



Technical Update

Tax and Corporate Services

October 2016



New Minimum Wage for Textile, Garment and Footwear Manufacturing Sectors for the year 2017

On 29 September 2016, the Ministry of Labour and Vocational Training (MLVT) issued Prakas No. 414 to officially determine the new minimum wage for workers in the textile, garment and footwear manufacturing sectors at USD153 per month, an increase of 9.1% in comparison with last year's minimum wage.

The new minimum wage will be effective from 1 January 2017 onwards. This Prakas also sets a minimum wage for probationary workers at USD148 per month and USD153 per month after passing the probationary period.

Other benefits that workers have received shall be maintained.

Online Business Re-registration with the Ministry of Commerce (MoC) Delayed until 31 December 2016

On 14 October 2016, the MoC issued a notification to further extend the deadline for business entities' re-registration via the online system until 31 December 2016. Note that this is the third extension since a number of companies have not yet fulfilled this requirement.

According to the MoC, entities that fail to register online by 31 December 2016 will have their names forwarded to the Ministry of Economy and Finance for tax clearance and will be sent to court for legal action.

KPMG Comment:

As officially advised, after the extension period has expired, the MoC may take action against any entities which have not completed the re-registration in the online system.

As a committed tax and corporate consultant to our clients, we welcome any opportunity to discuss the relevance of the above matters to your business at a mutually convenient time.

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