Deloitte.

Malaysia Budget 2025 Snapshot

Reinvigorating the Economy, Driving Reforms and Prospering the *Rakyat*

MAKING AN IMPACT THAT MATTERS since 1845

October 2024

International Tax Review — Asia-Pacific Tax Awards 2024
Recognised as Malaysia Tax Advisory Firm of the Year (6th consecutive year), Malaysia Transfer Pricing Advisory Firm of the Year (2nd consecutive year), Malaysia Indirect Tax Advisory Firm of the Year, and Malaysia Tax Disputes Advisory Firm of the Year

‘Reinvigorating the Economy, Driving Reforms and Prospering the Rakyat’ agenda is clearly portrayed with the impressive allocation of RM421 billion, the largest in Malaysia’s history. Out of this, RM335 billion or 16.1% of GDP, is channeled towards operating expenditure and the remaining RM86 billion is allocated for development expenditure. The primary focus of the fiscal strategy is expenditure optimisation, which includes a gradual shift from universal to targeted subsidies, aspiring to ensure effectiveness of subsidies, incentives and assistance programmes. Budget 2025 is further characterized as an expansionary budget, aiming to reduce the fiscal deficit to 3.8% from the projected 4.3% of GDP for 2024, alongside a forecasted increment in revenue to RM340 billion. As Malaysia showcases its economic resilience and commitment to sustainable growth, the initiatives outlined in Budget 2025 demonstrate a strategic vision aimed at enhancing the well-being of all Malaysians.

Yee Wing Ping
Country Managing Partner

Foreword

Sim Kwang Gek
Country Tax Leader

Themed 'Reinvigorating the Economy, Driving Reforms, and Prospering the *Rakyat*,' Budget 2025 unveiled the largest budget in history at RM421 billion, alongside a projected GDP growth of 4.5% to 5.5% and a fiscal deficit target of 3.8% of GDP. This is the third budget under the MADANI government, continuing its focus on widening the tax base, driving economic growth, strengthening governance, and protecting the well-being of the rakyat. Federal government revenue is expected to increase by 5.5% to RM340 billion, with tax revenue remaining a significant contributor at 76.3% of total revenue. While development expenditure remains flat compared to 2024, operating expenditure receives a 4.2% increase.

From a tax perspective, Budget 2025 focuses on taxing higher-income groups, as evidenced by measures such as imposing sales tax on the importation of premium goods, service tax on fee-based banking services, and a 2% tax on dividend income exceeding RM100,000 received by individuals.

The introduction of a Self-Assessment System for stamp duty is another initiative aimed at widening the tax base and strengthening compliance.

Non-compliance penalties are expected to be substantial, as is typical with self-assessment systems; therefore, businesses should take proactive steps to enhance internal processes and stay informed on the stamp duty legislation to ensure compliance. Additionally, Budget 2025 includes a range of proposals to expand tax reliefs for individuals, which should help reduce the overall tax burden on individual taxpayers.

It is not surprising that the scope of the Sales and Service Tax (SST) will be expanded as an alternative to enhance tax collection, given the government's decision not to reintroduce Goods and Services Tax (GST). However, this ongoing expansion of SST may be undesirable, as each ringgit collected can have a ripple effect on retail prices that is challenging to quantify. It is encouraging that the government plans to hold dialogue sessions with relevant industries and stakeholders before finalising the SST scope and tax rates. We hope that an input tax mechanism will be implemented for B2B transactions to mitigate the cascading tax effects associated with SST.

In terms of environmental taxes, the plan to introduce carbon tax on iron and steel as well as the energy industries by 2026 aligns well with the rationalisation of blanket subsidy for RON95 grade petrol in mid-2025. This not only promotes environmental sustainability but also encourages more responsible consumption of fossil fuels.

This is particularly timely in light of the European Union's implementation of the Carbon Border Adjustment Mechanism (CBAM) in January 2026. The carbon tax will help prevent tax leakage by ensuring that the taxes Malaysian exporters would owe under CBAM are collected by the Malaysian government through the introduction of this carbon tax.

The revenue generated from the carbon tax, earmarked for funding research and green technology programs, is a welcome proposal that supports Malaysia's ambition to achieve net-zero emissions. However, it would be beneficial to allocate a portion of these funds to assist SMEs with limited financial resources in making the transition to green investments. Individuals receiving foreign-sourced dividend income will welcome the proposed extension of the income tax exemption until 2036. However, companies that receive foreign-sourced dividend income will be required to pay tax on this income starting in 2027. This shift could make Malaysia less attractive as a holding company location compared to countries like Singapore and Hong Kong, which continue to offer tax exemptions on foreign-sourced dividend income for companies, provided they meet certain qualifying conditions.

Many European countries such as UK, Netherlands and France provide exemption on foreign-sourced dividend income subject to meeting certain shareholding percentage and holding period conditions. Perhaps, Malaysia can consider this approach to be in line with international practices.

