



# Tax developments



17 July 2023

---

KPMG in Malaysia

# Table of Contents

## Income Tax

- 1 Double deduction incentive for approved internship programme

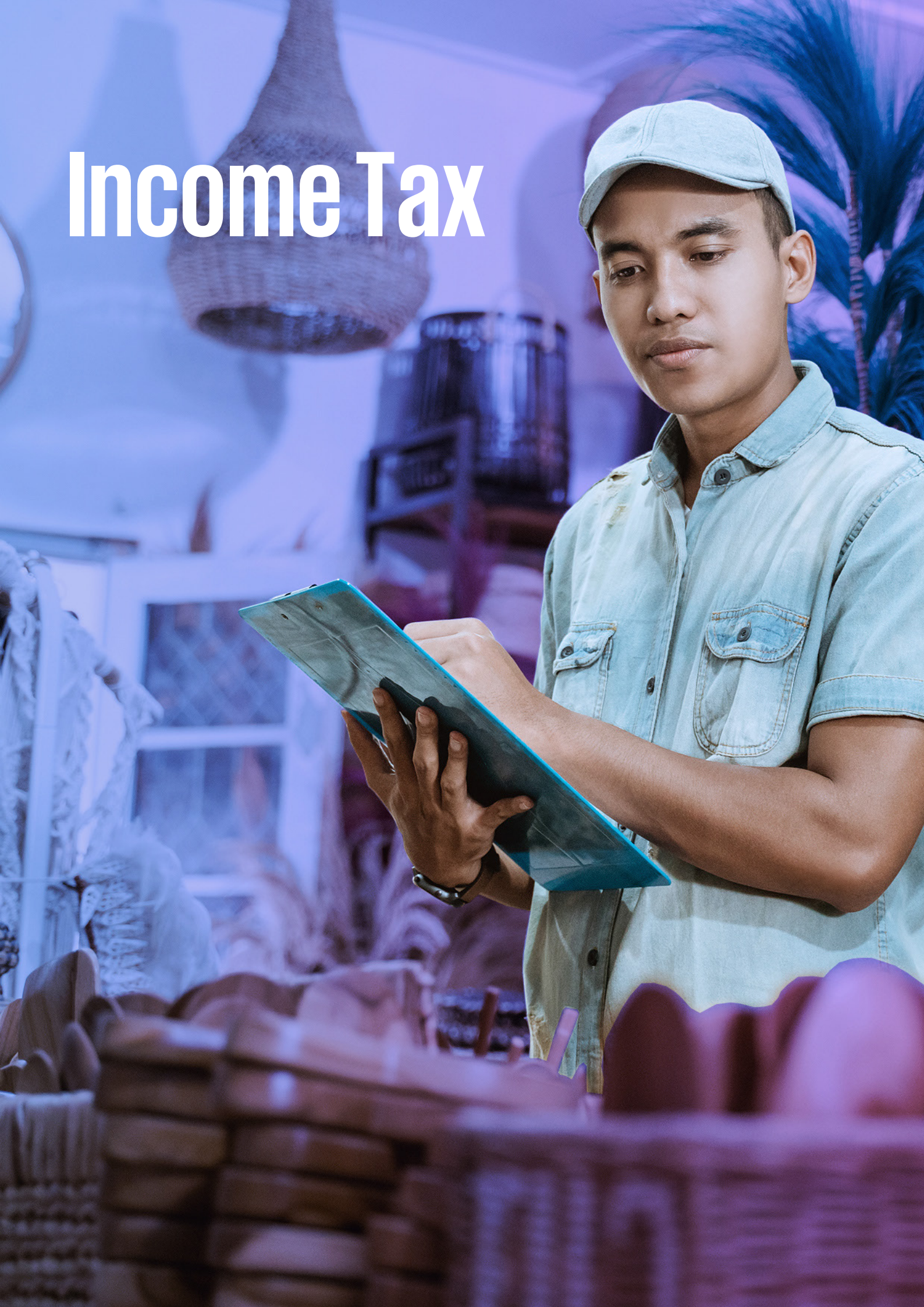
## Stamp Duty

- 1 Stamp duty remission for contract notes relating to sales of shares or stock traded on the Bursa Malaysia

## Indirect Tax

- 1 Service Tax (Amendment) Regulations 2023
- 2 Revised guides

# Income Tax



# Income Tax

## Double deduction incentive for approved internship programme

The Income Tax (Deduction for Expenditure Incurred for Provision of Approved Internship Programme) (Amendment) Rules 2023 have been gazetted to give effect to the Budget 2022 proposal and to amend the Income Tax (Deduction for Expenditure Incurred for Provision of Approved Internship Programme) Rules 2019.

