



# Tax developments



13 May 2026

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KPMG in Malaysia

# Table of Contents

## Income Tax

- 1 Updated FAQs on the implementation of GMT in Malaysia

## Stamp Duty

- 1 Stamp Duty Audit Framework

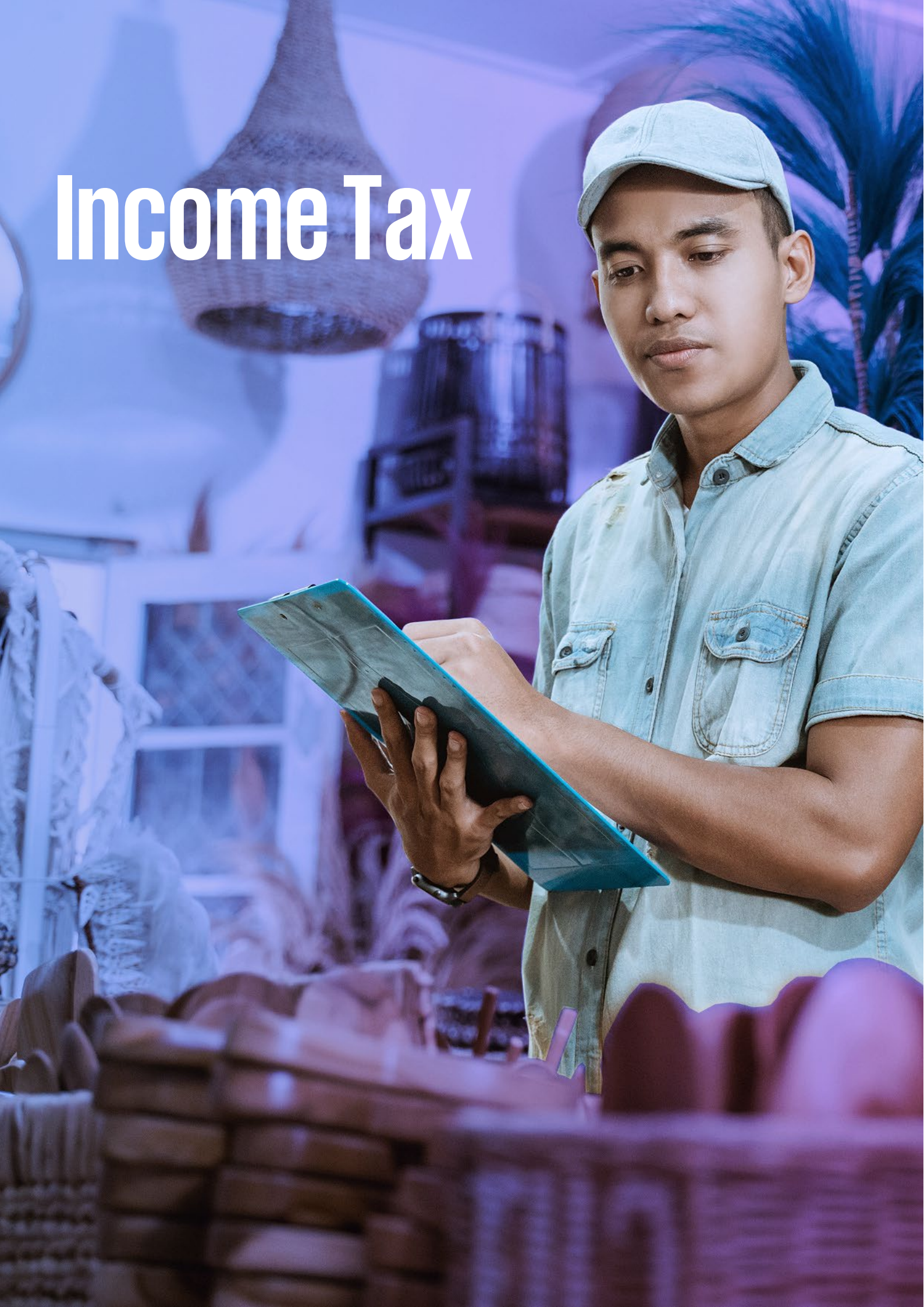
## Indirect Tax

- 1 Sales Tax Policy No. 2/2026
- 2 Service Tax Policy
- 3 Service Tax guides
- 4 Customs Duties (Goods under the Framework Agreement on Comprehensive Economic Co-operation among the Government of the Member States of the ASEAN and the Republic of Korea) (Amendment) Order 2026

