

# Implication of Budget 2024 on Individual and Company Tax

03 Nov 2023

# ► Individuals

Existing		Proposed	Effective Date										
<p><b>1. Expansion Of Scope Of Income Tax Relief For Medical Treatment Expenses For Self, Spouse And Child (Section 46(1)(g) Of ITA 1967)</b></p> <p>The tax relief for YA 2023 of RM10,000 covers medical treatment on:-</p> <table border="1"> <tbody> <tr> <td>i</td> <td>Serious illness for taxpayer, spouse or child</td> </tr> <tr> <td>ii</td> <td>Fertility treatment for taxpayer or spouse</td> </tr> <tr> <td>iii</td> <td>Vaccination for taxpayer, spouse or child limited to RM1,000;</td> </tr> <tr> <td>iv</td> <td>Full medical check-up, mental health examination and COVID 19 detection test including purchase of self-test kit for taxpayer, spouse or child limited to RM1,000</td> </tr> <tr> <td>v</td> <td>Diagnostic and rehabilitation treatment for children with learning disabilities limited to RM 4,000</td> </tr> </tbody> </table>		i	Serious illness for taxpayer, spouse or child	ii	Fertility treatment for taxpayer or spouse	iii	Vaccination for taxpayer, spouse or child limited to RM1,000;	iv	Full medical check-up, mental health examination and COVID 19 detection test including purchase of self-test kit for taxpayer, spouse or child limited to RM1,000	v	Diagnostic and rehabilitation treatment for children with learning disabilities limited to RM 4,000	<ul style="list-style-type: none"> <li>Expanded to cover dental examination and treatment expenses from dental practitioners registered with the Malaysian Dental Council limited to RM1,000</li> </ul>	<ul style="list-style-type: none"> <li>YA 2024</li> </ul>
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<p><b>2. Expansion Of Scope Of Income Tax Relief For Medical Treatment, Special Needs And Carer Expenses For Parents (Section 46(1)(c) Of ITA 1967)</b></p> <p>Tax relief up to RM8,000 is given on medical expenses, special needs and parental care as follows:-</p> <table border="1" data-bbox="234 678 1154 1062"><tbody><tr><td data-bbox="234 678 346 772">i</td><td data-bbox="346 678 1154 772">Treatment in clinics and hospitals</td></tr><tr><td data-bbox="234 772 346 866">ii</td><td data-bbox="346 772 1154 866">Treatment at nursing homes</td></tr><tr><td data-bbox="234 866 346 961">iii</td><td data-bbox="346 866 1154 961">Dental treatment not including cosmetic dental treatment</td></tr><tr><td data-bbox="234 961 346 1062">iv</td><td data-bbox="346 961 1154 1062">Treatment and home care nursing, daycare centres and residential care centres</td></tr></tbody></table>	i	Treatment in clinics and hospitals	ii	Treatment at nursing homes	iii	Dental treatment not including cosmetic dental treatment	iv	Treatment and home care nursing, daycare centres and residential care centres	<ul style="list-style-type: none"><li>Expanded to cover full medical examination for parents limited to RM1,000.</li><li>Dental examination and treatment including false teeth, root canal and teeth restoration and replacement.</li><li>This scope together is limited to RM8,000.</li></ul>	<ul style="list-style-type: none"><li>YA 2024</li></ul>
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<b>3. Tax Relief For Lifestyle (Section 46(1)(p) And Section 46(1)(u) Of ITA 1967)</b>  Currently, the tax relief for lifestyle are as follows:-		<ul style="list-style-type: none"> <li>Proposed tax relief for lifestyle restructured as follows:-</li> </ul>	<ul style="list-style-type: none"> <li>YA 2024</li> </ul>																																								
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<p><b>4. Extension Of Tax Relief For Up-skilling And Self-enhancement Courses Fees (Section 46(1)(f) ITA 1967)</b></p> <ul style="list-style-type: none"> <li>For YA 2022 and YA 2023, tax relief of up to RM2,000 from the total education fees relief of RM7,000 is given on fees paid for attending up-skilling or self-enhancement courses recognized by the Department of Skills Development, Ministry of Human Resources.</li> </ul>	<ul style="list-style-type: none"> <li>To extend the tax relief for a period of 3 years</li> </ul>	<ul style="list-style-type: none"> <li>YA 2024 to YA 2026</li> </ul>
<p><b>5. Extension Of Tax Relief For Electric Vehicle (EV) Charging Facilities (Section 46(1)(v) Of ITA 1967)</b></p> <ul style="list-style-type: none"> <li>For YA 2022 and YA 2023, tax relief up to RM2,500 is given on expenses related to installation, rental, purchasing including hire purchase equipment or subscription fees for EV charging facilities.</li> </ul>	<ul style="list-style-type: none"> <li>To extend the tax relief for a period of 4 years</li> </ul>	<ul style="list-style-type: none"> <li>YA 2024 to YA 2027</li> </ul>
<p><b>6. Review Of Income Tax Exemption For Childcare Allowance Under Perquisites From Employment</b></p> <ul style="list-style-type: none"> <li>From YA 2008, income tax exemption up to RM2,400 per year is given on perquisites received by employees, including childcare allowance for children aged 12 and below (either childcare allowances received by employees or paid directly by employers to childcare centres).</li> </ul>	<ul style="list-style-type: none"> <li>Increase tax exemption on childcare allowance received by employees or paid directly by employers to childcare centres to RM3,000 per year.</li> </ul>	<ul style="list-style-type: none"> <li>From YA 2024</li> </ul>

