

# FINANCE BILL 2023

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*Clause*

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A BILL

*i n t i t u l e d*

An Act to amend the Income Tax Act 1967, the Real Property Gains Tax Act 1976, the Stamp Act 1949 and the Petroleum (Income Tax) Act 1967.

[ ]

**ENACTED** by the Parliament of Malaysia as follows:

CHAPTER I

PRELIMINARY

**Short title**

1. This Act may be cited as the Finance Act 2023.

**Amendment of Acts**

2. The Income Tax Act 1967 [*Act 53*], the Real Property Gains Tax Act 1976 [*Act 169*], the Stamp Act 1949 [*Act 378*] and the Petroleum (Income Tax) Act 1967 [*Act 543*] are amended in the manner specified in Chapters II, III, IV and V respectively.

## CHAPTER II

## AMENDMENTS TO THE INCOME TAX ACT 1967

**Commencement of amendments to the Income Tax Act 1967**

3. (1) Sections 5, 12, 13 and 17, subparagraphs 4(a)(i), (ii), (iii) and (iv) and paragraphs 4(b), 16(a), (b), (d) and (f) have effect for the year of assessment 2023 and subsequent years of assessment.

(2) Subparagraph 4(a)(v) has effect for the year of assessment 2024.

(3) Sections 6, 7, 8, 9 and 10 and paragraphs 16(c) and (e) have effect for the year of assessment 2024 and subsequent years of assessment.

(4) Sections 11, 14 and 15 are deemed to have come into operation on 1 January 2023.

**Amendment of section 46**

4. The Income Tax Act 1967, which is referred to as the “principal Act” in this Chapter, is amended in section 46—

(a) in subsection (1)—

(i) in paragraph (b) of the proviso to paragraph (g), by substituting for the words “eight thousand ringgit” the words “ten thousand ringgit”;

(ii) in the proviso to paragraph (h), by substituting for the words “eight thousand ringgit” the words “ten thousand ringgit”;

(iii) by inserting after paragraph (h) the following paragraph:

“(ha) an amount limited to a maximum of four thousand ringgit expended or deemed expended under subsection (3) in that

basis year by that individual on his child who at any time in that basis year is of the age of eighteen years and below, in respect of—

- (i) assessment for the purpose of diagnosis of learning disability certified by a medical practitioner registered with the Malaysian Medical Council; or
- (ii) early intervention programme or rehabilitation treatment for learning disability conducted by an allied health practitioner in the field of learning disability registered under the Allied Health Professions Act 2016:

Provided that—

- (a) the claim is evidenced by a receipt and certification issued by the medical practitioner that the assessment for the purpose of diagnosis was provided to the child and that the child is diagnosed with learning disability;
- (b) the claim is evidenced by a receipt and certification issued by the allied health practitioner that the early intervention programme or rehabilitation treatment was provided to the child;

- (c) the assessment for the purpose of diagnosis, early intervention programme or rehabilitation treatment which qualify for deduction are for the following learning disabilities:
    - (i) autism spectrum disorder;
    - (ii) attention deficit hyperactivity disorder;
    - (iii) global developmental delay;
    - (iv) intellectual disability;
    - (v) down syndrome; and
    - (vi) specific learning disability;
  - (d) the assessment for the purpose of diagnosis, early intervention programme and rehabilitation treatment are provided in Malaysia;
  - (e) the maximum amount of deduction under this paragraph shall apply notwithstanding that that individual may have more than one child; and
  - (f) the deduction under this paragraph shall be part of the amount limited to a maximum of ten thousand ringgit in paragraph (g);”;
- (iv) by deleting paragraph (k); and
- (v) in paragraph (c) of the proviso to paragraph (r), by substituting for the words “until 2023” the words “until 2024”; and

(b) in subsection (3), by substituting for the words “(k)” the words “(ha)”.

