

# Budget 2024 (Finance Bill Updates)



## New condition for MSME tax treatment

Conditions	Exemption (2 YAs) to file tax estimates for new business	Special allowance for small value assets
Paid-up ordinary shares of RM2.5 million and less at the beginning of the basis period for a year of assessment (YA)	√	√
Gross income not exceeding RM50 million for the basis period for that YA	-	√
20% or less of the paid-up ordinary shares owned by company incorporated outside of Malaysia or an individual who are not Malaysian citizen. ( <i>Finance Bill Updates</i> )	√	√

*Effective YA2024*



## Mandatory submission of documents via MITRS

It is now mandatory to submit documents (tax computation and others) electronically via the Malaysian Income Tax Reporting System (MITRS) within 30 days after the due date for furnishing the tax return.

*Effective YA2025*



## 11<sup>th</sup> month revision of tax estimates

Revision of tax estimates is allowed on the 11<sup>th</sup> month, in addition to the current 6<sup>th</sup> and 9<sup>th</sup> month for company, limited liability partnership (LLP), trust body or co-operative society.

*Effective YA2024*

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## Capital Gains Tax (CGT)

CGT is applicable on the gains or profits derived from:

- a) the disposal of shares of an unlisted Company incorporated in Malaysia; or
- b) the disposal of shares of a controlled Company incorporated outside of Malaysia that owns real property in Malaysia (to comply with 75% threshold)
- c) The disposal of capital assets other than those situated in Malaysia

CGT is applicable for Company (including foreign company), LLP, Co-operative society, trust body. It is not applicable for individuals.

CGT rate is 10% of the chargeable income from the disposal of capital asset. If the capital asset was acquired before 1 January 2024, taxpayer may choose between 10% (as above), or 2% on gross disposal price. The prevailing tax rate is applicable for disposal of capital assets other than those situated in Malaysia.

*Effective 1 January 2024.*

*Refer [www.lmc.com.my](http://www.lmc.com.my) for further details.*



## E-Invoicing

The revised implementation timeline is as below:

<b>Taxpayer's annual turnover</b>	<b>Mandatory implementation date</b>
More than RM100 million	1 <sup>st</sup> August 2024
RM25 million to RM100 million	1 <sup>st</sup> January 2025
All other taxpayers	1 <sup>st</sup> July 2025

Companies under the purview of the Labuan Business Activity Tax Act 1990 (LBATA) are also within the scope of e-Invoicing requirements.

A fine of RM200 ~ RM20,000, or imprisonment not exceeding 6 months, or both, may be imposed on the taxpayer for:

- Failure to enter and submit e-invoice
- Failure to issue self-billed e-invoice
- Failure of the supplier to submit a consolidated transaction e-invoice

*Refer to [www.lmc.com.my](http://www.lmc.com.my) for further details on the implementation of e-Invoicing.*

# Budget 2024 (Finance Bill Updates)



## Dental relief for parents

Personal tax relief on expenses incurred for parents to include:

- Complete medical examination (limited to RM1,000)
- [Dental treatment \(Finance Bill Updates\)](#)

*Effective YA2024*



## Self assessment of RPGT

Real Property Gains Tax (RPGT) will be on a self assessment basis. The RPGT return submitted will be deemed to be a notice of assessment made by the IRB.

The disposer can submit an amended RPGT return once only within 6 months from the due date but will be subject to 10% on the tax or additional tax payable.

*Effective 1 January 2025*



## Disposal of RPC shares

The disposal of shares in a Real Property Company (RPC) by company, LLP, trust body and co-operative society would no longer be subject to RPGT but subject to CGT.

*Effective 1 January 2024*



## Sales tax for seller on an online platform

The definition of seller for low value goods (LVG ~ goods sold at price at RM500 or less) is now expanded to include online platform.

*Effective on the coming into operation of the Finance Act.*



## Sales tax: credit and debit notes

Seller of LVG is allowed to issue credit and debit note and is required to make corresponding adjustments in the Sales Tax return.

*Effective on the coming into operation of the Finance Act.*



## Sales tax: importation of LVG

No levy of Sales Tax on the importation of LVG where Sales Tax has been charged by the registered seller and paid.

*Effective on the coming into operation of the Finance Act.*

# Budget 2024 (Finance Bill Updates)



## Stamp duty on instruments executed outside of Malaysia

Instruments executed outside of Malaysia will be deemed accepted in Malaysia from the first receipt of email as evidence. As such, the instruments must be stamped within 30 days from the first receipt of email.

*Effective 1 January 2024*



## Stamp duty on foreign currency loan agreements

The maximum cap of RM2,000 to be removed on stamp duty for conventional loan agreements and Shariah-compliant financing in foreign currency.

*Effective 1 January 2024*



## Mandatory submission by employers

It is mandatory for employers to submit the following forms via e-Filing

Conditions	Effective date
Form E – Employer return form	Effective from year ending 31/12/2023 and subsequent years
Form CP21 – Notification form by Employer of Employee's departure from Malaysia	1/1/2024
Form CP22 – Notification form by Employer for new employee	1/1/2024
Form CP22A – Notification for cessation of employment (private sector)	1/1/2024
Form CP22B – Notification for cessation of employment (public sector)	1/1/2024

Employer may be exempted from notifying the IRB on cessation of employment subject to the following:

- The employer has made monthly tax deduction (MTD) in respect of the employment income of the employee; or
- The total monthly employment income of the employee is below the minimum MTD threshold.

Employer will be liable to a fine of RM200~RM20,000, or not more than 6 months imprisonment, or both in the event of failure to submit the forms.

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