



# TaXavvy

## Budget 2025 Edition [Finance Bill 2024]

22 November 2024

This edition is a continuation of our Budget 2025 Edition and highlights additional tax proposals based on the following:

- Finance Bill 2024
- Labuan Business Activity Tax (Amendment) (No.2) Bill 2024
- Measures for the Collection, Administration and Enforcement of Tax Bill 2024



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Please refer to our [Indirect Tax Alert](#) for updates on indirect taxes from the Bills.





# 1

## Personal Tax

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# Personal Tax

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## Dividend Tax

Budget 2025 introduced a 2% dividend tax applicable to individuals receiving dividend income in excess of RM100,000. The Finance Bill further clarifies that this tax applies to dividend income distributed by resident companies. Additionally, it specifies that expenses related to the first RM100,000 of exempted dividend income will not be eligible for tax deductions.

Specific provision is proposed on requirements of dividend voucher. The voucher must include details on the gross amount and the amount paid or credited. If the dividend is distributed in a form other than money, the voucher should state the market value of the property at the time of distribution.

(Effective from YA 2025)

### PwC Comments

Companies and individuals need to consider the compliance obligations and tax implications of paying and receiving dividends in kind.

Companies paying dividends are required to set forth the market value of the property in the dividend voucher. The market value, in turn, has implications for determining whether the individual shareholder has dividend income in excess of RM100,000 as a result of receiving the dividend, and is therefore subject to the 2% dividend tax.

Communication from the authorities on acceptable valuation methodologies for assessing market value would be desirable to avoid inconsistencies, varied interpretations, and uncertainties in meeting compliance obligations.

# 2

## Capital Gains Tax



# Capital Gains Tax

## Amendments to section 15C of the ITA 1967

Section 15C was introduced under Budget 2024 to subject the gains from the disposal of shares in a “relevant company”, i.e. a foreign controlled company which derives its value from real property in Malaysia, to CGT. Amendments are now proposed to refine its technical provisions. Key proposals are:

### 1. Definition of “another controlled company”

Currently, CGT is applicable on disposal of shares of a controlled company incorporated outside Malaysia (“foreign company”) deriving value from real property in Malaysia. Where the foreign company owns another controlled company (which defined value is not less than 75% of the value of the foreign company’s total tangible asset), CGT is applicable on the disposal of shares of the foreign company. This is provided that the defined value of real property situated in Malaysia (including any right or interest thereof) owned by another controlled company is not less than 75% of its total tangible asset.

It is proposed that “another controlled company” is now defined to mean “*a controlled company which owns real property situated in Malaysia (including any right or interest thereof) or shares in another controlled company, or owns both, where the defined value of the real property or shares, or both, is not less than seventy-five per cent of the value of its total tangible asset*”. A high-level example of the proposal is illustrated below:



The new definition of another controlled company (ACC), spells out that an entity may become an ACC if it owns another ACC.

# Capital Gains Tax

## 2. Continuity of taxation of RPC shares acquired prior to introduction of CGT

With the implementation of CGT, CLTCs will no longer be subject to RPGT on gains arising from disposal of RPC shares. The IRB had in its Guidelines indicated that RPC shares owned by these entities are treated as section 15C shares, and the gains from the disposal of such shares will be subject to CGT, ensuring continuity of taxation for such RPC shares (which are unlisted shares) under CGT. Following this, specific enabling provisions are now proposed to deem RPC shares owned prior to 1 January 2024 as "relevant company" shares, which will be subject to CGT, effective from 1 January 2025.

The acquisition date and acquisition price of these "relevant company" shares are to be the same as those of the RPC shares, as determined under paragraph 34A, Schedule 2 of the RPGTA 1976, for shares acquired before 1 January 2024. Hence, the 2% tax rate option on the gross disposal price is also applicable to RPC shares acquired before 1 January 2024.

## 3. Cessation of the status of "relevant company"

It is proposed that a relevant company ceases to be a relevant company when the value of real property or shares in another controlled company, or both, falls below 75% of the relevant company's total tangible assets after disposal. The date the relevant company shed its "relevant company" status is the date of disposal of the real property or shares in another controlled company, or both.