### **Amendment of section 49**

**5.** Section 49 of the principal Act is amended—

(a) in subsection (1)—

- (i) in paragraph (a), by inserting after the words “any insurance” the words “or any voluntary contribution made by that individual to the Employees Provident Fund or for both”; and
- (ii) in paragraph (b), by inserting after the words “in respect of” the words “voluntary or obligatory”;

(b) in subsection (1A)—

- (i) by inserting after paragraph (a) the following paragraph:
  - “(aa) the total amount of deduction for voluntary contribution to the Employees Provident Fund under paragraph (1)(a) shall not include the amount of deduction for voluntary contribution to the Employees Provident Fund under paragraph (1)(b) made by an individual who is an employee or a self-employed person within the meaning of the Employees Provident Fund Act 1991, or a pensionable officer within the meaning of section 2 of the Pensions Act 1980;”;
- (ii) in paragraph (b), by substituting for the semi colon at the end of the paragraph a full stop; and
- (iii) by deleting paragraph (c); and

(c) in subsection (2)—

- (i) by inserting after the words “other than voluntary contributions” the words “to the Employees Provident Fund”; and
- (ii) by substituting for the words “a self-employed person within the meaning of the Employees Provident Fund Act 1991 or a pensionable officer within the meaning of section 2 of the Pensions Act 1980” the words “any individual”.

### **Amendment of section 77**

**6.** Section 77 of the principal Act is amended by inserting after subsection (1A) the following subsection:

“(1B) For the purposes of this section, the person referred to in subsection (1) shall furnish to the Director General a return in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 152A.”.

### **Amendment of section 77A**

**7.** Subsection 77A(1A) of the principal Act is amended by substituting for the words “a company and a limited liability partnership” the words “a company, limited liability partnership, trust body and co-operative society”.

### **Amendment of section 77B**

**8.** Section 77B of the principal Act is amended by inserting after subsection (1) the following subsection:

“(1A) For the purposes of this section, a person who is a company, limited liability partnership, trust body and co-operative society shall furnish to the Director General an amended return in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 152A.”.



**Amendment of section 83**

9. Subsection 83(1B) of the principal Act is amended by inserting after the words “a company,” the words “limited liability partnership, trust body or co-operative society,”.

**Amendment of section 86**

10. Section 86 of the principal Act is amended by inserting after subsection (1) the following subsection:

“(1A) For the purposes of this section, the person referred to in paragraphs (1)(a) and (b) shall furnish to the Director General a return in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 152A.”.

**Amendment of section 97A**

11. Subparagraph 97A(5)(b)(iii) of the principal Act is amended by inserting after the words “subsection 107A(2)” the words “, 107D(3)”.

**Amendment of section 103**

12. Section 103 of the principal Act is amended—

(a) in subsection (3), by substituting for the word “Where” the words “Subject to subsection (7), where”; and

(b) in subsection (7), by substituting for the words “subsection (2)” the words “subsection (1), (1A) or (2)”.

**Amendment of section 107B**

13. The proviso to subsection 107B(2) of the principal Act is amended by substituting for the words “not later than the thirtieth day of June” the words “once not later than the thirtieth day of June or once not later than the thirty first day of October, or both”.

**Amendment of section 107D**

**14.** Subsection 107D(1) of the principal Act is amended—

- (a) by inserting after the words “the payer shall upon paying or crediting such payments” the words “in a calendar month”;
- (b) by inserting after the words “two per cent of the payments on account of tax” the words “for that year of assessment”;
- (c) by deleting the words “for any year of assessment”; and
- (d) by substituting for the words “within thirty days” the words “not later than the end of the following calendar month”.

**Amendment of section 131A**

**15.** Paragraph 131A(1)(c) of the principal Act is amended by inserting after the words “107A(2)” the words “, 107D(3)”.

**Amendment of Schedule 1**

**16.** Part I of Schedule 1 to the principal Act is amended—

- (a) in paragraph 1, by substituting for the chargeable income and rates of income tax the following chargeable income and rates of income tax:

<i>“Chargeable income</i>	<i>RM</i>	<i>Rate of income tax</i>
For every ringgit of the first	5,000	0 per cent
For every ringgit of the next	15,000	1 per cent
For every ringgit of the next	15,000	3 per cent
For every ringgit of the next	15,000	6 per cent
For every ringgit of the next	20,000	11 per cent

For every ringgit of the next	30,000	19 per cent
For every ringgit of the next	300,000	25 per cent
For every ringgit of the next	200,000	26 per cent
For every ringgit of the next	1,400,000	28 per cent
For every ringgit exceeding	2,000,000	30 per cent”;