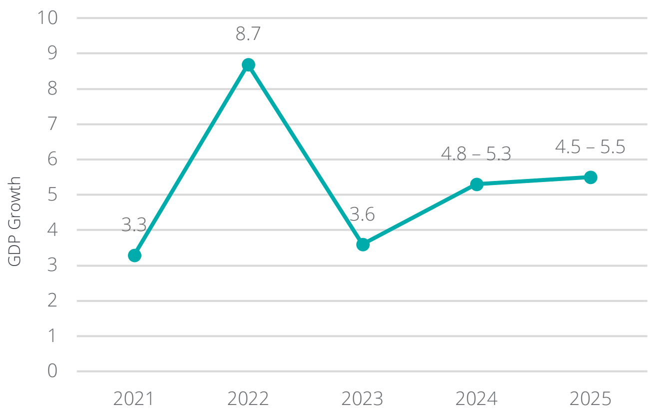
The Prime Minister has noted that Malaysia's tax-to-GDP ratio stands at just 12.6% is one of the lowest among its peers, highlighting the need to widen the tax base. The tax measures announced in Budget 2025 represent initial steps toward this goal. Additionally, we anticipate increased tax audits to enhance tax collection in 2025. Therefore, cultivating a strong culture of tax governance is essential moving forward.

Happy Reading!

Budget 2025
Key financials at a glance

GDP growth

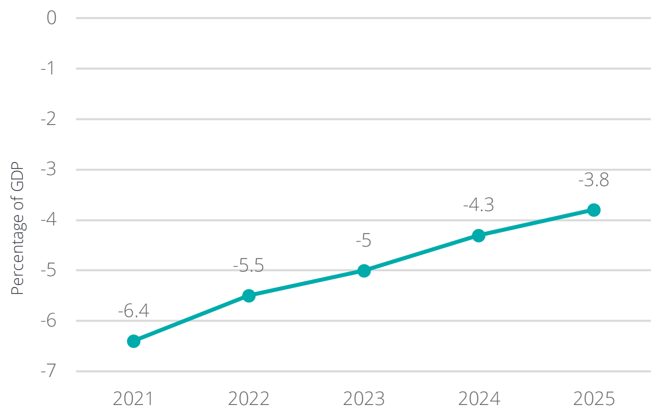
Post COVID-19 pandemic, there were signs of economic recovery with the year 2021 registering a growth of 3.3%. This momentum continued in 2022 with a GDP growth of 8.7%. However, 2023 experienced a slower GDP growth of 3.6%. Meanwhile, projected GDP growth in 2024 and 2025 is 4.8% - 5.3% and 4.5% - 5.5% respectively



Year	GDP (constant 2015 prices) RM (million)	% Change
2021	1,390,644	3.3
2022	1,510,939	8.7
2023	1,567,974	3.6
2024	1,645,080	4.8 – 5.3
2025	1,724,041	4.5 – 5.5

Budget deficit

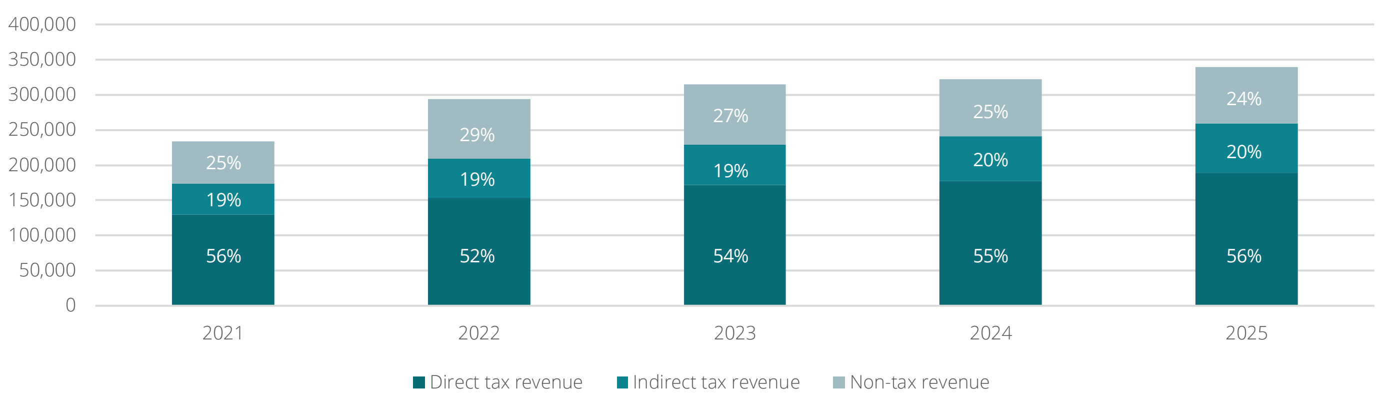
The fiscal deficit as a percentage of GDP reduced from 6.4% in 2021 to 5.5% in 2022. In 2023, the fiscal deficit was narrowed to 5.0% with slight improvement to 4.3% in 2024 and 3.8% in 2025



Year	GDP (constant 2015 prices) RM (million)	% Change
2021	-98,740	-6.4
2022	-99,482	-5.5
2023	-91,392	-5.0
2024	-84,296	-4.3
2025	-79,973	-3.8

