



# TAX DEDUCTIONS FOR MTCS/PEFC CERTIFICATION



*Maximise your gain!*

Companies certified under the Malaysian Timber Certification Scheme (MTCS), are eligible for tax deductions under the **Income Tax Act 1967**, administered by Inland Revenue Board of Malaysia (LHDN). These incentives apply to expenses incurred for certification conducted through certification bodies accredited by the Department of Standards Malaysia.

*What can you claim?*



## 1 OBTAINING CERTIFICATION

- MTCS/PEFC Chain of Custody (COC) certification / Forest Management (FM) certification

## 2 MAINTAINING OR RENEWING CERTIFICATION

- MTCS/PEFC COC certification / FM certification

## 1 OBTAINING CERTIFICATION

### Double Tax Deduction – Paragraph 34(6)(ma), Income Tax Act 1967

Expenses incurred by a company for the purpose of obtaining MTCS/PEFC certification, are eligible for a double tax deduction provided the certification is issued by an accredited Certification Body under Paragraph 34(6)(ma).

Expenses that may qualify for double tax deduction include:

- Application fee
- Annual fee (for the first year only)
- Assessment fee
- Other fees imposed by the Certification Body for obtaining the certification

## 2 MAINTAINING / RENEWING CERTIFICATION

### Single Tax Deduction – Subsection 33(1), Income Tax Act 1967

After the MTCS/PEFC certification has been obtained, any fees charged by the Certification Body in subsequent years are eligible only for a single tax deduction under Section 33(1).

Expenses that may qualify for single tax deduction include:

- Annual renewal fee
- Annual surveillance fee
- Reassessment fee
- Other fees imposed by the Certification Body for maintaining the certification



## SUPPORTING DOCUMENTS

To support the claim, companies should retain the following documents:

- Copy of the MTCS/PEFC Certificate
- Payment receipts for certification-related expenses



## REFERENCE

[GARIS PANDUAN; POTONGAN PERBELANJAAN DI BAWAH PERENGKAN 34\(6\)\(m\) DAN 34\(6\)\(ma\) AKTA CUKAI PENDAPATAN 1967 BAGI MAKSUD PENGIRAAN CUKAI PENDAPATAN](#)

For further information on submitting tax applications, kindly refer to [LHDN](#) or contact [coc@mtcc.com.my](mailto:coc@mtcc.com.my).



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