# ▶ CORPORATE TAXES



Existing	Proposed	Effective Date									
<p><b>1. Review Of Conditions For Institutions /Organizations/ Funds Approved Under Subsection 44(6) Of ITA 1967</b></p> <p>Among the conditions that must be complied by institutions / organizations / funds approved under Subsection 44(6) are:</p> <ul style="list-style-type: none"> <li>• At least 50% of the income earned in the previous year must be spent in the following year for activities to achieve the objectives of the approved institutions / organizations / funds; and</li> <li>• Not more than 25% of its accumulated funds on the 1st day of the YA can be used in carrying on a business.</li> </ul> <p>If the institutions / organizations / funds breach any of the approval conditions, DGIR may withdraw the approval under Subsection 44(6).</p>	<p>The approval conditions to be reviewed as follows:</p> <ul style="list-style-type: none"> <li>• The accumulated funds utilization limit of 25% be increased up to 35%.</li> <li>• The following options are available:</li> </ul> <table border="1" data-bbox="1174 679 1967 968"> <thead> <tr> <th data-bbox="1174 679 1312 853">Option</th> <th data-bbox="1312 679 1671 853">Utilization of Accumulated Funds – Business Purpose</th> <th data-bbox="1671 679 1967 853">Threshold of Annual Charitable Activity Expenditure</th> </tr> </thead> <tbody> <tr> <td data-bbox="1174 853 1312 911">1.</td> <td data-bbox="1312 853 1671 911">Up to 25%</td> <td data-bbox="1671 853 1967 911">At least 50%</td> </tr> <tr> <td data-bbox="1174 911 1312 968">2.</td> <td data-bbox="1312 911 1671 968">25% - 35%</td> <td data-bbox="1671 911 1967 968">At least 60%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• For any breach of approval conditions, DGIR will not withdraw the approval under Subsection 44(6) to ensure the donors remain eligible for tax deduction on donations made.</li> <li>• The DGIR will raise an assessment on all income received by the approved institutions / organizations / funds for the YA in which the breach of conditions occurred.</li> </ul>	Option	Utilization of Accumulated Funds – Business Purpose	Threshold of Annual Charitable Activity Expenditure	1.	Up to 25%	At least 50%	2.	25% - 35%	At least 60%	<ul style="list-style-type: none"> <li>• YA 2024</li> </ul>
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Existing	Proposed	Effective Date															
<p><b>2. Extension Of Tax Deduction On Issuance Of SRI Sukuk</b></p> <ul style="list-style-type: none"> <li>Tax deduction is given on the issuance cost of SRI sukuk approved or authorized or lodged with the Securities Commission Malaysia.</li> <li>SRI sukuk is used exclusively for financing activities or transactions related to eligible SRI projects with the aim of preserving and conserving the environment, promoting sustainable development and enhancing the quality of life of the community.</li> <li>The incentive is given from YA 2016 to YA 2023.