Tax revenue over total revenue – breakdown by direct and indirect taxes

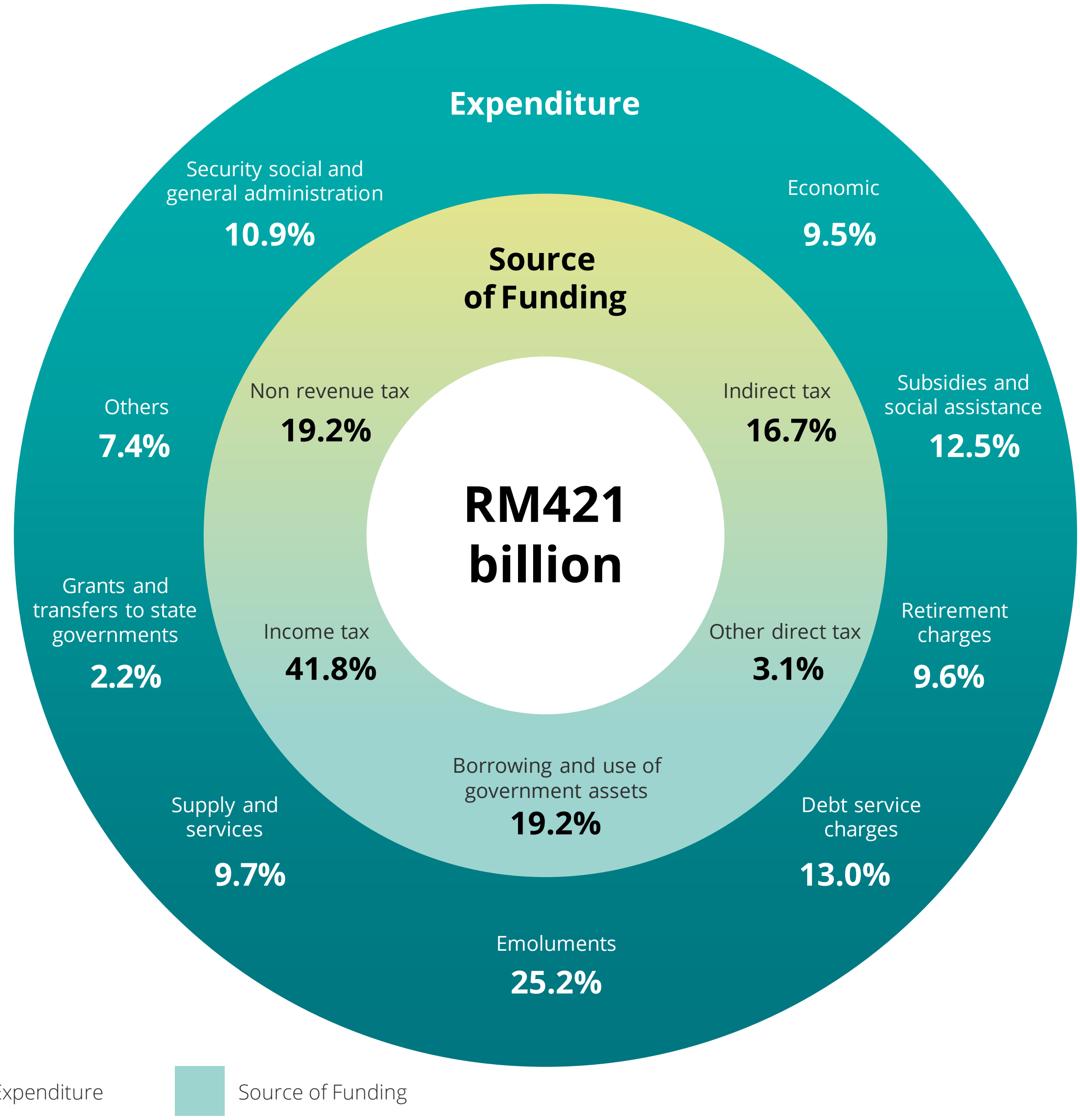
Tax collection represents a major contributor to the overall federal government revenue. Direct tax contributes a larger share of total revenue in comparison to indirect taxes representing more than 50% of total revenue from 2021 to 2025



Year	Direct tax revenue		Indirect tax revenue		Non-tax revenue		Total revenue	
	RM (million)	% Change	RM (million)	% Change	RM (million)	% Change	RM (million)	% Change
2021	130,116	15.6	43,588	4.1	60,048	-15.0	**233,752**	**3.9**
2022	153,476	18.0	55,289	26.8	85,592	42.5	**294,357**	**25.9**
2023	171,336	11.6	57,849	4.6	85,774	0.2	**314,959**	**7.0**
2024	177,060	3.3	63,975	10.6	81,015	-5.5	**322, 050**	**2.3**
2025	188,799	6.6	70,238	9.8	80,669	-0.4	**339,706**	**5.5**

Sources: Ministry of Finance -Economic Reports

Budget 2025
Source of funding and expenditure



	2024	2025
Fiscal deficit (% of GDP)	-4.3%	-3.8%
Federal government revenue	RM332.05 billion	RM339.7 billion
Operating expenditure	RM321.5 billion	RM335 billion
Development expenditure	RM84.8 billion	RM84.7 billion

Corporate Tax

The statement that the government is prepared to implement the Global Minimum Tax provides certainty to taxpayers. Malaysia's commitment to streamline the current tax incentive regime, introduce new non-fiscal incentive and above all, consider the viability of a specific credit, namely the Strategic Investment Tax Credit (SITC) is noteworthy. Whilst SITC, presumably a one that qualifies as Qualified Refundable Tax Credit which is less harmful for GMT purpose, is a talk of the town in most jurisdictions that offer tax incentive, the key challenge is how one country could manage the amount of refund which could be enormous.