## 4. Determination of acquisition date of "relevant company" shares

It is currently provided in the IRB's guideline that the 75% threshold test for determination of the "relevant company" status is to be performed upon acquisition of real property or shares and is not to be carried out as and when there is a change in the value of real property.

A new provision is proposed to specify that the "relevant company" status is to be determined as and when there is an acquisition taking place, that is, upon acquisition of shares in the foreign company (initial acquisition), and upon acquisition of real property or shares in another controlled company by the foreign company ("subsequent acquisition").

(Effective from 1 January 2025)

### PwC Comments

The proposed changes are set to be effective from 1 January 2025 and involve various technical provisions. Impacted taxpayers should review their transactions / structure to ensure compliance requirements are met. Where the disposer is a non-resident, reliefs under the tax treaty with its jurisdiction of residence should be taken into account.



**3** Real  
Property  
Gains Tax

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# Real Property Gains Tax

## Implementation of SAS for RPGT

Following the introduction of the SAS for RPGT under Budget 2024, which is scheduled to be implemented from 1 January 2025, the following related measures are proposed:

### Mandatory e-Filing

Disposer and acquirer are required to furnish prescribed RPGT returns electronically.

### Notice of non-chargeability

Where the disposal is not subject to tax or is exempt from tax (non-chargeable cases), the notice of non-chargeability is deemed to have been issued by the DGIR to the disposer upon submission of the RPGT return electronically.

### Payment of RPGT

The RPGT payment is due within 90 days from the date of disposal. This is an extension of 30 days from the previous due date of 60 days from the date of disposal, as provided under Budget 2024.

Late payment is subject to imposition of penalty at the rate of 10%.

### Offences and court order

Upon conviction for the following offences, the court may make further orders requiring the person to comply with the relevant provisions:

- Failure to submit return
- Failure to submit return for the purposes of the income tax, e.g. in cases where real property is transferred to trading stock
- Failure to file return by a nominee
- Failure to produce information or documents required by the DGIR

### Effective date

With effect from 1 January 2025.

# Real Property Gains Tax

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## Treatment of RPGT losses

Currently, losses from disposal of real property (RPGT losses) are allowed as a deduction against total chargeable gain from a YA including previous disposals within that YA. Unabsorbed RPGT losses can be carried forward to be utilised against chargeable gains from subsequent disposals.

It is proposed that unabsorbed RPGT losses can only be utilised against chargeable gains from subsequent disposals. Unabsorbed RPGT losses can no longer be utilised against gains from prior disposals within the same YA from which the RPGT loss arose, and the chargeable gain from each disposal shall be ascertained and treated separately.

(Effective from 1 January 2025)

### PwC Comments

The measure to only allow losses to be utilised against gains from future disposals is similar to the treatment under CGT.

The Finance Bill does not specify how the acquirer's duty to withhold a sum (3% to 7%, based on the disposer's profile) for remittance to the IRB as advance tax on behalf of the disposer interacts with the RPGT payable from the self-assessed return. It is unclear whether the taxpayer will only have to pay the balance of RPGT payable or if they must pay the full RPGT based on the self-assessed return, with the amount remitted by the acquirer being refunded later.



# 4 Labuan

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# Labuan

Key measures under the Labuan Business Activity Tax (Amendment) (No. 2) Bill 2024 are the introduction of the SAS, change to a current year basis (CYB) of taxation from a preceding year basis (PYB), and economic substance requirements.

## Economic Substance Requirements (ESR)

Presently, a Labuan entity which carry on Labuan trading activity and satisfies the specified criteria for (i) adequate number of full-time employees in Labuan and (ii) adequate amount of annual operating expenditures in Labuan ("the ESR") qualifies for the preferential tax rate of 3% on its net profits. If it fails to meet these criteria, it is subject to a tax rate of 24% on its net profits.

It is proposed that the current ESR be broadened to include a requirement for the full-time employees to comply with conditions related to being a fit and proper person. The requirement applies to both Labuan trading and Labuan non-trading activities.