</li> </ul> <p><b>3. Review Of Capital Allowance (CA) On Information And Communication Technology Equipment And Computer Software</b></p> <p>Existing CA rates:</p> <table border="1" data-bbox="231 996 1110 1296"> <thead> <tr> <th>Qualifying Expenditure</th> <th>Effective Date</th> <th>CA Rates</th> </tr> </thead> <tbody> <tr> <td>Purchase of ICT equipment and computer software packages</td> <td>From the YA 2017</td> <td>IA: 20%</td> </tr> <tr> <td>Consultation, licensing and incidental fees related to customized computer software development</td> <td>From the YA 2018</td> <td>AA: 20%</td> </tr> </tbody> </table>	Qualifying Expenditure	Effective Date	CA Rates	Purchase of ICT equipment and computer software packages	From the YA 2017	IA: 20%	Consultation, licensing and incidental fees related to customized computer software development	From the YA 2018	AA: 20%	<ul style="list-style-type: none"> <li>Tax deduction is extended for a period of 4 years.</li> <li>Proposed CA rates:</li> </ul> <table border="1" data-bbox="1164 1045 1956 1268"> <thead> <tr> <th>Qualifying Expenditure</th> <th>CA Rates</th> </tr> </thead> <tbody> <tr> <td>Purchase of ICT equipment and computer software packages</td> <td>IA: 20%</td> </tr> <tr> <td>Consultation, licensing and incidental fees related to customised computer software development</td> <td>AA: 20%</td> </tr> </tbody> </table>	Qualifying Expenditure	CA Rates	Purchase of ICT equipment and computer software packages	IA: 20%	Consultation, licensing and incidental fees related to customised computer software development	AA: 20%	<ul style="list-style-type: none"> <li>YA 2024 to YA 2027</li> <li>YA 2024</li> </ul>
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<p><b>4. EXTENSION OF TAX INCENTIVE FOR RENTAL OF ELECTRIC VEHICLE (EV)</b></p> <ul style="list-style-type: none"> <li>Companies that rent non- commercial EV are given tax deduction up to RM300,000 effective from YA 2023 to 2025.</li> </ul> <p><b>5. Tax Deduction On Contributions For Environmental Preservation And Conservation Projects</b></p> <p>Under subsection 34(6)(h) of ITA 1967, a special deduction is granted on expenses incurred by a company for the provision of services, public amenities, charity or community projects pertaining to:</p> <ul style="list-style-type: none"> <li>Education</li> <li>Health</li> <li>Housing</li> <li>Enhancement of income of the poor,</li> <li>Infrastructure</li> <li>Information and communication technology</li> <li>Maintenance of heritage building including environmental preservation or conservation projects.</li> </ul> <p>which have been approved by the Ministry of Finance.</p>	<ul style="list-style-type: none"> <li>Tax deduction on EV rental cost be extended for a period of 2 years.</li> <li>Special deduction under subsection 34(6)(h) of ITA 1967 be given to entities contributing or sponsoring activities related to tree planting projects or environmental preservation and conservation awareness projects verified by FRIM.</li> </ul> <p>For applications received by the Ministry of Finance from 1 January 2024 to 31 December 2026.</p>	<ul style="list-style-type: none"> <li>Until YA 2027</li> <li>-</li> </ul>