## e-Invoicing

- 1 e-Invoice interim relaxation period timeline for targeted taxpayers
- 2 Determination of related companies for e-Invoice purposes

# Income Tax



# Income Tax

## Updated FAQs on the implementation of GMT in Malaysia

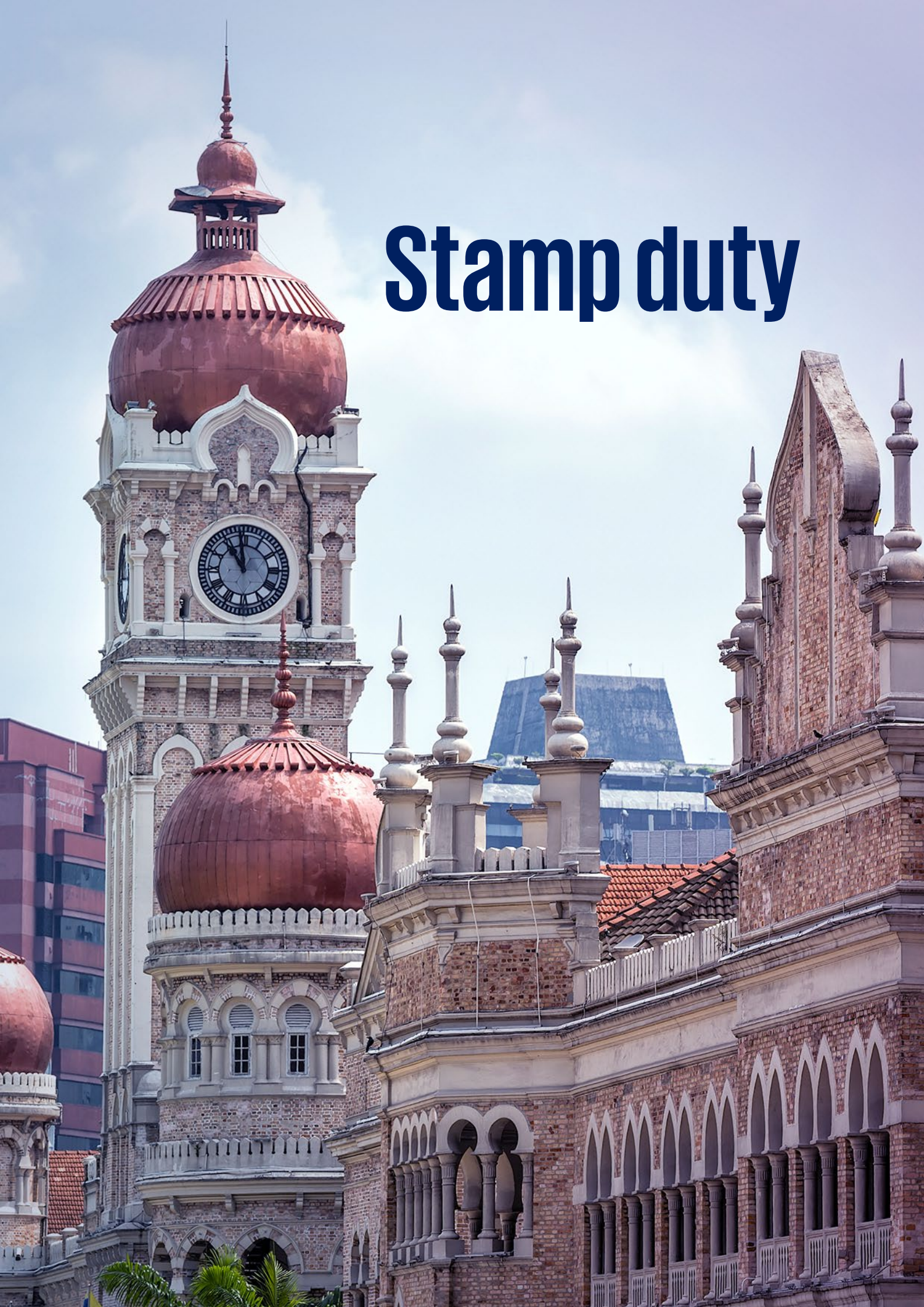
We wish to highlight the notable updates in Version 7.0 of the FAQs:

- The GMT provisions under the MITA are designed to automatically adopt any Agreed Administrative Guidance subsequently issued by the OECD Inclusive Framework. The MIRB may issue supplementary GMT guidelines to clarify the application of such Guidance within the Malaysian context where necessary.
- In cases of inconsistency between the MIRB guidelines and the Agreed Administrative Guidance, the latter shall take precedence.
- Where a Joint Venture is owned by two UPEs with different financial year ends, the deadlines for filing DTT return of the Joint Venture is determined based on the earlier financial year end of the UPE that begins on or after 1 January 2025, rather than the Joint Venture's own financial year end.

Source for the FAQs: Official Portal of [MIRB](#)



# Stamp duty



# Stamp Duty

## Stamp Duty Audit Framework

The MIRB has released the above which is effective from 1 January 2026 and replaces the previous version dated 1 January 2025. You may refer to KPMG's Tax Whiz dated 17 February 2025 (access from [here](#)) for a recap on the existing Framework.

Amongst others, we wish to highlight the following salient updates:

- The period covered under a stamp duty audit may cover the current year and preceding 3 years. Previously, the stamp duty audit period covers up to 3 calendar years.
- The Framework is not applicable for instruments stamped under the Stamp Duty Special Voluntary Disclosure Program ("SVDP") from 1 January 2026 to 30 June 2026. You may refer to KPMG's Tax Whiz dated 30 January 2026 (access from [here](#)) for more details on the SVDP.

Source for the Framework (only available in the Malay Language): Official Portal of [MIRB](#)



# Indirect Tax

# Indirect Tax

## Sales Tax Policy 2/2026

Following the MOF's Press Release dated 20 April 2026, the RMCD has issued Sales Tax Policy 2/2026 in relation to temporary measures on Import Duty and Sales Tax exemptions arising from the Middle East conflict dated 4 May 2026.

The MOF has agreed to exempt Import Duty and Sales Tax on goods that were manufactured by a registered manufacturer in Malaysia which have been exported and subsequently re-imported into Malaysia by the same registered manufacturer due to the Middle East conflict, effective **until 31 December 2026**.

Registered manufacturers may apply for such exemption, subject to meeting the following conditions:

- The re-importation shall be carried out by the **same registered manufacturer who originally exported** the goods;
- It must be proven that there is a **direct link** between the goods being exported and re-imported due to the **disruptions caused by the conflict in the Middle East**, including safety concerns, port closures or inaccessibility of ports, diversions of vessel route, or the postponement/ cancellation of acceptance by the buyer, and shall be supported by relevant documents, including confirmation from the shipping company, forwarding agent, or buyer;
- The quantity of goods re-imported must be **equivalent** to the quantity exported for that shipment and shall not involve a partial return of the original shipment;
- The goods re-imported shall be **the same goods** as those previously exported and shall not involve any replacement or substitution with other goods;
- **Ownership of the goods shall remain with the same registered manufacturer** who exported the goods throughout the export and re-importation period;
- The re-imported goods shall **remain under the full control and responsibility of the registered manufacturer**;
- The goods shall be **re-exported within six (6) months from the date of re-importation**, which **may be extended for an additional period of six (6) months** subject to evaluation and approval by the RMCD;
- In the event that the goods are **disposed of or sold** in the local market, **Sales Tax and Import Duty shall be imposed** in accordance with the prevailing legal provisions;
- The registered manufacturer shall **submit and retain complete documentation** to substantiate the relationship between the export and re-importation, as well as for audit purposes by RMCD;
- Subject to **any additional conditions as may be determined by RMCD** for the purposes of implementation and control; and
- This exemption is temporary in nature, limited to the current conflict and **shall not be treated as a precedent** for other cases.