(Effective from 1 January 2025)

### PwC Comments

Will the requirements be based on the Labuan Financial Services Authority's Guideline on Fit and Proper Person Requirements ("LFSA Guideline"), which are applicable to directors, principal officers and trust officers? The requirements under the LFSA Guidelines are detailed and may be onerous to implement within a short notice period by 1 January 2025. Example of matters taken into consideration under the LFSA Guidelines include integrity, competency, soundness of judgement and personal financial standing. Swift guidance from the authorities is needed for LBATA purposes.

The proposal is also silent on the requirements for pure equity holding companies which are currently exempted from having full-time employees.

Once the initial challenges are overcome, the proposal should enhance the regulatory and labour environment of Labuan, strengthening its position as a financial hub and increasing high-value job opportunities.

## Deletion of shipping operations from definition of Labuan trading activities

The definition of Labuan trading activities is to be amended by deleting shipping operations, as follows:

*"Labuan trading activity" includes banking, insurance, trading, management, licensing, shipping operations or any other activity which is not a Labuan non-trading activity;*

(Effective from 1 January 2025)

### PwC Comments

Since the introduction of the economic substance requirements for Labuan entities effective from 1 January 2019, the ESR for shipping operations have not been prescribed under the relevant subsidiary legislation. With the proposed deletion under the statute (i.e. the LBATA 1990), shipping operations will be removed altogether from the ambit of LBATA 1990.

# Labuan

## Transition from PYB to CYB

Currently, tax is levied on a PYB under the LBATA 1990. This means that for each YA, a Labuan entity is taxed based on the net profits reflected in its audited accounts for the financial year ending in the preceding calendar year.

It is proposed that the basis period will shift from a PYB to a CYB from 1 January 2025 onwards. This will be similar to what is adopted under the ITA 1967 for corporate income tax. In the year of change, i.e. the transitional year, there will be two YAs for 2025 i.e. one for the basis period ending in 2024 on a PYB and another for the basis period ending in 2025.

Under the transitional provisions, taxes from the PYB period shall continue to be liable by Labuan entities.

Below is an illustration of the change:

Company with financial year ended 31 December		
Basis period	YA	Due date for return and tax payment
1 January 2024 - 31 December 2024	2025 (PYB)	31 March 2025
1 January 2025 - 31 December 2025	2025 (CYB)	31 July 2026

  

Company with financial year ended 31 January		
Basis period	YA	Due date for return and tax payment
1 February 2023 - 31 January 2024	2025 (PYB)	31 March 2025
1 February 2024 - 31 January 2025	2025 (CYB)	31 August 2025

### PwC Comments

- The transition from PYB to CYB aims to streamline the tax assessment process and align it more closely with the regime under the ITA 1967.
- Unlike the shift from PYB to CYB for corporate income tax under the ITA 1967 in YA2000, waiver of tax is not offered for the PYB period. Taxpayers would therefore need to plan the tax payment ahead in time. Whilst no waiver is offered, it is hoped that the authorities will grant tax instalments where there are cash flow issues, such as in the case of early year-end companies as illustrated above, since the discretion to allow tax payable to be made by way of instalment is provided to the DGIR in the draft legislation.
- It is also noted that the SAS does not feature a requirement for taxpayers to make an estimate of tax payable and make monthly tax instalments. This allows for a simpler commencement of the SAS regime, in keeping with a simple tax regime, and overall maintains Labuan as a competitive international financial hub.

# Labuan

## Implementation of SAS for Labuan

Similar to the SAS features for corporate income tax under the ITA 1967, SAS will be implemented for Labuan entities under the LBATA 1990 with the following key features:

### e-Filing of return of profits

Under the SAS, a Labuan entity carrying on a Labuan business activity is required to submit a prescribed return of profits within seven months from the close of its financial year end. The submission is required to be made electronically.

The taxpayer is also required, within 30 days of submitting the return of profits, to provide, by way of electronic medium, information and documents as required by the DGIR for purposes of determining the chargeable profit and tax payable or net profit.