There are various comments that Malaysia should quickly resolve the tax incentive issue given GMT. This is not a simple process, otherwise other jurisdictions would have announced concrete plans long time ago. One thing for sure is that the Malaysian government which includes the MOF, Investment Promotion Agencies and the IRB are working closely to manage this. So, let us give them space as every government in the world would obviously do their best to maintain and attract quality investments. We are sanguine that a good plan will be on the table soon.

Tan Hooi Beng
International Tax Leader

Global Minimum Tax (GMT)

The government has reiterated its commitment to implement GMT with effect from 1 January 2025, which will affect large MNCs. Whilst the implementation will increase the country's tax revenue, the government acknowledges that Malaysia's competitiveness in attracting FDIs will be adversely affected as a result. In this regard, the government is committed to streamline the existing tax incentives and introduce non-tax incentives.

Meanwhile, the government is assessing the feasibility of implementing Strategic Investment Tax Credit. In this regard, one could expect that this is a Qualified Refundable Tax Credit for GMT purpose.

Extension of tax deduction for sponsorship of Smart Artificial Intelligence Driven Reverse Vending Machine

- Tax deduction on donation/sponsor of Smart Artificial Intelligence Driven Reverse Vending Machine is to be extended for 2 years.
- This applies to donation/sponsorship and application received by MOF from 1 January 2025 to 31 December 2026.

Further deduction for hiring women returning to work, flexible work arrangements, caregiving leave benefit and elderly care expenses

Description	Further Deduction
Hiring Women Returning to Work	50% further deduction is to be granted for employment costs paid to women returning to work, for a period of 12 months. This applies to applications received by Talent Corporation Malaysia Berhad from 1 January 2025 until 31 December 2027.
Flexible Work Arrangements (FWA)	50% further deduction is to be granted on expenses incurred for capacity building and software acquisition for implementing FWA. This further deduction is capped at RM500,000 and it applies to applications received by Talent Corporation Malaysia Berhad from 1 January 2025 until 31 December 2027.
Caregiving Leave Benefit	50% further deduction is to be granted for additional paid leave of up to 12 months for employee caring for children or ill/disabled family members. This applies to applications received by Talent Corporation Malaysia Berhad from 1 January 2025 until 31 December 2027.
Elderly Care Expenses	From YA 2025, further tax deductions is to be granted for allowance paid to employees for elderly care (parents/grandparents).

ACA for purchase of information and communication technology (ICT) equipment, computer software packages and consulting fees

To encourage taxpayers to fully implement e-Invoicing, the capital allowance (CA) rate applicable to capital expenditure incurred for the purchase of ICT equipment and computer software package, and consultation, licensing and incidental fees related to customised computer software development will be revised to initial allowances of 20% (previously 40%) and annual allowances of 40% (previously 20%) with effect from YA 2024 and YA 2025. With the revised rate, the CA claim period will be reduced from 3 years to 2 years.

Commentary:

It is unclear whether the proposed shorter ACA period of 2 years applies to any purchase of ICT equipment and computer software packages (including customised computer software) or only such ICT equipment and computer software packages incurred for implementation of e-invoicing.

Wages or salaries as charitable activities expenditure

To elevate the access to education for underprivileged students, it is proposed that the wages or salaries of the educators paid by the educational institutions and organisations approved under Section 44(6) of the Act be regarded as charitable activities expenditure.

Tax deduction on contributions of assets to designated technical and vocational Institutions

Tax deduction on contribution of new equipment and machinery to Institusi Latihan Kemahiran Awam, registered polytechnics, or vocational colleges from YA 2025 to YA 2027.

Double tax deduction for Structured Internship Program (MySIP) under Talent Corporation

The double tax deduction on expenses incurred by companies implementing the MySIP under Talent Corporation, which will also be extended to students undergoing structured training conducted by industry regulatory bodies, will be extended until YA 2030.

Tax Incentives

New Investment Incentive Framework

Tax incentive for increased export of services

Effective YA 2025, the service activities that qualify for tax exemption up to 70% of the statutory income equivalent to 50% of the value of increased exports is expanded to include Integrated Circuit Design services.

Supply chain resilience initiative

- Double tax deduction for Multinational Enterprise (MNE) expenditure of up to RM2,000,000 per year for 3 consecutive years.
- Tax deduction on total investment made for MNE or its supplier who invests in joint venture with other local suppliers.
- Local suppliers involved in this initiative will be given an outcome-based tax incentive package.
- Investment matching fund of more than RM100 million for expansion of local suppliers in electrical and electronics products (E&E), specialty chemicals and medical devices sectors provided through an equity crowdfunding platform.

Tax deduction on the cost of developing new courses by Private Higher Education Institutions (PHEI) and private skills training institution

Tax deduction on cost of developing new courses by PHEI is proposed to be fully claimable within a YA, effective YA 2025 to YA 2030.

The above incentive is extended to cover costs incurred for the development of Technical and Vocational Education Training courses by private skills training institutions.

Establishment of economic clusters

Economic clusters will be established based on each state's unique strengths. For instance:

- renewable energy in Perlis and Sabah,
- specialty chemicals industries in Pahang and Terengganu

Special income tax rate for specific economic sectors

Income tax incentive with special tax rate will be offered for investments in 21 economic sectors in the following states, subject to economic spillover outcomes.

- Perlis
- Kedah
- Kelantan
- Terengganu
- Sabah
- Sarawak

Tax incentives for Carbon Capture, Utilization, and Storage (CCUS) activities

- ITA or income tax exemptions will be provided for CCUS (Carbon Capture, Utilization, and Storage) activities.
- Carbon utilization activities will be expanded as downstream products and be incentivized.

