating that the waiver was in accordance with government policy.

"Yes, UTAR is a Chinese Malaysian university. But what is our policy? Any effort or foundation related to education that is a non-profit, we will exempt from

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Datuk Seri Anwar Ibrahim

taxes," he said.

Anwar said this in his speech at the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) 78th annual general meeting here yesterday.

He explained that the delay in granting UTAR the exemption was because the university's foundation had not fully separated its commercial ventures from

its educational activities.

He stressed that while the foundation has commercial interests, these must be kept separate from its educational operations to ensure compliance with tax exemption criteria.

"There was a delay in action regarding UTAR because the foundation had not yet separated its commercial business dealings

from its educational operations.

"I suggested they divide the two. But if it's to build faculties, to help underprivileged students, or to exempt tuition fees for poor students, we will grant tax exemption."

Anwar further explained that the UTAR Education Foundation had recently indicated its intention to separate its commercial and educational divisions within a year but had requested that tax exemptions be granted for educational activities in the interim.

"Recently, they informed us that they need a year to fully separate the operations but in the meantime, they requested tax exemptions for all approvals related to education and for helping underprivileged students."

He highlighted that the government's tax exemption policy applies to all educational foundations aimed at supporting underprivileged students, regardless of their ethnicity.

"For me, there's no issue. We

announced the delay because UTAR's foundation had not fully separated the two areas.

"In the meantime, we are granting exemptions for educational purposes and for helping poor students (regardless of race)," Anwar said.

The decision to waive the RM83mil tax has been a source of debate, with some questioning whether the move sets a precedent for how other private institutions will be treated in terms of tax obligations.

However, Anwar maintained that the waiver aligns with the government's broader policy of supporting non-profit educational institutions, as long as their activities are clearly separated from commercial interests.