### Deemed assessment

The return of profits submitted by the Labuan entity is deemed to be an assessment made by the DGIR on the date of submission. Concurrently, the DGIR is also deemed to have served the notice of assessment on the Labuan entity.

### Payment of tax

The tax payable based on the return submitted, is due and payable on the due date of submission of return of profits. Where the tax payable remains unpaid by the due date, the tax payable will be subject to an increase of tax equal to 10% of the tax unpaid.

Where there is an additional assessment or an increased assessment made, the tax payable under the additional or increased assessment is due to be paid on the service of the said assessments. Where the tax payable remains unpaid within a period of 30 days after the service of the notice, the tax payable will be subject to an increase of tax equal to 10% of the tax unpaid.

### Effective date

Effective from YA 2025.

# Labuan

## Offences and penalties

It is proposed that the existing provisions be amended and new provisions for offences and penalties be introduced. Highlights are as follows:

Offence	Existing penalties	Proposed penalties
Failure to furnish correct particulars or comply with IRB's request for information or documents	On conviction: A fine not exceeding RM1 million or imprisonment term not exceeding two years or both.  In lieu of prosecution: Compound not exceeding RM500,000.	On conviction: A fine of RM20,000 to RM1 million or imprisonment term not exceeding two years or both.
Failure to furnish return of profits	On conviction: A fine not exceeding RM1 million or imprisonment term not exceeding three years or both.  In lieu of prosecution: Compound not exceeding RM500,000.	On conviction: A fine of RM20,000 to RM1 million or imprisonment term not exceeding three years or both, or  In lieu of prosecution: Penalty of 300% of tax payable.
Make an incorrect return of profits	On conviction: A fine not exceeding RM1 million or imprisonment term not exceeding three years or both.	On conviction: A fine of RM20,000 to RM1 million or imprisonment term not exceeding three years or both, or  In lieu of prosecution: Penalty equal to 100% of tax undercharged.



**5**

Stamp  
Duty

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# Stamp Duty

## Implementation of SAS

Further to the announcement in Budget 2025, the Finance Bill has now provided additional details. Salient points are as follows:

### Stamp duty returns

Under the SAS, duty payers are required to submit the prescribed stamp duty return form and the dutiable executed instruments electronically. The electronic submission of stamp duty return also applies to:

- Dutiable instrument executed abroad and received in Malaysia
- Cheque or promissory note drawn or made abroad and received in Malaysia
- Instruments by indorsement, whether fully stamped, assessed for duty, or exempt pursuant to section 37 of SA 1949

### Assessment and payment of stamp duty

The Collector is deemed to have made an assessment on the day the stamp duty return, together with the dutiable instrument, is submitted. The stamp duty return is also deemed to be a notice of assessment which is deemed to be served on the duty payer on the day the Collector is deemed to have made the assessment.

The amount of stamp duty is due to be paid on the date of the deemed assessment.

### PwC Comments

Under the proposed SDSAS, stamp duty must be paid when return is filed. Duty payers are generally given 30 days to pay the stamp duty under existing practice. This can lead to cash flow constraints if the stamp duty amount is significant.

### Statute of limitations

Assessment or additional assessment on underpaid / insufficient duty can be made within five years after the date the duty is paid or would have been paid. The five-year time bar may be lifted in situations involving fraud, wilful default or negligence.

### Record keeping

Duty payers shall keep the dutiable instrument and all relevant documents for seven years from the date the duty is paid.

# Stamp Duty

## Implementation of SAS (cont'd)

### Relief for errors or mistakes

Duty payers may apply for a refund of any excess duty paid in respect of error or mistake in the stamp duty return submitted. The application for relief in respect of error or mistake must be made within 24 months after submission of return and duty paid.