(b) in paragraph 2A, by substituting for the chargeable income and rates of income tax the following chargeable income and rates of income tax:

<i>“Chargeable income</i>	<i>RM</i>	<i>Rate of income tax</i>
For every ringgit of the first	150,000	15 per cent
For every ringgit of the next	450,000	17 per cent
For every ringgit exceeding	600,000	24 per cent”;

(c) in paragraph 2B—

- (i) in subparagraph (b), by deleting the word “or” at the end of the subparagraph;
- (ii) in subparagraph (c), by substituting for the full stop at the end of the subparagraph the words “; or”; and
- (iii) by inserting after subparagraph (c) the following subparagraph:

“(d) twenty per cent of the paid-up capital in respect of ordinary shares of the company at the beginning of the basis period for a year of assessment is directly or indirectly owned by one or more companies incorporated outside Malaysia or by one or more individuals who are not citizens of Malaysia.”;

- (d) in paragraph 2D, by substituting for the chargeable income and rates of income tax the following chargeable income and rates of income tax:

<i>“Chargeable income</i>	<i>RM</i>	<i>Rate of income tax</i>
For every ringgit of the first	150,000	15 per cent
For every ringgit of the next	450,000	17 per cent
For every ringgit exceeding	600,000	24 per cent”;

- (e) in paragraph 2E—

- (i) in subparagraph (b), by deleting the word “or” at the end of the subparagraph;
- (ii) in subparagraph (c), by substituting for the full stop at the end of the subparagraph the words “; or”; and
- (iii) by inserting after subparagraph (c) the following subparagraph:

“(d) twenty per cent of the capital contribution (whether in cash or in kind) of the limited liability partnership at the beginning of the basis period for a year of assessment is directly or indirectly contributed by one or more companies incorporated outside Malaysia or by one or more individuals who are not citizens of Malaysia.”; and

- (f) in paragraph 2F, by inserting after the words “subparagraph 2E(c)” the words “and the company or companies incorporated outside Malaysia referred to in subparagraph 2E(d)”.

### **Amendment of Schedule 3**

- 17.** Schedule 3 to the principal Act is amended—

- (a) by renumbering the existing paragraph 70A as subparagraph 70A(1);

- (b) in subparagraph 70A(1) as renumbered, by deleting the words “, an intangible asset,”; and
- (c) by inserting after subparagraph 70A(1) as renumbered the following subparagraph:

“(2) Notwithstanding subparagraph (1), the Minister may prescribe any other assets as assets which are excluded from the definition of “plant”.”.

### CHAPTER III

#### AMENDMENT TO THE REAL PROPERTY GAINS TAX ACT 1976

#### **Commencement of amendment to the Real Property Gains Tax Act 1976**

**18.** This Chapter comes into operation on the coming into operation of this Act.

#### **Amendment of Schedule 2**

**19.** The Real Property Gains Tax Act 1976 is amended in Schedule 2—

(a) in paragraph 3—

(i) in subparagraph (1)(b)—

(A) in subparagraph (i), by deleting the word “or” at the end of the subparagraph;

(B) by inserting after subparagraph (i) the following subparagraph:

“(ia) the transfer of assets between former spouses pursuant to an order of any court in consequence of the dissolution or annulment of their marriage; or”; and

- (C) in subsusubparagraph (ii), by substituting for the words “to a company resident in Malaysia or not” the words “to a company incorporated in Malaysia”; and
- (ii) in subparagraph (2), by inserting after the word “spouses” the words “or former spouses”; and
- (b) in subparagraph 19(5), by inserting after the words “by the spouse” the words “or former spouse”.

#### CHAPTER IV

##### AMENDMENT TO THE STAMP ACT 1949

#### **Commencement of amendment to the Stamp Act 1949**

**20.** (1) Paragraph 21(*a*) comes into operation on 1 June 2023.

(2) Paragraphs 21(*b*) and (*c*) come into operation on the coming into operation of this Act.