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Existing	Proposed	Effective Date
<p><b>6. Further Tax Deduction For Voluntary Carbon Market</b></p> <ul style="list-style-type: none"> <li>Bursa Malaysia introduced the Bursa Carbon Exchange (BCX) in 2022, a voluntary platform for carbon credit trading.</li> <li>Expenditure related to carbon project development incurred by companies engaged in carbon credit trading are tax-deductible under subsection 33(1) of the Income Tax Act 1967.</li> </ul>	<ul style="list-style-type: none"> <li>Further tax deduction up to RM300,000 for companies for costs related to Development and Measurement, Reporting and Verification (MRV) related to the development of carbon projects.</li> </ul> <p>This is deductible from carbon credit income traded on BCX.</p> <ul style="list-style-type: none"> <li>Conditions: Development of carbon projects must be registered with an international standards body recognized by Bursa Malaysia.</li> <li>Expenditures on carbon projects must be certified by the Malaysia Green Technology and Climate Change Corporation (MGTC).</li> </ul> <p>Applications received by MGTC from 1 Jan 2024 until 31 Dec 2026.</p>	<p>-</p> <p>-</p>

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Proposed	Effective Date														
<p><b>7. Tax Deduction On Environmental, Social And Governance (ESG) Related Expenditures</b></p> <p>Tax deduction up to RM50,000 is given for each YA on ESG related expenditure.</p> <table border="1" data-bbox="208 622 2002 1253"> <thead> <tr> <th data-bbox="208 622 1105 701">ESG related expenditure</th> <th data-bbox="1105 622 2002 701">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="208 701 1105 796">Enhance Sustainability Reporting Framework</td> <td data-bbox="1105 701 2002 796">ESG reporting by companies listed on the Bursa Malaysia stock exchange</td> </tr> <tr> <td data-bbox="208 796 1105 892">Climate Risk Management and Scenario Analysis</td> <td data-bbox="1105 796 2002 892">ESG reporting by financial institutions regulated by the Bank Negara Malaysia</td> </tr> <tr> <td data-bbox="208 892 1105 988">Tax Corporate Governance Framework (TCGF) of Lembaga Hasil Dalam Negeri Malaysia (LHDNM)</td> <td data-bbox="1105 892 2002 988">Preparation of reports related to TCGF by companies</td> </tr> <tr> <td data-bbox="208 988 1105 1062">Transfer Pricing Documentation</td> <td data-bbox="1105 988 2002 1062">Preparation of transfer pricing documentation by companies</td> </tr> <tr> <td data-bbox="208 1062 1105 1158">E-Invoicing implementation</td> <td data-bbox="1105 1062 2002 1158">Consultation fee for implementing e-invoicing incurred by Micro, Small and Medium Enterprises (MSME)</td> </tr> <tr> <td data-bbox="208 1158 1105 1253">Any reporting requirement related to ESG</td> <td data-bbox="1105 1158 2002 1253">ESG reporting by companies to approved regulator by the Ministry of Finance</td> </tr> </tbody> </table>	ESG related expenditure	Description	Enhance Sustainability Reporting Framework	ESG reporting by companies listed on the Bursa Malaysia stock exchange	Climate Risk Management and Scenario Analysis	ESG reporting by financial institutions regulated by the Bank Negara Malaysia	Tax Corporate Governance Framework (TCGF) of Lembaga Hasil Dalam Negeri Malaysia (LHDNM)	Preparation of reports related to TCGF by companies	Transfer Pricing Documentation	Preparation of transfer pricing documentation by companies	E-Invoicing implementation	Consultation fee for implementing e-invoicing incurred by Micro, Small and Medium Enterprises (MSME)	Any reporting requirement related to ESG	ESG reporting by companies to approved regulator by the Ministry of Finance	<ul style="list-style-type: none"> <li>• YA 2024 to YA 2027</li> </ul>
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Proposed	Effective Date
<p><b>8. Implementation of Global Minimum Tax (GMT)</b></p> <ul style="list-style-type: none"><li>• The Government is expected to implement GMT in year 2025 which will only apply to companies with a global income of at least Euro 750 million in the Ultimate Parent Entity (UPE) consolidated financial statements for at least two of the consecutive financial years immediately preceding the financial year tested.</li><li>• Minimum tax rate is 15%</li></ul>	<ul style="list-style-type: none"><li>• To implement in year 2025</li></ul>
<p><b>9. Conditions For Tax Treatment On Micro, Small And Medium Companies (Subsection 107c(4b) &amp; Paragraph 19a(4) Schedule 3 Ita 1967)</b></p> <p>Companies that have 20% or more of the ordinary paid-up share capital and are owned by companies incorporated outside Malaysia or individuals who are not Malaysian citizens are not eligible to enjoy:</p> <ul style="list-style-type: none"><li>• Exemption from filing the tax estimates in the first 2 operating periods of the assessment year.</li><li>• Special allowance for small value assets without maximum restriction of RM20,000</li></ul>	<ul style="list-style-type: none"><li>• From YA 2024</li></ul>