#### PwC Comments

The provision for error or mistake is in alignment with the self-assessment feature, which shifts the burden of ensuring the correct stamp duty to taxpayers. Absent of a specific advance ruling provision at this juncture, this measure gives taxpayers the opportunity to remedy excess duty paid and is especially helpful during the initial stage of self-assessment. The 24-month period is a relatively short time frame and may be less practical compared to the five-year period under the ITA 1967. It is observed that the provisions are broadly drafted, paving the way for a positive commencement of self-assessment.

### Audit or investigation

The Collector is empowered to conduct audit and investigation. The duty payers are prohibited from obstructing or hindering the Collector in the exercise of his functions. Such obstruction is an offence and upon conviction, the offender shall be liable to a fine of RM10,000.

### Non-compliance

Type of offences	Fine / penalty	
	In lieu of prosecution	Upon conviction
<ul style="list-style-type: none"><li>Failure to grant access to land or buildings, assist the Collector, produce required documents, provide necessary facilities, or follow directions and answer lawful questions from the Collector or authorised valuers</li><li>Failure to keep books, records and documents</li><li>Failure to keep instruments and other relevant documents</li></ul>		Up to RM10,000
<ul style="list-style-type: none"><li>Failure to submit return for dutiable instruments</li></ul>	RM200 to RM2,000	Up to RM10,000
<ul style="list-style-type: none"><li>Incorrect stamp duty return</li><li>Provide incorrect information in matters affecting the duty</li></ul>	Penalty equal to the underpaid duty	RM1,000 to RM10,000, and special penalty equal to the underpaid stamp duty

# Stamp Duty

## Implementation of SAS (cont'd)

### Effective date

With effect from 1 January 2026.

### PwC Comments

Although a phased implementation was announced on 18 October 2024, the wording of the draft legislation indicates an effective date of 1 January 2026 for submission of stamp duty return under SAS. No distinction nor exemption is made for any type or class of instrument. This requires clarity from the authorities and can be addressed as there is still time before 1 January 2026.

## Transfer of properties between trustees

For transfer of properties where the transaction is between trustees and the beneficial interest in the property passed involves a foreign company or a person who is not a citizen and not a permanent resident, it is proposed that a flat stamp duty rate of 4% be imposed. This is to align with the change in stamp duty rate for property ownership by non-citizen individuals and foreign-owned companies under Budget 2024.

(Effective from 1 January 2025)

## New minimum duty

A minimum duty of RM10 is imposed on dutiable instruments with duty of less than RM10. However, this does not apply to cheques and contract notes.

(Effective from 1 January 2025)

## Identification of officer

Collectors conducting an audit and investigation are required to carry a warrant in the prescribed form, which acts as an authority card, to verify their identity.

(Effective from 1 January 2025)

# Stamp Duty

Existing	Proposed
<b>Power or Letter of Attorney</b>	
Currently, an instrument purporting to create a power of attorney attracts stamp duty of RM10.	Instrument of power or letter of attorney which involves conveyance of real property is subject to ad valorem stamp duty similar of up to 4%.  (Effective from 1 January 2025)
<b>Exchange of real property</b>	
When real property is exchanged or partitioned, with consideration, for equality, ad valorem duty will be imposed on the principal instrument effecting the exchange based on difference in value of the property.  Fixed duty will be imposed on other instruments needed to complete the property exchange.	Instruments for exchange of real property or partition of real property, whether with or without consideration, are to be treated as conveyance on sale and subject to ad valorem duty based on value of the respective property.  Fixed duty of RM10 will be imposed on the instruments executed under the following circumstances: <ul style="list-style-type: none"><li>• Partitioning or subdivision of land where both the transferor and transferee are the original owners of the real property.</li><li>• Exchange of real property between any person and a Ruler of a State or Government or State Government.</li><li>• Exchange of real property between husband and wife, parent and child, grandparent and grandchild, or among siblings.</li></ul> (Effective from 1 January 2025)
<b>Increase in duty for cheques</b>	
The current duty rate is RM0.15.	Duty rate be increased to RM1.  (Effective from 1 January 2025)

# Stamp Duty

Existing	Proposed
<b>Stamp duty rate for lease or agreement for lease</b>	

The stamp duty for lease or agreement for lease is calculated as follows:

Annual average rent and other consideration	Lease period	Duty rates
RM2,400 and below	For any period	Nil
Exceeding RM2,400	Not exceeding 1 year	RM1 for every RM250 or part thereof
	Exceeding 1 year but not exceeding 3 years	RM2 for every RM250 or part thereof
	Exceeding 3 years	RM4 for every RM250 or part thereof

The stamp duty rates for lease or agreement for lease, regardless of the annual average rent and other consideration, are revised as follows:

Lease period	Duty rates
Up to 1 year	RM1 for every RM250 or part thereof
Exceeding 1 year but not exceeding 3 years	RM3 for every RM250 or part thereof
Exceeding 3 years but not exceeding 5 years	RM5 for every RM250 or part thereof
Exceeding 5 years	RM7 for every RM250 or part thereof

(Effective from 1 January 2025)

## Late stamping penalty

Late stamping attracts the following penalty:

Period of late stamping	Penalty
Not exceeding 3 months	RM25 or 5% of the deficient duty, whichever is greater
Exceeding 3 months but not later than 6 months	RM50 or 10% of the deficient duty, whichever is greater
Exceeding 6 months	RM100 or 20% of the deficient duty, whichever is greater

The penalty for late stamping is to be revised as follows:

Period of late stamping	Penalty
Not exceeding 3 months	RM50 or 10% of the deficient duty, whichever is greater
Exceeding 3 months	RM100 or 20% of the deficient duty, whichever is greater

(Effective from 1 January 2025)

## Fine for fraudulent actions

Any person involved in any fraudulent activity not explicitly covered by law, with the intention of defrauding the Government of any duty shall be liable to a fine of RM5,000.

The fine is amended to an amount of not less than RM1,000 and not more than RM20,000, upon conviction.

(Effective from 1 January 2025)



# 6

## Global Minimum Tax

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# Global Minimum Tax

## Global Minimum Tax (GMT)

Malaysia has been preparing to implement GMT as part of the Base Erosion and Profit Shifting (BEPS) 2.0 initiative, which introduces a GMT rate at 15%. The Finance Bill introduces further refinement to GMT including alignment to the GloBE Model Rules. Key proposals include:

### Marketable Transferable Tax Credits (MTTC)

MTTC is proposed to be incorporated into the ITA 1967 in alignment with the introduction of the MTTC under the OECD's Administrative Guidance on GloBE Rules (Guidance). MTTC is given the same treatment as Qualifying Refundable Tax Credits where it is taken into account in the computation of the GloBE income rather than as a reduction of Covered Taxes.

Key criteria of the MTTC include meeting the legal transferability standard and the marketability standard. In general, the standards are met if the credit can be transferred to an unrelated party within 15 months at a price of at least 80% of the net present value of the credit.

### Financial Reporting Standard for Domestic Top-up Tax

For the purposes of the Domestic Top-up Tax (DTT), the Financial Accounting Net Income or Loss of a Constituent Entity (CE) in Malaysia (not being a Permanent Establishment) is to be determined using the financial statements of the CE, which are prepared based on the permitted accounting standards in Malaysia, if:

- The financial year of all CEs in Malaysia have the same financial year as the Ultimate Parent Entity, and
- The financial statements of all CEs in Malaysia are mandated to be maintained or utilised in compliance with any written law of Malaysia and are audited by an approved company auditor.

A Permanent Establishment of a Main Entity that meets the aforementioned criteria and has separate financial statements prepared by the Main Entity will also adopt financial statements based on the permitted accounting standards in Malaysia for the purposes of DTT.

### Effective date

Effective for financial years beginning on or after 1 January 2025.



# 7

## Tax Administration

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# Tax Administration

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## Tax Identification Number (TIN)

A TIN is issued under the ITA 1967 and is used for the purposes of income tax, real property gains tax and stamp duty. Importantly, the TIN is used for purposes of implementation of e-Invoicing.