#### **Amendment of First Schedule**

**21.** The Stamp Act 1949 is amended in the First Schedule—

- (*a*) in subitem 22(4), by inserting after the words “higher educational institutions” the words “or pursuing any course of study in any institution”;
- (*b*) in subitem 27(*d*), by inserting before the words “, pursuant to an agreement for discounting invoices or hire purchase receivables” the words “or any statutory body, agency of the Government or of the State Government, or any company in which the Government or the State Government has interest, which provides financing to a small and medium enterprise”; and

- (c) in subitem 32(c), by inserting before the words “, pursuant to a factoring agreement” the words “or any statutory body, agency of the Government or of the State Government, or any company in which the Government or the State Government has interest, which provides financing to a small and medium enterprise”.

## CHAPTER V

### AMENDMENTS TO THE PETROLEUM (INCOME TAX) ACT 1967

#### **Commencement of amendments to the Petroleum (Income Tax) Act 1967**

- 22.** This Chapter has effect for the year of assessment 2023 and subsequent years of assessment.

#### **Amendment of section 30**

- 23.** The Petroleum (Income Tax) Act 1967, which is referred to as the “principal Act” in this Chapter, is amended by inserting after subsection 30(1) the following subsection:

“(1A) For the purposes of this section, a chargeable person shall furnish to the Director General a return in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 82A.”.

#### **Amendment of section 30A**

- 24.** The principal Act is amended by inserting after subsection 30A(1) the following subsection:

“(1A) For the purposes of this section, a chargeable person shall furnish to the Director General a return in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 82A.”.

**Amendment of section 30B**

**25.** The principal Act is amended by inserting after subsection 30B(1) the following subsection:

“(1A) For the purposes of this section, a chargeable person shall furnish to the Director General an amended return in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 82A.”.

**New section 30c**

**26.** The principal Act is amended by inserting after section 30B the following section:

**“Amendment of return on expenditure during exploration period**

**30c.** (1) Where for an exploration period a chargeable person has furnished a return in accordance with subsection 30A(1), that person may make amendment to such return in an amended return as prescribed by the Director General in respect of the amount of exploration expenditure incurred by that chargeable person in relation to petroleum operations in the exploration period.

(2) An amended return under subsection (1) shall only be made after the due date for the furnishing of the return pursuant to subsection 30A(1), but not later than six months from that date.

(3) For the purposes of this section, the amended return shall—

(a) specify the amount or additional amount of exploration expenditure incurred by that chargeable person in relation to petroleum operations in that period; or

(b) contain such particulars as may be required by the Director General.

(4) The amendment under subsection (1) shall only be made once.”.



**Amendment of section 82A**

**27.** The principal Act is amended by substituting for subsection 82A(1) the following subsection:

“(1) Any chargeable person—

(a) shall, if so required under this Act; or

(b) may, if so allowed by the Director General,

furnish any form prescribed under this Act (in this section referred to as the “prescribed form”) on an electronic medium or by way of an electronic transmission.”.

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**EXPLANATORY STATEMENT**

This Bill seeks to amend the Income Tax Act 1967 (“Act 53”), the Real Property Gains Tax Act 1976 (“Act 169”), the Stamp Act 1949 (“Act 378”) and the Petroleum (Income Tax) Act 1967 (“Act 543”).

**AMENDMENTS TO THE INCOME TAX ACT 1967**

Chapter II of this Bill seeks to amend the Income Tax Act 1967.

2. *Clause 4* seeks to amend section 46 of Act 53.

*Subparagraph 4(a)(i)* seeks to amend paragraph (b) of the proviso to paragraph 46(1)(g) of Act 53 to increase the limit of the total amount of personal deduction from eight thousand ringgit to ten thousand ringgit for expenses expended or deemed expended under paragraph 46(1)(g) of Act 53.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

*Subparagraph 4(a)(iii)* seeks to introduce new paragraph 46(1)(ha) into Act 53 to provide for personal deduction of an amount limited to a maximum of four thousand ringgit for expenses expended or deemed expended by an individual on his child who is of the age of eighteen years and below for assessment for the purpose of diagnosis, early intervention programme or rehabilitation treatment of learning disabilities as specified. The maximum amount of four thousand ringgit shall apply regardless of the number of children of the individual. The deduction under this paragraph shall be part of the maximum amount of personal deduction specified in paragraph 46(1)(g) of Act 53.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

