



2024 BUDGET OVERVIEW



Cheng & Co
GROUP



2024

BUDGET OVERVIEW

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01/ INDIVIDUAL TAX

INDIVIDUAL TAX

EXPANSION OF SCOPE



Tax Relief For Medical Treatment Expenses For Taxpayer, Spouse, And Child

The scope of tax relief be expanded to cover **dental examination and treatment expenses** from dental practitioners registered with the Malaysian Dental Council **limited to RM1,000**.

Effective from YA 2024

Tax Relief For Medical Treatment, Special Needs And Carer Expenses For Parents

The scope of tax relief be expanded to **full medical examination for parents limited to RM1,000**.

Effective from YA 2024

INDIVIDUAL TAX

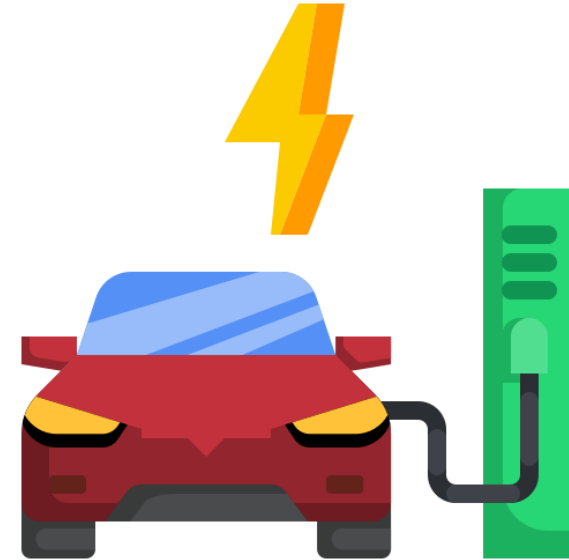
EXTENSION OF TAX RELIEF



Up-skilling And Self-enhancement Courses Fees

The income tax relief be **extended for a period of 3 years.**

Effective from YA 2024 until YA 2026



Electric Vehicle Charging Facilities

The individual income tax relief on expenses related to installation, rental, purchasing including hire-purchase equipment or subscription fees for EV charging facilities be **extended for a period of 4 years.**

Effective from YA 2024 until YA 2027

INDIVIDUAL TAX

REVIEW

Income Tax Exemption For Child Care Allowance Under Perquisites From Employment

The income tax exemption on **child care allowances** received by employees or paid directly by employers to **child care centres** be **increased** from **RM2,400** to **RM3,000** per year.

Effective from YA 2024



INDIVIDUAL TAX REVIEW

Tax Relief For Lifestyle



The **lifestyle relief of up to RM2,500** is for the **purchase of reading materials** including e-book, printed/ electronic daily newspapers, purchase of personal computers, smartphones or tablets and internet subscriptions.

The scope be **expanded** to include fees for **self skills enhancement course**. Whereas, the **purchase of sports equipment and gymnasium membership fees** are **removed** from the scope of lifestyle relief.



Specific tax relief be introduced for "**Sports Equipment and Activities**" limited to **RM1,000**.

The **scope of relief** covers the purchase of sports equipment, rental or entry fees to sports facilities, registration fees for participating in sports competitions and gymnasium membership fees.

This relief is also **expanded to sports training fees** imposed by associations/sports clubs/companies registered with the Sports Commissioner or Companies Commission of Malaysia and carrying out sports activities as listed under the Sports Development Act 1997.

Effective from YA 2024

02/ CORPORATE TAX

CORPORATE TAX

EXPANSION OF SCOPE



Tax Exemption On The Sustainable And Responsible Investments Sukuk Grant And Bond Grant Scheme

The income tax exemption be **expanded to include SRI-Linked Sukuk Grants and bonds** issued under the ASEAN Sustainability-Linked Bond Standards (ASEAN SLBS) approved by Securities Commission (SC).

For applications received by SC from 1st January 2024 until 31st December 2025

CORPORATE TAX

EXTENSION OF TAX

Tax Deduction On Issuance Of Sustainable And Responsible Investments Sukuk

The income tax deduction be **extended** for a period of 4 years.

Effective from YA 2024 until YA 2027



Tax Exemption For Social Enterprise

The application period for tax exemption on all income of Social Enterprise be **extended** for 2 years.