The new Investment Incentive Framework, sets to be implemented in the third quarter of 2025, aims at attracting significant investments in high-value activities and highlights the government's strong commitment to local spillovers. We commend the government's focus on these spillovers and its efforts to cultivate a skilled local workforce essential for driving innovation and enhancing global competitiveness. Furthermore, the provision of tax incentives for MNCs collaborating with local suppliers is expected to strengthen our supply chains and promote sustainable economic growth. Overall, we remain optimistic about these initiatives and their potential to improve the quality of life for Malaysians.

Ng Lan Kheng
Global Investment and Innovation Incentives (Gi[3]) Leader

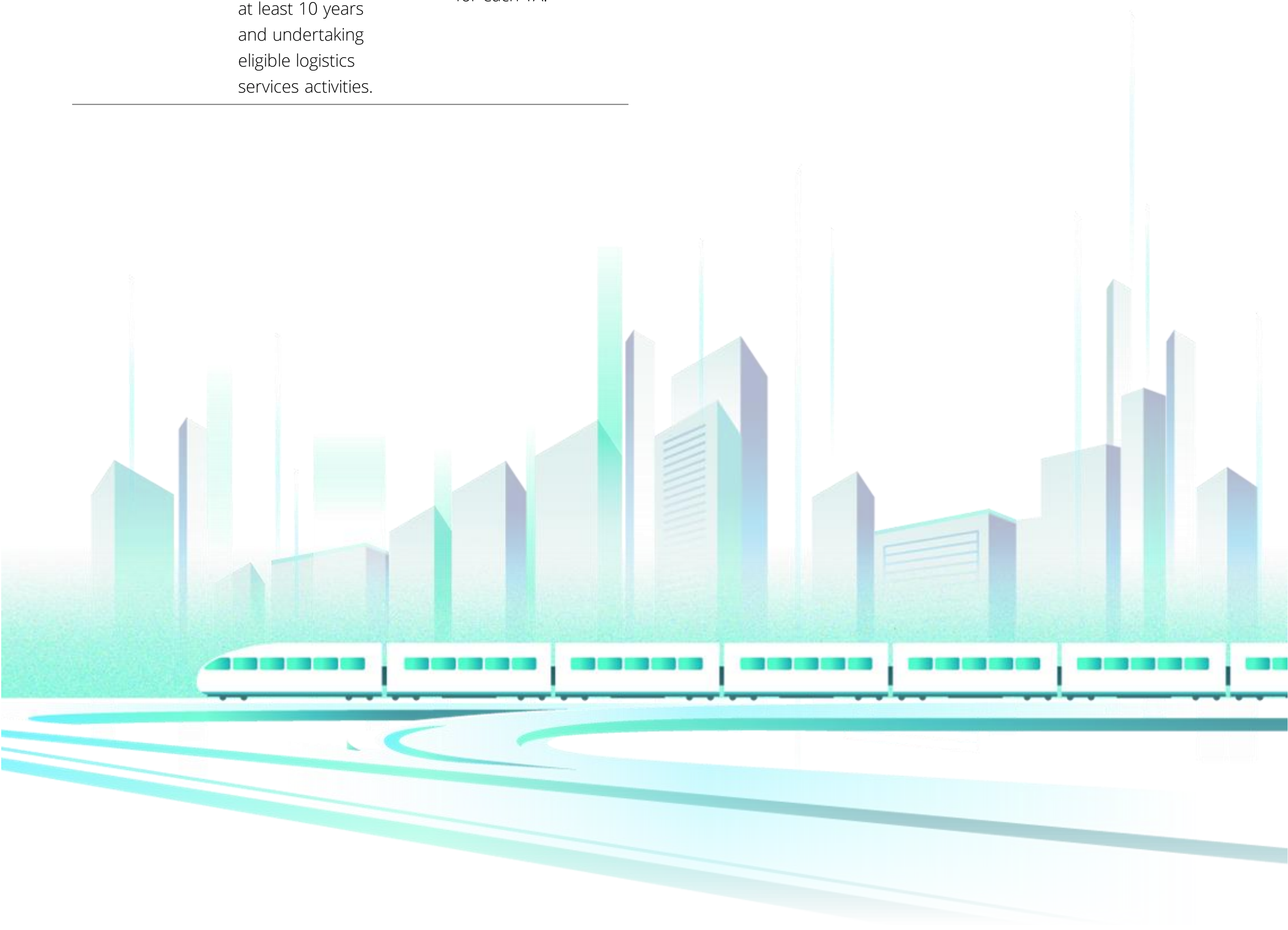
Smart Logistics Complex (SLC)

Eligible SLC Companies	Description	Tax Incentive
SLC Investor and Operator	• Investing in the construction of smart warehouses and undertaking eligible logistics services activities.	• ITA of 60% on qualifying capital expenditure incurred for a period of 5 years. • This allowance can be set-off against up to 70% of statutory income for each YA.
SLC Operator	• Leasing a smart warehouse under a long-term lease of at least 10 years and undertaking eligible logistics services activities.	

Conditions:

- Eligible logistic services would include regional distribution centres, integrated logistics services, storage of hazardous goods or cold chain logistics;
- Warehouse with a minimum build-up area of 30,000 square metres;
- Adaptation of at least three Fourth Industrial Revolution (IR4.0) elements; and
- Other conditions as prescribed.

