



## FREQUENTLY ASKED QUESTIONS

### EXEMPTION FROM OBTAINING APPROVAL FOR SOLICITATION OF DONATION FROM THE PUBLIC BY COMPANIES LIMITED BY GUARANTEE (CLBG)

NO.	QUESTION	ANSWER
1.	What is the form of exemption available under this initiative for a CLBG which has obtained approval from the Inland Revenue Board Malaysia (IRB) pursuant to subsection 44(6) of the Income Tax Act 1967 (ITA 1967)?	A CLBG which has obtained approval from the IRB pursuant to subsection 44(6) of the ITA 1967 does not have to apply for the Minister or Registrar's approval to conduct activities for solicitation of donation from the public for the purpose of Covid-19 pandemic. This exemption is applicable until 31st December 2020.
2.	What is the form of exemption available under this initiative for a CLBG without the IRB's subsection 44(6) ITA 1967 approval?	<p>A CLBG which does not have subsection 44(6) ITA 1967 approval from the IRB can also proceed to conduct the solicitation of donation activities from the public for the purpose of Covid-19 pandemic even if the CLBG has yet to make any application to obtain the Minister or Registrar's approval.</p> <p>However the CLBG has to make an application to the Minister or Registrar in accordance with Checklist 6 of the CLBG Guidelines within 30 days after the end of the Movement Control Order period. Checklist 6 and the CLBG Guidelines can be downloaded from SSM's website at this link:  <a href="https://www.ssm.com.my/Pages/Legal_Framework/Companies-Act-2016.aspx">https://www.ssm.com.my/Pages/Legal_Framework/Companies-Act-2016.aspx</a></p>

3.	Are there any additional conditions for a CLBG which does not obtain subsection 44(6) ITA 1967 approval from the IRB if it wants to solicit donations from the public for the purpose of Covid-19?	Yes. Additionally, the CLBG must mention in its promotional documents relating to the solicitation of donation activities such as templates, brochures, advertisement or any other forms of promotional documents that the CLBG is not an institution or organization which has obtained subsection 44(6) ITA 1967 approval from the IRB. This is to avoid confusion from potential donors or contributors on the issue of tax exemption.
4.	If a CLBG intends to solicit donation from the public for charitable purposes unrelated to Covid-19, can the CLBG benefit from the exemptions mentioned in this initiative?	No. A CLBG which intends to conduct activities to solicit donation for purposes other than the Covid-19 pandemic is not entitled to benefit from the exemptions given under this initiatives. The exemptions in this initiatives are intended only for solicitation of donation pertaining to Covid-19 pandemic.
5.	If the solicitation of donation activity that a CLBG wants to conduct is only for the purpose of obtaining food items or health equipment, can the CLBG benefit from the exemptions mentioned under this initiative?	The solicitation of donation mentioned in this initiative is only for donation in the form of money. For solicitation of donation other than monetary form, there is no requirement to obtain the Minister or Registrar's approval.
6.	Is there any requirement to keep records of donations received from the public if the solicitation of donation is for the purpose of Covid-19?	Yes. Each CLBG must ensure that the record of each donation received is properly kept for the purpose of monitoring by SSM. This is to ensure that good corporate governance practise is always in place.