For applications received by the Ministry of Finance from 1st January 2024 until 31st December 2025

CORPORATE TAX

REVIEW

Capital Allowance On Information And Communication Technology Equipment And Computer Software

Capital allowances rates be revised as follows :-

- i. Purchase of ICT equipment and computer software packages
- ii. Consultation, licensing and incidental fees related to customised computer software development

Initial Allowance: 40% | Annual Allowance: 20%

With the revised rate, the **capital allowance claim period** be reduced from 4 years to 3 years.

Effective from YA 2024

Income Tax Exemptions On Shariah-Compliant Fund Management Services

The income tax exemption period for **Shariah-compliant fund management services companies** be extended for 4 years with 60% tax exemption.

Effective from YA 2024 until YA 2027



CORPORATE TAX

NEW

NEW

Tax Deduction On Environmental, Social And Governance (ESG) Related Expenditures

Tax deduction **up to RM50,000** for each year of assessment be given on **ESG related expenditure**.

Effective from YA 2024 until YA 2027

Income Tax Exemption For Islamic Financial Activities Under Labuan International Business And Financial Centre

Full income tax exemption for a period of 5 years be given to **Labuan entity** that undertakes **Islamic financial-related trading activities** such as Islamic digital banking, Islamic digital bourses, ummah-related companies and Islamic digital token issuers.

Effective from YA 2024 until YA 2028

Tax Deduction On Contributions For Environmental Preservation And Conservation Projects

Tax deduction under subsection 34(6)(h) Income Tax Act 1967 be given to entities contributing or sponsoring activities related to **tree planting projects** or **environmental preservation and conservation awareness projects** verified by Forest Research Institute Malaysia (FRIM).

For applications received by the Ministry of Finance from 1st January 2024 to 31st December 2026

CORPORATE TAX

NEW

NEW

Incentive For Reinvestment Under The New Industrial Master Plan 2030

Tax incentives be given as follows:

Investment Tax Allowance	Tier 1	Tier 2
Qualifying Capital Expenditure	100%	60%
Statutory Income to be Set-Off	100%	70%

The **eligible investment tax allowance rate** will be determined by **outcome-based approach**.

For applications received by the Malaysian Investment Development Authority from 1st January 2024 until 31st December 2028

CORPORATE TAX

NEW

NEW

Further Tax Deduction For Voluntary Carbon Market

Further tax deduction **up to RM300,000** be given to companies for costs incurred on the **Development and Measurement, Reporting and Verification (MRV)** related to the **development of carbon projects**. The further tax deduction is **deductible from the carbon credits income traded on Bursa Carbon Exchange (BCX)**.

The development of carbon projects must be **registered with an international standards body recognised by Bursa Malaysia** and expenditure on **development of carbon projects** must be **certified by the Malaysia Green Technology and Climate Change Corporation (MGTC)**.

For applications received by the MGTC from **1st January 2024 until 31st December 2026**

03/ STAMP DUTY

STAMP DUTY

REVIEW



Stamp Duty For Transfer Of Property Ownership By Renunciation Of Rights

The **transfer of property ownership** in which the eligible beneficiary renounces his/her right to another eligible beneficiary in accordance with a **will/faraid** or **the Distribution Act 1958** be subjected to a **fixed duty of RM10**.



Stamp Duty For Property Ownership By Non-Citizen

A **flat rate stamp duty of 4%** be imposed on the **instrument of transfer** executed by foreign-owned companies and non-citizen individuals (except Malaysian permanent residents).

For the instrument of property ownership transfer executed from 1 January 2024

04/ EXCISE DUTY

EXCISE DUTY REVIEW

Excise Duty Rate On Sugar Sweetened Beverages

The excise duty rate for **sugar sweetened beverages** be increased to **RM0.50 per litre**.

Effective from 1st January 2024



Imposition Of Excise Duty On Chewing Tobacco

Excise duty at a **rate of 5% + RM27/kg** be imposed on **chewing tobacco** under the tariff code 2403.99.5000.

Effective from 1st January 2024

05/ TAX INCENTIVE

TAX INCENTIVE

EXTENSION OF TAX



Tax Incentive For Angel Investor

The tax incentive be **extended** for a period of **3 years**.

For investment made from 1st January 2024 until 31st December 2026

Tax Incentive For Rental Of Electric Vehicle (EV)

Tax deduction on EV rental cost be **extended** for a period of **2 years**.