Applicable for applications received by MIDA from 1 January 2025 until 31 December 2027.



Indirect Tax

Review of sales tax rates and expansion of service tax scope

Effective 1 May 2025, sales tax and service tax are proposed to be reviewed as follows:

Sales tax

Sales tax rates will be increased for non-essential items such as imported premium goods (e.g., salmon and avocado).

Sales tax exemption will remain for basic food items.

Service tax

The scope of service tax will be expanded to include new services such as commercial service transactions between businesses, including fee-based financial services.

Commentary

No further details on the expanded tax scope and rates were made available. The government however has committed to undertake consultation with the relevant industries prior to finalizing any expanded scope and increased tax rates, to avoid disruptions and ensure business continuity.

Having said that, the government should give sufficient time for businesses to prepare themselves to implement the necessary changes required to ensure compliance.

Sales tax exemption on mastectomy bra for breast cancer patients

Sales tax exemption to be given for the following mastectomy bras:
- Made from cotton (HS tariff code - 6212.10.1100)
- Made from other textile materials (HS tariff code - 6212.10.9100)

This is proposed to be effective for applications received by the MOF from 1 November 2024 until 31 December 2027.

Increase in excise duty rate on sugar sweetened beverages

The excise duty rate on sugar sweetened beverages will be increased by 40 sen per litre, from the current rate of 50 sen per litre, in phases starting from 1 January 2025.

Review of structure of market price range and export duty rate on crude palm oil (CPO)

Effective 1 November 2024, the government has proposed to review the structure of the market price range and export duty rates (after accounting for partial exemption) of CPO. In summary, the review increases the maximum export duty rate to 10% for market-price range above RM4,050/metric tonne, from the current maximum rate of 8% for market price-range above RM3,450/metric tonne.

Increase in threshold value of windfall profit levy on crude palm oil (CPO)

Effective 1 January 2025, the threshold value of windfall profit levy on CPO will be increased to RM3,150 (from RM3,000, currently) for Peninsular Malaysia, and RM3,650 (from RM3,500, currently) for Sabah and Sarawak.

Introduction of carbon tax

By 2026, the government will introduce carbon tax on the iron and steel industry and energy sector in Malaysia. This tax aims at promoting the use of low carbon technology. The tax collected will be used to fund research programmes and green technology.

"The expansion in the scope of Indirect tax announced this year generally focuses on taxing higher income groups and business transactions. Details of the affected goods and services are expected to be released in time, pending further industry engagement to be undertaken by the government. These measures are aligned with the government decision to not burden the rakyat through the introduction of a wider consumption tax like the GST and instead focus on more targeted tax collection measures on businesses and high income groups. Meanwhile, the other source of revenue for Customs should come from enhanced enforcement activities including the Audit Verification Compliance Program (AViP) which will run for the next 2 years."

Tan Eng Yew
Indirect Tax Leader

Individual Tax

2% tax on dividend income exceeding RM100,000

A Dividend Tax at 2% will be imposed on chargeable dividend income (i.e. after taking into account allowances and deductions) received by individual shareholders (resident individuals, non-resident individuals, and individuals who hold shares through nominees), where the annual dividend income exceeds RM100,000. Dividend income exempted from the Dividend Tax are those:

- from abroad;
- distributed from the profits of companies with pioneer status and reinvestment allowances;
- paid, credited or distributed from the profits of shipping companies that is exempted from tax;
- distributed by co-operatives;
- declared by closed-end funds;
- received by residents from Labuan entities; and
- any exemption given on dividend income at shareholder level.

This 2% tax rate is not applicable to profit distributions made to contributors and depositors by:

- Kumpulan Wang Simpanan Pekerja (KWSP);
- Lembaga Tabung Angkatan Tentera (LTAT);
- Amanah Saham Nasional Bumiputera (ASNB); or
- any unit trust.

Effective: YA 2025

Extension of Foreign-Sourced Income (FSI) remittance exemption period

The period of exemption for qualifying FSI remitted into Malaysia which was set to end on 31 December 2026, is extended to 31 December 2036.

Housing loan interest relief

A relief on housing loan interest payment (first residential home loan, either individually or jointly owned) is to be provided as follows:

- Up to RM7,000 – for residential home valued up to RM500,000
- Up to RM5,000 - for residential home valued above RM500,000 up to RM750,000

Such property must not be used to generate any income. Two or more individuals are eligible to claim the relief on apportionment basis.

Effective: Up to 3 consecutive YAs, for sales and purchase (S&P) agreements executed from 1 January 2025 until 31 December 2027

Expansion in scope of relief for EV charging facilities

The scope of relief is expanded to include purchase of food waste composting machines for household use, allowed to be claimed once within three YA.

Effective: YA 2025 until YA 2027

Individual income tax exemption for child care allowance received by employees

This tax exemption of RM3,000 is expanded to include elderly care for parents or grandparents.