As the TIN is only accessible by the registered taxpayer of the TIN, to facilitate the implementation of e-Invoicing, it is proposed that:

- The TIN be declassified as classified material and be made available to parties other than the registered taxpayer of the TIN.
- Abusers or the misuse of the TIN information will be subjected to a fine of up to RM4,000 or imprisonment up to one year, or both.

The DGIR shall also not be liable for any loss or damage suffered by any person due to any error or omission arising in the service of providing access to the TIN, provided that the error or omission:

- was made in good faith and in ordinary course of discharge of the DGIR's duties, or
- arose as a result of any defect or breakdown in the service or equipment used for provision of the service.

(Effective from 1 January 2025)

### PwC Comments

With the second wave of the e-invoice implementation approaching on 1 January 2025 involving a larger group of taxpayers, the measures should better enable the IRB to share TIN efficiently, to ensure correct TIN data is recorded on e-invoices issued by businesses.

With the advancement of technology, the sharing should be made in a secure environment to build trust and confidence. Details are pending from the authorities.

The ceiling rate of the penalty of RM4,000 is relatively modest. It may not be proportionate to all situations as personal data is involved.

# Tax Administration

Existing	Proposed
<b>Mandatory e-filing of amended tax returns</b>	
Currently only CLTCs are required to e-file the amended income tax returns.	The e-filing of amended income tax return is to be made mandatory for all taxpayers.  (Effective from YA 2025)
<b>Revision of estimate of tax payable</b>	
Currently, where the DGIR issues CLTCs an estimate of tax payable for a YA before the ninth month of the basis period for that YA, the taxpayer is allowed to revise the estimate of tax payable in the sixth and / or ninth month of the basis period.	Where an estimate of tax payable is issued by the DGIR to CLTCs after the ninth month but before the 11th month of the basis period, the ITA 1967 will specify that taxpayers be allowed to submit a revised estimate of tax payable in the 11th month of the basis period for that YA.  (Effective from YA 2025)
<b>Amendment of errors or mistakes in e-Invoice</b>	
If a person makes an error on an e-invoice issued during a YA, the person may issue an amended e-invoice within three days from the date of issuance of the defective e-invoice.	To be aligned with the IRB's e-Invoice Guidelines, the time frame to correct the e-Invoice is to be changed to 72 hours instead of three days.  (Effective from 1 January 2025)

# Tax Administration

Existing	Proposed
<b>Incorrect return, information return or report</b>	
<p>Currently, only upon conviction, the following penalties are imposed where there is an incorrect return, information return or report submitted in relation to a mutual administrative assistance arrangement, exchange of tax information arrangement, or Country-by Country Reporting:</p> <ul style="list-style-type: none"><li>(i) Fine of between RM20,000 to RM100,000, or</li><li>(ii) Imprisonment term of not more than six months, or</li><li>(iii) Both (i) and (ii) above.</li></ul>	<p>It is proposed that where no prosecution is instituted, a fine of between RM20,000 to RM100,000 may be imposed.</p> <p>(Effective from 1 January 2025)</p>
<b>Amendment of grounds of appeal in the Notice of Appeal</b>	
<p>In an appeal, the taxpayer may vary the grounds of appeal. However, if this is done without giving the DGIR reasonable notice, the Special Commissioners of Income Tax (SCIT) may postpone the hearing for a reasonable time if the DGIR requests it.</p>	<p>It is proposed that amendments to the grounds of appeal should be submitted in writing to the SCIT and the DGIR within six months from the date the DGIR issues the written notice of the appeal being filed with the Special Commissioners.</p> <p>(Effective from 1 January 2025)</p>

# Glossary

Abbreviation / acronym	Description
CGT	Capital Gains Tax
CLTCs	Companies, limited liability partnerships, trust bodies or co-operative societies
DGIR	Director General of Inland Revenue
ITA 1967	Income Tax Act 1967
LBATA 1990	Labuan Business Activity Tax Act 1990
RPC	Real Property Company
RPGT	Real Property Gains Tax
RPGTA 1976	Real Property Gains Tax Act 1976
SAS	Self-Assessment System
SA 1949	Stamp Act 1949
YA	Year of Assessment

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