Up to YA 2027



TAX INCENTIVE

REVIEW

Tax Incentive For Automation In Manufacturing, Services And Agriculture Sectors

The scope of accelerated capital allowance (ACA) be expanded to include the commodity sector under the Ministry of Plantation and Commodities (KPK).

For applications received by KPK from 14th October 2023 until 31st December 2027



Tax Incentive For Equity Crowdfunding

The tax incentive be expanded to investment made by individual investor through Limited Liability Partnership nominee company and be extended for a period of 3 years.

For investment made from 1st January 2024 until 31st December 2026

TAX INCENTIVE

REVIEW



Tax Incentive For Women Career Comeback Programme

The eligibility criteria for the **Women Career Comeback Programme** tax incentive be enhanced as follows:

- i. Women returning to work after a career break **at least 2 years before the date of application received** by the Talent Corporation Malaysia Berhad; and
- ii. **Employment income received** from the **YA 2025 until YA 2028**.



Tax Incentives For Returning Expert Programme

The tax incentive be reviewed as follows:

- i. Income tax at a **fixed rate of 15%** on employment income received by an **individual for 5 consecutive years of assessment**; and
- ii. **Exemption on excise duty** for the **purchase of a completely knocked down (CKD) vehicle** subject to an exemption amount of up to **RM100,000**.

For applications received by the Talent Corporation Malaysia Berhad from 1st January 2024 until 31st December 2027

06/ INDIRECT TAX

INDIRECT TAX

REVIEW

Import Duty And Sales Tax Exemption On Manufacturing Aids

Import duty and sales tax exemption be given to **eligible manufacturers on the importation and locally purchased of manufacturing aids** subject to types of industry and category of goods determined.

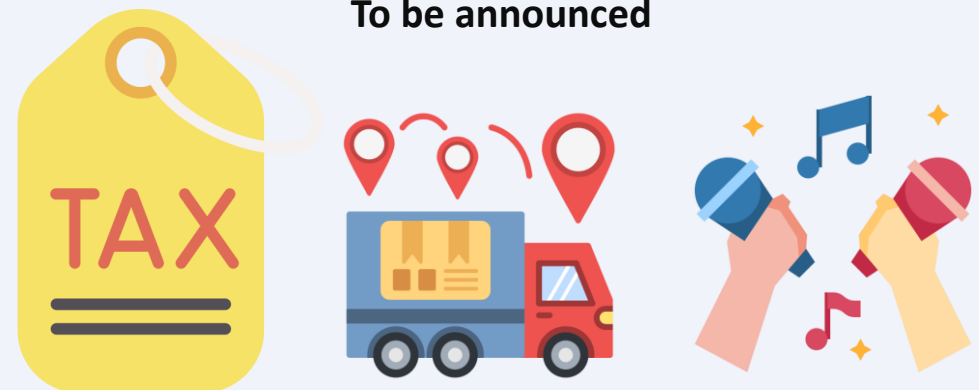
Effective from 1st January 2024



Service Tax

The service tax rate will be **increased to 8% for all prescribed taxable services**, with the **exception of food and beverage** as well as **telecommunication services**, which **remain at 6%**. The scope of prescribed taxable services will be expanded to included **logistics services, underwriting services, brokerage services and karaoke**.

To be announced

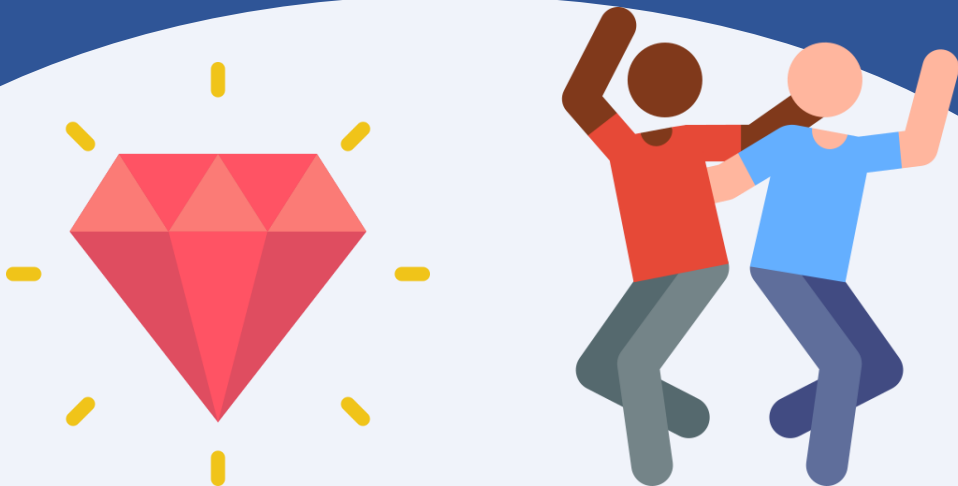


INDIRECT TAX REVIEW

High Value Good Tax

New legislation is set to be introduced, proposing a **tax rate of 5% to 10% on specific high-value items** like jewelry and watches, with the rate determined by their **price thresholds**.