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Proposed	Effective Date
<p><b>10. Revision Of Tax Estimate (Subsection 107C(7) ITA 1067)</b></p> <ul style="list-style-type: none"><li>• Introducing the 11th month tax estimate revision within the basis period.</li></ul> <p><b>11. Submission Of Form E, CP21, CP22, CP22A And CP22B Electronically</b></p> <ul style="list-style-type: none"><li>• All categories of employers are required to submit Form E, CP21, CP22, CP22A and CP22B through electronic medium.</li></ul> <p><b>12. Change In Exemption Conditions For Submission Of CP22A And CP22B</b></p> <ul style="list-style-type: none"><li>• Exemption in submission of CP22A / CP22B forms (notification of cessation of employment) to IRB– now to exclude condition that “the employer knows that the employee will continue to work / not retire from employment”.</li></ul>	<ul style="list-style-type: none"><li>• From YA 2024</li> <li>• From 1 January 2024</li> <li>• From 1 January 2024</li></ul>

# ▶ REAL PROPERTY GAINS TAX

Proposed	Effective Date
<p><b>1. Implementation Of RPGT's Self-Assessment System</b></p> <p>Amending and including provisions related to the implementation of the Self-Assessment System (STS) CKHT:</p> <ul style="list-style-type: none"> <li>• Disposer is required to compute his/her own tax in the RPGT return form.</li> <li>• Disposer is allowed to submit the revised RPGT return form within 6 months from the date of the submission of the original RPGT return form.</li> <li>• The submitted RPGT form is deemed to be an assessment notice that is considered to have been provided to the taxpayer on the date determined by the IRB</li> <li>• Documents should be kept for a period of 7 years from the end of the assessment year in which the assessment was raised.</li> </ul>	<ul style="list-style-type: none"> <li>• From 1 January 2025</li> </ul>

# ▶ CAPITAL GAINS TAX

Existing	Proposed	Effective Date						
<p><b>1. Capital Gains Tax On Disposal Of Unlisted Shares</b></p> <ul style="list-style-type: none"> <li>No tax is imposed on gains from the disposal of shares except for shares in real property companies (RPC) under Para 34A of Schedule 2 to the Real Property Gains Tax (RPGT) Act 1976.</li> </ul>	<p>A. Capital gains tax (CGT) will be imposed on companies, LLPs, Cooperatives and Trust bodies on the disposal of unlisted shares as follows:</p> <table border="1" data-bbox="1169 572 1961 936"> <thead> <tr> <th data-bbox="1169 572 1472 671">Shares Acquisition Date</th> <th data-bbox="1472 572 1961 671">CGT rate</th> </tr> </thead> <tbody> <tr> <td data-bbox="1169 671 1472 843">Before 1 March 2024</td> <td data-bbox="1472 671 1961 843">The taxpayers may choose: I. 10% on the net gain of the disposal of shares; or II. 2% on the gross sales value.</td> </tr> <tr> <td data-bbox="1169 843 1472 936">From 1 March 2024</td> <td data-bbox="1472 843 1961 936">10% on the net gain of the disposal of shares</td> </tr> </tbody> </table> <p>B. Disposal of shares related to the following activities will be exempted from CGT:</p> <ol style="list-style-type: none"> <li>Initial Public Offering (IPO) approved by Bursa Malaysia; and</li> <li>Restructuring of shares within the same group.</li> </ol>	Shares Acquisition Date	CGT rate	Before 1 March 2024	The taxpayers may choose: I. 10% on the net gain of the disposal of shares; or II. 2% on the gross sales value.	From 1 March 2024	10% on the net gain of the disposal of shares	<ul style="list-style-type: none"> <li>1 March 2024</li> </ul>
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From 1 March 2024	10% on the net gain of the disposal of shares							