*Subparagraph 4(a)(iv)* seeks to delete paragraph 46(1)(k) of Act 53 as the amount deposited by an individual for his child into the Skim Simpanan Pendidikan Nasional shall no longer be allowed as a deduction under Act 53.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

*Subparagraph 4(a)(v)* seeks to amend paragraph (c) of the proviso to paragraph 46(1)(r) of Act 53 to extend the period from the year of assessment 2023 to the year of assessment 2024 for the further deduction of one thousand ringgit in respect of the payment of child care fees to a child care centre registered with the Director General of Social Welfare under the Child Care Centre Act 1984 [*Act 308*] or a kindergarten registered under the Education Act 1996 [*Act 550*] for a child aged six years and below.

This amendment has effect for the year of assessment 2024.

3. *Clause 5* seeks to amend section 49 of Act 53.

*Subparagraph 5(a)(i)* seeks to amend paragraph 49(1)(a) of Act 53 to expand the scope of individual's personal deduction under that paragraph to voluntary contribution made by any individual to the Employees Provident Fund.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

*Subparagraph 5(a)(ii)* seeks to amend paragraph 49(1)(b) of Act 53 to clarify that the deductions allowed under that paragraph are in respect of voluntary or obligatory contribution made to an approved scheme other than a private retirement scheme.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

*Subparagraph 5(b)(i)* seeks to introduce new paragraph 49(1A)(aa) into Act 53 to provide that the total amount of deduction for voluntary contribution to the Employees Provident Fund under paragraph 49(1)(a) of Act 53 shall not include the amount of deduction for voluntary contribution to the Employees Provident Fund under paragraph 49(1)(b) of Act 53 made by an individual who is an employee or a self-employed person within the meaning of the Employees Provident Fund Act 1991 [*Act 452*], or pensionable officer within the meaning of section 2 of the Pensions Act 1980 [*Act 227*].

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

*Paragraph 5(c)* seeks to amend subsection 49(2) of Act 53 in line with the extension of scope of deduction allowed under subsection 49(1) of Act 53 to any individual who made voluntary contribution to the Employee Provident Fund.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

4. *Clause 6* seeks to introduce new subsection 77(1B) into Act 53 to require a person other than a company, limited liability partnership, trust body or co-operative society to furnish to the Director General a return of income in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 152A of Act 53.

This amendment has effect for the year of assessment 2024 and subsequent years of assessment.

5. *Clause 7* seeks to amend subsection 77A(1A) of Act 53 to extend the requirement of furnishing to the Director General a return of income in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 152A of Act 53 to a trust body or co-operative society.

This amendment has effect for the year of assessment 2024 and subsequent years of assessment.

6. *Clause 8* seeks to introduce a new subsection 77B(1A) into Act 53 to require a company, limited liability partnership, trust body or co-operative society to furnish to the Director General its amended return of income in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 152A of Act 53.

This amendment has effect for the year of assessment 2024 and subsequent years of assessment.

7. *Clause 9* seeks to amend subsection 83(1B) of Act 53 to extend the requirement of furnishing to the Director General a return by employer in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 152A of Act 53 to an employer who is a limited liability partnership, trust body or co-operative society.

This amendment has effect for the year of assessment 2024 and subsequent years of assessment.

8. *Clause 10* seeks to introduce new subsection 86(1A) into Act 53 to require a person referred to in paragraphs 86(1)(a) and (b) of Act 53 to furnish to the Director General a return by partnership in the prescribed form on an electronic medium or by way of electronic transmission in accordance with section 152A of Act 53.

This amendment has effect for the year of assessment 2024 and subsequent years of assessment.

9. *Clause 11* seeks to amend subparagraph 97A(5)(b)(iii) of Act 53 to expand the scope of application for relief under that subparagraph to a return which is alleged to be inaccurate by reason of a deduction not allowed in respect of payment not due to be paid under subsection 107D(3) of Act 53.

This amendment is deemed to have come into operation on 1 January 2023.

10. *Clause 12* seeks to amend section 103 of Act 53.

*Paragraph 12(a)* seeks to amend subsection 103(3) of Act 53 to provide that the amount of tax due and payable under subsection 103(3) of Act 53 which has not been paid and the increment by a sum equal to ten per cent of the tax so unpaid shall be subject to payment by instalments as allowed by the Director General under subsection 103(7) of Act 53.