To be announced



Entertainments Duty Exemption In The Federal Territories

An **exemption of the current entertainments duty rate** be given to selected type of entertainments held in the Federal Territories as follows:

Type of entertainments	Entertainment duty rate (After exemption)
Stage performance by international artist / Light Show / Circus	10%
Film screening (Cinema) / Theatre	
Exhibition / Zoo / Aquarium	
Sports Event / E-Sports / Bowling / Snooker / Pool / Billiard / Karaoke	5%
Theme Park / Family Recreation Centre / Indoor Games Centre / Simulator	
Stage performance by local artist	0%

**For applications received by the Ministry of Finance from
1st January 2024 to 31st December 2028**

07/ CAPITAL GAINS TAX

CAPITAL GAINS TAX (CGT)

REVIEW

Disposal Of Unlisted Shares

CGT rate be imposed as follows:

Shares Acquisition Date	CGT Rate
Before 1st 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 1st March 2024	10% on the net gain of the disposal of shares

To ensure the smooth implementation of CGT and reduce the cost of doing business, it is proposed **CGT exemption** be given on the disposal of shares related to the following activities:

- i. Initial Public Offering (IPO) approved by Bursa Malaysia; and
- ii. Restructuring of shares within the same group.

Effective from 1st March 2024

08/ OTHERS

OTHERS

REVIEW

Review Of Conditions For Institutions/Organisations/Funds Approved Under Subsection 44(6) Income Tax Act 1967

To enhance tax compliance among institutions/ organisations/ funds approved under subsection 44(6) ITA 1967, it is proposed the **approval conditions** be reviewed as follows:

- i. The **accumulated funds utilisation limit of not more than 25%** for participation in business activities be **increased up to 35%** to ensure the income of the approved institutions/organisations/funds continues to be sustainable;
- ii. Institutions/organisations/funds may choose any of the following **options** to continue receiving the **subsection 44(6) incentives benefits**:

Option	Utilisation of Accumulated Funds	Threshold of Charitable Activity Expenditure
1	Up to 25%	At least 50%
2	Over 25% and up to 35%	At least 60%

- iii. **Approval conditions** have been set out in the guidelines and Director General of Inland Revenue (DGIR) approval letters to institutions/organisations/funds. In the event any of the conditions are **breached**, DGIR will **not withdraw the approval** under subsection 44(6) for institutions/organisations/funds **during the validity period**. The approval status is upheld to ensure that **donors remain eligible for tax deductions** on contributions made to institutions/organisations/funds throughout the approval period; and
- iv. For any **breach of conditions within the approval period**, the institutions/organisations/funds will **not be eligible for tax exemption** and DGIR will **raise tax assessment** on all income received by the institutions/organisations/funds in the year of assessment the breach of conditions occurred.

Effective from YA 2024

**09/ MAXIMIZING TAX
SAVINGS BEFORE THE
END OF YEAR 2023**

MAXIMIZING TAX SAVINGS

BEFORE THE END OF YEAR 2023



Additional Lifestyle Relief

Purchase of personal computer, smartphone, or tablet for own use / benefit or for spouse or child and not for business use.

* Maximum claimable amount of RM2,500 *

MAXIMIZING TAX SAVINGS

BEFORE THE END OF YEAR 2023

Domestic Tourism Expenses

- i. Payment of **accommodation** at the premises registered with the Commissioner of Tourism under the Tourism Industry Act 1992.
- ii. Payment of entrance fee to a **tourist attraction**.
- iii. Purchase of **domestic tour package** through a licensed travel agent registered with the Commissioner of Tourism under the Tourism Industry Act 1992.

* Maximum claimable amount of RM1,000 *



STAY TUNED FOR OUR



**BUDGET SEMINAR
2024**



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