# ▶ Cont.



Existing	Proposed
<p><b>1. Capital Gains Tax On Disposal Of Unlisted Shares (Cont'd)</b></p>	<ul style="list-style-type: none"><li>C. The date of disposal and acquisition will be determined as follows:<ul style="list-style-type: none"><li>I. iWritten agreement: Date of the agreement</li><li>II. No written agreement: Based on the settlement date</li></ul></li><li>D. Basis period will be based on the year of assessment of the disposal and the return is admissible.</li><li>E. Expenses related to the acquisition or disposal of capital assets (i.e., stamp duty, legal fees, broker fee and commission fee) will be an allowable expenses.</li><li>F. The unabsorbed capital losses can be carried forward up to 10 years. The deductions is allowed to claim against the same source only.</li><li>G. The submission of returns and payments should be made within 60 days from the date of disposal.</li></ul>

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## Proposed

### 2. Capital Gains Tax On The Capital Gains Derived From Foreign Sources

- A. Tax will be imposed on the gain on disposal for all types of capital assets.
- B. There are exemption for remittances that meet the economic substance requirements (i.e. employes adequate employees with the required qualifications, and making sufficient operational expenditures).
- C. The applicable tax rate is determined based on the relevant taxpayer category.

### 3. Capital Gains Deemed To Be Derived From Malaysia

Gains from the disposal of shares by a controlled company incorporated outside of Malaysia shall be deemed to be derived from Malaysia if:

- The foreign company owns real properties located in Malaysia
- The foreign company owns shares in other controlled companies
- Or both

Where the market value of the real properties or shares or both is more than 75% of its total assets.



# ▶ STAMP DUTY

Existing	Proposed	Effective Date										
<p><b>1. Stamp Duty For Transfer Of Property Ownership By Renunciation Of Rights</b></p> <ul style="list-style-type: none"> <li>Transfer of property ownership involving inheritance property is subject to a fixed duty of RM10 under Item 32(i) of the First Schedule, Stamp Act 1949 if the ownership is transferred from the administrator to an eligible beneficiary in accordance with a will/faraid or the Distribution Act 1958.</li> <li>If an eligible beneficiary renounces his/her right to another beneficiary or non-beneficiary, ad valorem duty is charged on a gift under Item 66(c) of the First Schedule, Stamp Act 1949.</li> </ul> <p><b>2. Stamp Duty For Property Ownership By Non-citizen</b></p> <ul style="list-style-type: none"> <li>Foreign-owned companies and non-citizen individuals are allowed to own properties in Malaysia and subject to the same ad valorem stamp duty rate on instrument of transfer is imposed on Malaysian citizens as follows:</li> </ul> <table border="1" data-bbox="224 1053 1098 1320"> <thead> <tr> <th>Sales Price/ Market Value of Property (whichever is higher)</th> <th>Stamp Duty Rate</th> </tr> </thead> <tbody> <tr> <td>First RM100,000</td> <td>1%</td> </tr> <tr> <td>RM100,000 to RM 500,000</td> <td>2%</td> </tr> <tr> <td>RM 500,001 to RM 1,000,000</td> <td>3%</td> </tr> <tr> <td>RM 1,000,001 and above</td> <td>4%</td> </tr> </tbody> </table>	Sales Price/ Market Value of Property (whichever is higher)	Stamp Duty Rate	First RM100,000	1%	RM100,000 to RM 500,000	2%	RM 500,001 to RM 1,000,000	3%	RM 1,000,001 and above	4%	<ul style="list-style-type: none"> <li>Transfer of property ownership in which the eligible beneficiary renounces his/her right for the benefit of another beneficiary in accordance with a will/faraid or the Distribution Act 1958 be subjected to a fixed stamp duty of RM10.</li> <li>A flat rate of stamp duty of 4% will be imposed on the instrument of transfer executed by foreign-owned companies and non-citizen individuals (except Malaysian permanent residents).</li> </ul>	<ul style="list-style-type: none"> <li>Instrument of transfer executed from 1 January 2024</li> <li>Instrument of property ownership for transfer executed from 1 January 2024.</li> </ul>
Sales Price/ Market Value of Property (whichever is higher)	Stamp Duty Rate											
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# ▶ Cont.