*Paragraph 12(b)* seeks to amend subsection 103(7) of Act 53 to extend the application of payment by instalments as allowed by the Director General to the payment of tax or additional tax due and payable under subsections 103(1) and (1A) of Act 53.

These amendments have effect for the year of assessment 2023 and subsequent years of assessment.

11. *Clause 13* seeks to amend the proviso to subsection 107B(2) of Act 53. Currently, under the proviso to subsection 107B(2) of Act 53, a person other than a company, limited liability partnership, trust body or co-operative society may make an application to the Director General to vary the amount to be paid by instalments on account of tax and the number of instalments at any time not later than the thirtieth day of June in the year of assessment. With this amendment, such applications may be made once not later than the thirtieth day of June or once not later than the thirty first day of October or both in the year of assessment.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

12. *Clause 14* seeks to amend subsection 107D(1) of Act 53. Currently, under this subsection, a company which makes payment in monetary form to an agent, a dealer or a distributor arising from sales, transactions or schemes carried out by that agent, dealer or distributor is required to deduct from the payment, tax at the rate of two per cent on account of tax and shall render an account and pay the amount of tax to the Director General within thirty days after paying or crediting such payments. With this amendment, such payments must be made to the Director General not later than the end of the following calendar month after paying or crediting such payment in a calendar month.

This amendment is deemed to have come into operation on 1 January 2023.

13. *Clause 15* seeks to amend paragraph 131A(1)(c) of Act 53 to expand the scope of application for relief under section 131A of Act 53 to an assessment which is alleged to be excessive by reason of a deduction not allowed in respect of payment not due to be paid under subsection 107D(3) of Act 53.

This amendment is deemed to have come into operation on 1 January 2023.

14. *Clause 16* seeks to amend Schedule 1 to Act 53.

*Paragraph 16(a)* seeks to amend paragraph 1 of Part I of Schedule 1 to Act 53 to provide for new chargeable income and income tax rates which is applicable to individuals.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

*Paragraph 16(b)* seeks to amend paragraph 2A of Part I of Schedule 1 to Act 53 to provide for new chargeable income and income tax rates which is applicable to a company resident and incorporated in Malaysia which has a paid-up capital in respect of ordinary shares of two million five hundred thousand ringgit and less and gross income from source of business not exceeding fifty million ringgit.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

*Paragraph 16(c)* seeks to amend paragraph 2B of Part I of Schedule 1 to Act 53 to provide that the preferential tax rate specified in paragraph 2A shall not be applicable to a company if more than twenty per cent of its paid-up capital in respect of ordinary shares is directly or indirectly owned by one or more companies incorporated outside Malaysia or owned by one or more individuals who are not citizens of Malaysia.

This amendment has effect for the year of assessment 2024 and subsequent years of assessment.

*Paragraph 16(d)* seeks to amend paragraph 2D of Part I of Schedule 1 to Act 53 to provide for new chargeable income and income tax rates which is applicable to a limited liability partnership resident in Malaysia which has a capital contribution (whether in cash or kind) of two million five hundred thousand ringgit and less and gross income from source of business not exceeding fifty million ringgit.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

*Paragraph 16(e)* seeks to amend paragraph 2E of Part I of Schedule 1 to Act 53 to provide that the preferential tax rate specified in paragraph 2D shall not be applicable to a limited liability partnership if more than twenty per cent of its capital contribution (whether in cash or kind) is directly or indirectly contributed by one or more companies incorporated outside Malaysia or contributed by one or more individuals who are not citizens of Malaysia.

This amendment has effect for the year of assessment 2024 and subsequent years of assessment.

15. *Clause 17* seeks to amend paragraph 70A of Schedule 3 to Act 53 to delete the reference to the words “intangible asset” in the definition of “plant” and to empower the Minister to prescribe any other assets as assets which are excluded from the definition of “plant”.

This amendment has effect for the year of assessment 2023 and subsequent years of assessment.

## AMENDMENT TO THE REAL PROPERTY GAINS TAX ACT 1976

Chapter III of this Bill seeks to amend the Real Property Gains Tax Act 1976.