Effective: YA 2025

Increase in limit of relief for disabled persons

Personal relief	Current (RM)	Proposal (RM)
Disabled individual – additional relief for self	6,000	7,000
Additional relief for disabled spouse	5,000	6,000
Additional relief for unmarried disabled child	6,000	8,000

Effective: YA 2025

Expansion/extension of personal reliefs

Personal relief	Proposal
Net Contributions to *Skim Simpanan Pendidikan Nasional* (SSPN)	• Extended for a period of 3 years, i.e. until YA 2027 • Relief can only be claimed by either parent for SSPN savings, with maximum claim limited to RM8,000 • Withdrawals from SSPN fund to finance further education costs will not be factored into the net contribution for the YA (i.e. the withdrawal will not reduce the amount eligible for relief)
Contributions to Private Retirement Scheme (PRS) and deferred annuity scheme	Extended for 5 years, i.e. until YA 2030
Fees paid to childcare centre and kindergarten	Extended to YA 2027

Increase in tax relief limit for medical and education insurance premiums

The relief limit is increased from RM3,000 to RM4,000.

Effective: YA 2025

Expansion in scope for sports equipment relief

The scope for sports equipment relief (limited to RM1,000) be expanded to include purchase of sports equipment and activities for parents.

Effective: YA 2025

Expansion in scope for parents medical expenses

The scope of relief for:

- Full medical check-up for parents (limited to RM1,000) be expanded to include vaccination costs
- The same scope for parents' medical expenses is expanded to include medical expenses for grandparents, including full medical check-up and vaccination (which is limited to RM1,000)

Effective: YA 2025

Expansion in scope of relief for medical expenses for self, spouse and child

Personal relief	Proposal
Relief for complete medical examination (limited to RM1,000)	Scope is expanded to include: • purchase of self-test kit, such as COVID-19 and influenza test kit • purchase of self-testing medical devices such as glucometer, pulse oximeter, blood pressure monitor and thermometer • fees for disease detection examination conducted at clinic or hospital, such as blood test, ultrasound, mammogram and pap smear
Assessment and diagnosis, early intervention programme and rehabilitation treatment for children aged below 18 years with specified learning disabilities	Relief limit increased from RM4,000 to RM6,000

Tax exemption on cash prizes award for sports victories

Cash prizes arising from sports victories which are won by individual athletes and teams via the *Skim Hadiah Kemenangan Sukan* which are provided by *Majlis Sukan Negara* are exempted from tax.

Effective: YA 2025

The introduction of the tax relief for housing loan interest with the extension or expansion of the existing tax reliefs and the new dividend income tax is a testament of the government's dedication to raise the people's living standards and ensure equity among the *rakyat*.

Ang Weina
Global Employer Services Leader

Stamp Duty

Review of stamp duty on the assignment of life insurance policy and family takaful certificate

The deed of assignments for life insurance policy and family takaful certificate given by way of love and affection or through a trustee which is executed from 1 January 2025 will be subject to stamp duty at a fixed rate as follows:

Ownership transfer value	Stamp duty rate
The first RM100,000	RM10
Above the first RM100,000 to RM500,000	RM100
Above RM500,000 to RM1,000,000	RM500
More than RM1,000,000	RM1,000

Review of stamp duty on loan or financing agreements based on Shariah principles

A fixed stamp duty of RM10 will be imposed on loan or financing agreement for the purchase of goods based on Shariah principles, other than hire purchase, executed from 1 January 2025.

exemption of stamp duty on loan or financing agreements through the Initial Exchange Offering (IEO) platform for MSMEs

A 100% stamp duty exemption will be given on loan or financing agreements executed by MSMEs and investors through the IEO platform registered with the Securities Commission Malaysia for 2 years (i.e. loan or financing agreements executed from 1 January 2025 until 31 December 2026).

Review of stamp duty exemption on loan or financing agreements for Skim Pembiayaan Mikro (SPM)

Stamp duty exemption will be given for SPM loan or financing agreements, for amounts up to RM100,000 and this applies to loan or financing agreements under the SPM executed from 1 January 2025.

Implementation of self-assessment system for stamp duty

In order to ensure that the stamping and self-payment system is more efficient and to further enhance compliance, it is proposed that the self-assessment stamp duty system (STSDS) be implemented in phases based on the types of instruments or agreements as set out below:

Phase	Effective date	Types of instruments
1	From 1 January 2026	Instruments or agreements related to rental or lease, general stamping and securities
2	From 1 January 2027	Instruments of transfer of property ownership
3	From 1 January 2028	Instruments or agreements other than stated in Phase 1 and Phase 2

STSDS requires duty payers or appointed agents to upload information in the Stamp Assessment and Payment System and undertake self-assessment of the value of stamp duties for the instruments or agreements, and subsequently make payments within the specified timeframe.

Others

Expansion of income tax exemption for qualifying Islamic financial activities under Labuan International Business and Financial Centre (IBFC)

Qualifying Islamic financial activities eligible for full income tax exemption undertaken by Labuan trading entities from YA 2024 until YA 2028 to be expanded to include:

No.	Labuan trading entity	Qualifying activities
1	Labuan insurer, Labuan reinsurer, Labuan takaful operator or Labuan re-takaful operator	Takaful and re-takaful businesses that comply with Shariah principles: i. risk management; or ii. product development
2	Labuan captive insurer or Labuan captive takaful	Takaful and re-takaful businesses that comply with Shariah principles where takaful participants are related companies or associated companies or as approved by the Labuan Financial Services Authority (LFSA): i. risk management; or ii. product development
3	Labuan underwriting manager or Labuan underwriting takaful manager	Provides underwriting services including administration related to Labuan takaful business
4	Labuan insurance manager or Labuan takaful manager	Provides management or administrative services related to Labuan takaful business
5	Labuan insurance broker or Labuan takaful broker	Provides services such as: i. arrange Labuan takaful and re-takaful business; or ii. financial analysis

Contributions benefiting non-Malaysian citizens

The scope of approved donations under Section 44(6) of the Act is proposed to be expanded to include contributions benefiting non-Malaysian citizens.