The following are some of the salient changes effected by the Amendment Rules:

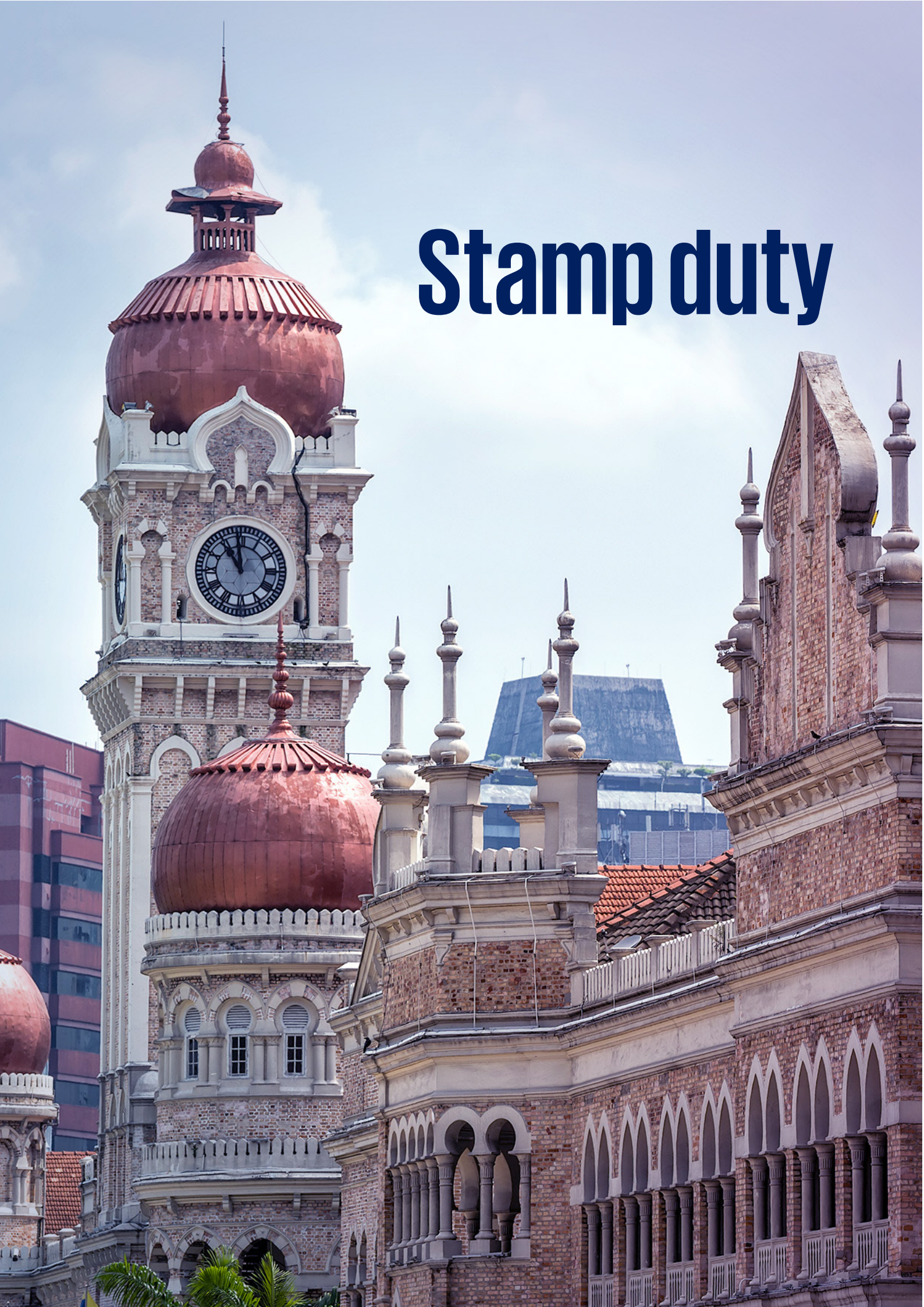
- (a) extend the double deduction incentive until YA 2025;
- (b) expand the scope of academic levels to include Master's degree, professional certificate and Malaysian Skills Certificate Level 1 and 2;
- (c) cover students who are pursuing a recognised qualified course offered outside Malaysia or at a recognised educational institution outside Malaysia;
- (d) increases the minimum qualifying monthly allowance from RM500 to RM600 for a student of Malaysian Skills Certificate Level 5 or Bachelor's degree or Master's degree or its equivalent, or professional certificate level; and
- (e) expand the scope of qualifying expenses to include digital and communication costs incurred for such students.



The Amendment Rules come into effect from YA 2022.

Source for the Rules: [Federal Legislation Portal of Malaysia](#)

# Stamp duty



# Stamp Duty

## Stamp duty remission for contract notes relating to sales of shares or stock traded on the Bursa Malaysia

The Stamp Duty (Remission) (No. 3) Order 2023 provides remission for stamp duty payable in excess of 0.1% on contract notes relating to sales of shares or stock traded on the Bursa Malaysia. The maximum amount of stamp duty payable after remission is capped at RM1,000. It revokes the earlier Stamp Duty (Remission) Order 2022.