16. *Clause 19* seeks to amend paragraph 3 of Schedule 2 to Act 169.

*Subsubparagraph 19(a)(i)(B)* seeks to introduce new subsubsubparagraph 3(1)(b)(ia) into Act 169 to provide for the transfer of assets between former spouses pursuant to an order of any court in consequence of the dissolution or annulment of their marriage as one of the transactions in which disposal price of a chargeable asset is deemed equal to the acquisition price of the asset.

*Subsubparagraph 19(a)(i)(C)* seeks to amend subsubsubparagraph 3(1)(b)(ii) of Act 169 to provide that, in regard to the transfer of asset owned by a person mentioned in subsubsubparagraph 3(1)(b)(ii) of Act 169 to a company where the disposal price of a chargeable asset is deemed equal to the acquisition price of the asset in respect of the transaction, the company shall be incorporated in Malaysia.

These amendments come into operation on the coming into operation of this Act.

## AMENDMENT TO THE STAMP ACT 1949

Chapter IV of this Bill seeks to amend the Stamp Act 1949.

17. *Clause 21* seeks to amend the First Schedule to Act 378.

*Paragraph 21(a)* seeks to amend subitem 22(4) of the First Schedule to Act 378 to extend the imposition of stamp duty of RM10 on the instrument being the security of payment or repayment of money for the purpose of pursuing any course of study in any institution. As such, the amount of stamp duty imposed is the same as the stamp duty imposed for instrument being the security of payment or repayment of money for the purpose of pursuing tertiary education.

This amendment comes into operation on 1 June 2023.

*Paragraph 21(b)* seeks to amend subitem 27(d) of the First Schedule to Act 378 to extend the imposition of stamp duty of RM10 on charge, mortgage, assignment by way of security of account receivables to any statutory body, agency of the Government or of the State Government, or any company in which the Government or the State Government has interest, which provides financing to a small and medium enterprise.

*Paragraph 21(c)* seeks to amend subitem 32(c) of the First Schedule to Act 378 to extend the imposition of stamp duty of RM10 on the absolute bill of sale of account receivables or book debts pursuant to a factoring agreement to any statutory body, agency of the Government or of the State Government, or any company in which the Government or the State Government has interest, which provides financing to a small and medium enterprise.

These amendments come into operation on the coming into operation of this Act.

## AMENDMENTS TO THE PETROLEUM (INCOME TAX) ACT 1967

Chapter V of this Bill seeks to amend the Petroleum (Income Tax) Act 1967.

18. *Clause 23* seeks to amend section 30 of Act 543 to introduce a new subsection 30(1A) into Act 543 to provide that a chargeable person shall furnish its return under section 30 of Act 543 on an electronic medium or by way of an electronic transmission.

19. *Clause 24* seeks to amend section 30A of Act 543 to introduce a new subsection 30A(1A) into Act 543 to provide that a chargeable person shall furnish its return on expenditure incurred by the chargeable person during exploration period under section 30A of Act 543 on an electronic medium or by way of an electronic transmission.

20. *Clause 25* seeks to amend section 30B of Act 543 to introduce a new subsection 30B(1A) into Act 543 to provide that a chargeable person shall furnish an amended return under section 30B of Act 543 on an electronic medium or by way of an electronic transmission.

21. *Clause 26* seeks to introduce a new section 30c into Act 543 to enable a chargeable person who has furnished a return on expenditure incurred by the chargeable person during exploration period under section 30A of Act 543 to make amendment to such return in an amended return. That chargeable person may amend his return not later than six months from the due date of filing his return and the amendment can only be done once.

22. *Clause 27* seeks to substitute subsection 82A(1) of Act 543 to provide that any chargeable person shall, if so required under Act 543, or may, if so allowed by the Director General, furnish any form prescribed under Act 543 on an electronic medium or by way of an electronic transmission.

These amendments have effect for the year of assessment 2023 and subsequent years of assessment.

## GENERAL

23. Other amendments not specifically dealt with in this Statement are minor or consequential in nature.

*FINANCIAL IMPLICATIONS*

This Bill will not involve the Government in any extra financial expenditure.

[PN(U2)3317]