Proposed	Effective Date
<p><b>3. Change To Definition Of “Writing” Or “Written” (Section 2 Of Stamp Act 1949)</b></p> <ul style="list-style-type: none"><li>• The definition will now include electronic instruments.</li></ul> <p><b>4. Instruments Executed Outside Malaysia</b></p> <ul style="list-style-type: none"><li>• Instruments executed outside Malaysia concerning any matter in Malaysia are subject to stamping within 30 days from the date of the receipt of notice in Malaysia.</li><li>• Instruments received via email will now be considered “first receipt of a notice in Malaysia”.</li></ul> <p><b>5. Stamp Duty For Conventional Loan Agreements And Shariah-compliant Financing In Foreign Currency</b></p> <ul style="list-style-type: none"><li>• Agreements in foreign currency are subject to ad valorem stamp duty at a rate of RM5 for every RM1,000 of the loan amount with the maximum stamp duty limit of RM2,000 to be abolished.</li></ul>	<ul style="list-style-type: none"><li>• From 1 January 2024</li> <li>• From 1 January 2024</li> <li>• From 1 January 2024</li></ul>

## Proposed Changes / New Measures

### 1. E-Invoicing

The mandatory e-invoice implementation for taxpayers with:

- An annual turnover or revenue of more than RM100 million will be postponed to 1 August 2024.
- An annual turnover or revenue between RM25 million to RM100 million will be postponed to 1 January 2025.
- For all other taxpayers, will be accelerated to 1 July 2025 as opposed to the original plan which was expected to be by 1 January 2027.

MSMEs are given tax deduction up to RM50,000 per YA on the consultation fee for implementing e-invoice effective from YA 2024 to YA 2027.

*Failure to comply to issue e-invoicing will be fined of not less than RM200 and not more than RM20,000, or imprisonment not exceeding 6 months, or both.*

*The Director General of Customs and Excise and any other officer under their supervision are given access to the electronic invoice information in the execution of their duties.*

### 2. ***Tax Deduction Of Up To 10% Of An Individual Or Company's Aggregate Income For Contributions To Institutions /Organisations / Funds Approved Under Subsection 44(6) That Conduct Educational Programs, Including Sports Education.***

### 3. Appointment Of Workers To Fill And Submit Electronic Forms

- Individuals under Section 75 of ITA can appoint employees to fill in and submit electronic forms for an organisation.

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Proposed Changes / New Measures	Effective Date
<p><b>4. Responsibility To Submit Income Tax Information And Documents Electronically</b></p> <ul style="list-style-type: none"><li>• Companies and other than companies are required to provide information and submit income tax documents through the Malaysian Income Tax Reporting System (MITRS).</li><li>• This should be submitted within 30 days from the dateline of income tax return filing.</li></ul> <p><i>Failure to comply may result in penalties under Section 120 ITA 1967</i></p>	<ul style="list-style-type: none"><li>• From YA 2025</li></ul>
<p><b>5. Termination Of Use Of Digital Franking Machine And Postal Franking Machine</b></p> <ul style="list-style-type: none"><li>• Removal of provision related to stamping using digital franking machines and postal franking machines.</li></ul>	<ul style="list-style-type: none"><li>• From 1 January 2024</li></ul>
<p><b>6. Abolition Of The Use Of Adhesive Stamps</b></p> <ul style="list-style-type: none"><li>• Removal of the provision related to the use of adhesive stamps.</li></ul>	<ul style="list-style-type: none"><li>• From 1 January 2024</li></ul>

The End