The remission shall only apply to instruments executed from 13 July 2023 to 12 July 2028.

Source for the Orders: [Federal Legislation Portal of Malaysia](#)



# Indirect Tax



# Indirect Tax

## Service Tax (Amendment) Regulations 2023

The Service Tax (Amendment) Regulations 2023 has been gazetted, and come into operation on **15 May 2023**. The amendments include amongst others, to expand the scope of taxable services to include the provision or sale of the following items under Group A, B, C, D and E:

- (a) Cigarettes;
- (b) Tobacco products;
- (c) Smoking pipes (including pipe bowls);
- (d) Electronic cigarettes and similar personal electric vaporizing devices;
- (e) Preparation of a kind used for smoking through electronic cigarettes and electric vaporizing sdevice, in form of liquid or gel, whether or not containing nicotine; or
- (f) Alcohol and non-alcoholic beverages.

Source for the Amendment Regulations: [Federal Legislation Portal of Malaysia](#)

## Revised guides

Following on from the above and for consistency, the RMCD has issued the following revised guides (as set out below). Amongst others, the amendments cover the expansion of scope of taxable services as mentioned above.

- Guide on Accommodation (as at 27 June 2023)
- Guide on Food and Beverages (as at 26 June 2023)

Source for the Guides: Official portal of [RMCD – MySST \(SST Guides\)](#)



The table below sets out the various abbreviations and references used in this publication.

Abbreviation	Reference
RM	Ringgit Malaysia
RMCD	Royal Malaysian Customs Department
YA	Year of Assessment

# Contact Us

## Petaling Jaya Office

### Soh Lian Seng

Partner – Head of Tax and Head of Tax Dispute Resolution  
lsoh@kpmg.com.my  
+603 7721 7019

### Tai Lai Kok

Partner – Head of Corporate Tax  
ltai1@kpmg.com.my  
+603 7721 7020

### Bob Kee

Partner – Head of Transfer Pricing  
bkee@kpmg.com.my  
+603 7721 7029

### Long Yen Ping

Partner – Head of Global Mobility Services  
yenpinglong@kpmg.com.my  
+603 7721 7018

### Ng Sue Lynn

Partner – Head of Indirect Tax  
suelynnng@kpmg.com.my  
+603 7721 7271

## Outstation Offices

### Penang Office

#### Evelyn Lee

Partner – Penang Tax  
evewflee@kpmg.com.my  
+603 7721 2399

### Kota Kinabalu Office

#### Titus Tseu

Executive Director – Kota Kinabalu Tax  
titustseu@kpmg.com.my  
+603 7721 2822

### Ipoh Office

#### Crystal Chuah Yoke Chin

Associate Director – Ipoh Tax  
ycchuah@kpmg.com.my  
+603 7721 2714

### Kuching & Miri Offices

#### Regina Lau

Partner – Kuching Tax  
reglau@kpmg.com.my  
+603 7721 2188

### Johor Office

#### Ng Fie Lih

Partner – Johor Tax  
flng@kpmg.com.my  
+603 7721 2514

# KPMG Offices

## **Petaling Jaya**

Level 10, KPMG Tower,  
8, First Avenue, Bandar Utama,  
47800 Petaling Jaya, Selangor  
Tel: +603 7721 3388  
Fax: +603 7721 3399  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Penang**

Level 18, Hunza Tower,  
163E, Jalan Kelawei,  
10250 Penang  
Tel: +603 7721 3388  
Fax: +604 238 2299  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Kuching**

Level 2, Lee Onn Building,  
Jalan Lapangan Terbang,  
93250 Kuching, Sarawak  
Tel: +603 7721 3388  
Fax: +6082 530 669  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Miri**

1st Floor, Lot 2045,  
Jalan MS 1/2,  
Marina Square, Marina Parkcity,  
98000 Miri, Sarawak  
Tel: +603 7721 3388  
Fax: +6085 321 962  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Kota Kinabalu**

Lot 3A.01 Level 3A,  
Plaza Shell,  
29, Jalan Tunku Abdul Rahman,  
88000 Kota Kinabalu, Sabah  
Tel: +603 7721 3388  
Fax: +6088 363 022  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Johor**

Level 3, CIMB Leadership Academy,  
No. 3, Jalan Medini Utara 1,  
Medini Iskandar,  
79200 Iskandar Puteri, Johor  
Tel: +603 7721 3388  
Fax: +607 266 2214  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

## **Ipoh**

Level 17, Ipoh Tower,  
Jalan Dato' Seri Ahmad Said,  
30450 Ipoh, Perak  
Tel: +603 7721 3388  
Email: [info@kpmg.com.my](mailto:info@kpmg.com.my)

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.



[www.kpmg.com.my/Tax](http://www.kpmg.com.my/Tax)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2023 KPMG Tax Services Sdn. Bhd., a company incorporated under Malaysian law and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.