Contribution to Rare Disease Fund

Tax deduction on contribution to Rare Disease Fund which is equivalent to the amount contributed.

Abbreviations and Acronyms

Accelerated Capital Allowance	ACA
Electric Vehicle	EV
Foreign Direct Investment	FDI
Global Minimum Tax	GMT
Gross Domestic Product	GDP
Inland Revenue Board	IRB
Income Tax Act 1967	the Act
Investment Tax Allowance	ITA
Malaysian Investment Development Authority	MIDA
Micro, Small and Medium Enterprise	MSME
Ministry of Finance	MOF
Multinational Corporation	MNC
Ringgit Malaysia	RM
Year of Assessment	YA

Contacts

Service lines

Business Tax Compliance & Advisory
Sim Kwang Gek
Managing Director
kgsim@deloitte.com
+603 7610 8849

Tan Hooi Beng
Deputy Managing Director
hooitan@deloitte.com
+603 7610 8843

Choy Mei Won
Executive Director
mwchoy@deloitte.com
+603 7610 8842

Business Process Solutions
Julie Tan
Executive Director
jultan@deloitte.com
+603 7610 8847

Eugene Chow Jan Liang
Executive Director
euchow@deloitte.com
+603 9764 8423

Capital Allowances Study
Chee Pei Pei
Executive Director
pechee@deloitte.com
+603 7610 8862

Deloitte Private
Chee Pei Pei
Executive Director
pechee@deloitte.com
+603 7610 8862

Global Employer Services
Ang Weina
Executive Director
angweina@deloitte.com
+603 7610 8841

Chee Ying Cheng
Executive Director
yichee@deloitte.com
+603 7610 8827

Global Investment and Innovation Incentives (Gi³)
Ng Lan Kheng
Executive Director
lkng@deloitte.com
+604 218 9268

Tham Lih Jiun
Executive Director
ljtham@deloitte.com
+603 7610 8875

Indirect Tax
Tan Eng Yew
Executive Director
etan@deloitte.com
+603 7610 8870

Senthuran Elalingam
Executive Director
selalingam@deloitte.com
+603 7610 8879

International Tax & Value Chain Alignment
Tan Hooi Beng
Deputy Managing Director
hooitan@deloitte.com
+603 7610 8843

Kelvin Yee Rung Hua
Executive Director
keyee@deloitte.com
+603 9764 8621

Mergers & Acquisitions
Sim Kwang Gek
Managing Director
kgsim@deloitte.com
+603 7610 8849

Tax Audit & Investigation
Mohd Fariz Mohd Faruk
Executive Director
mmohdfaruk@deloitte.com
+603 7610 8153

Tax Technology Consulting
Senthuran Elalingam
Executive Director
selalingam@deloitte.com
+603 7610 8879

Transfer Pricing
Subhabrata Dasgupta
Executive Director
sudasgupta@deloitte.com
+603 7610 8376

Philip Yeoh
Executive Director
phyeoh@deloitte.com
+603 7610 7375

Gagan Deep Nagpal
Executive Director
gnagpal@deloitte.com
+603 7610 8876

Vrushang Sheth
Executive Director
vsheth@deloitte.com
+603 7610 8534

Tan Wei Chuan
Executive Director
wctan@deloitte.com
+604 218 9888

Contacts

Sectors

Automotive
Choy Mei Won
Executive Director
mwchoy@deloitte.com
+603 7610 8842

Consumer Products
Sim Kwang Gek
Managing Director
kgsim@deloitte.com
+603 7610 8849

Financial Services
Toh Hong Peir
Executive Director
htoh@deloitte.com
+603 7610 8808

Mohd Fariz Mohd Faruk
Executive Director
mmohdfaruk@deloitte.com
+603 7610 8153

Energy, Resources & Industrials
Toh Hong Peir
Executive Director
htoh@deloitte.com
+603 7610 8808

Real Estate
Tham Lih Jiun
Executive Director
ljtham@deloitte.com
+603 7610 8875

Telecommunications
Thin Siew Chi
Executive Director
sthin@deloitte.com
+603 7610 8878

Specialist group

Chinese Services Group
Tham Lih Jiun
Executive Director
ljtham@deloitte.com
+603 7610 8875

Japanese Services Group
Eugene Chow Jan Liang
Executive Director
euchow@deloitte.com
+603 9764 8423

Korean Services Group
Chee Pei Pei
Executive Director
pechee@deloitte.com
+603 7610 8862

Branches

Penang
Ng Lan Kheng
Executive Director
lkng@deloitte.com
+604 218 9268

Tan Wei Chuan
Executive Director
wctan@deloitte.com
+604 218 9888

Johor Bahru
Thean Szu Ping
Executive Director
spthean@deloitte.com
+607 268 0988

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

About Deloitte Malaysia
In Malaysia, services are provided by Deloitte Tax Services Sdn Bhd and its affiliates.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking anyaction that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2024 Deloitte Tax Services Sdn Bhd
Designed by CoRe Creative Services. RITM1871422