The procedures for the implementation of the exemption on Import Duty and Sales Tax are as follows:

- At the time of declaration of Customs No. 1 Form, the importer shall submit a written application letter on the company's letterhead in respect of the importation under the "Sales Tax Exemption and Import Duty Relief Following the Conflict in the Middle East", together with the original Customs No. 2 Form and supporting documents to substantiate that the re-importation is directly related to the conflict in the Middle East. Examples of such documents include confirmation letter from the shipping company, forwarding agent, port authority, or buyer;
- Where the imported goods are subject to the Customs (Prohibition of Imports) Order 2023 and any other prohibitions currently in force, such importation shall be subject to the conditions and requirements stipulated under the relevant Order or prohibition; and
- The imported goods shall be re-exported within six (6) months from the date of re-importation. **Any application for an extension of the export period** shall be submitted to the internal tax division at the registered manufacturer's controlling station before the expiry of the prescribed period.

Source for the Sales Tax Policy: [RMCD - MySST \(Sales Tax Policy\)](#)

## Service Tax Policy

The RMCD has issued the following Service Tax Policy and Amendment:

- Service Tax Policy 1/2025 (Amendment No. 4) in relation to Financial Services dated 1 April 2026.

Amendment is made to the table to include items 12 and 13, for completeness:

No.	Exemption	Conditions
12	<p>Exemption from the payment of Service Tax in respect of the acquisition of brokerage services relating to the trading of shares</p> <ul style="list-style-type: none"> <li>▪ This Item is transferred from Service Tax Policy No. 3/2021 dated 31 December 2021 (BM Version).</li> <li>▪ This exemption shall take effect <b>from 1 January 2022</b>.</li> </ul>	<ul style="list-style-type: none"> <li>(a) The service provider is a registered person under the STA 2018; and</li> <li>(b) The exemption shall apply only to the trading of shares listed on Bursa Malaysia.</li> </ul>
13	<p>Exemption from the payment of Service Tax on fees or commissions charged for services provided through a domestic commodity trading platform</p> <ul style="list-style-type: none"> <li>▪ This Item is transferred from Service Tax Policy No. 8/2024 dated 26 December 2024.</li> <li>▪ This exemption shall take effect from 1 October 2024.</li> <li>▪ Any Service Tax collected from customers up to 30 September 2024 shall be remitted to the</li> </ul>	<ul style="list-style-type: none"> <li>(a) The service provider is a registered person under the STA 2018;</li> <li>(b) The recipient of the service is a financial service provider; and</li> <li>(c) The fees or commissions borne by the service recipient are for the purpose of providing Islamic financial services to customers.</li> </ul>

No.	Exemption	Conditions
	<p>RMCD in accordance with section 26 of the STA 2018.</p> <ul style="list-style-type: none"> <li>▪ No refund of Service Tax shall be granted to any person who has paid Service Tax prior to 1 October 2024.</li> <li>▪ The RMCD shall be entitled to recover Service Tax from any service provider liable for registration under subsection 12(2) of the STA 2018 who has not registered, or who, being registered, has failed to account for and remit the Service Tax in accordance with the applicable legislation.</li> </ul>	

Items 5 (d)(i) and 6(d)(i) have also been rephrased to make reference to the above items instead of the Service Tax Policy No. 3/2021 (STP 3/2021).

- Service Tax Policy 1/2026 in relation to Health Screening Management Services dated 4 May 2026 – available in Malay language only.

Providers of health screening management services are required to register for Service Tax under the category of Management services by 30 April 2026 and charge Service Tax on the provision of such services from **1 May 2026**.

Under section 34(3)(a) of the STA 2018, recipients of health screening management services are exempted from payment of Service Tax; whilst under section 34(4) of the STA 2018, providers of health screening management services are exempted from charging and collecting payment of Service Tax between **1 September 2018 to 30 April 2026**.

Any Service Tax amount received between 1 September 2018 to 30 April 2026 should be remitted to the RMCD in accordance with section 26 of the STA 2018 and no refund of Service Tax is allowed to any person who has paid such Service Tax.

Source for the Service Tax Policies: [RMCD - MySST \(Service Tax Policy\)](#)

## Service Tax guides

The RMCD has issued the following Service Tax guides:

- Guide on Transmission and Distribution of Electricity Services (Version 4) dated 16 April 2026 (available in Malay language only)
- Guide on Management Services (Version 5) dated 6 May 2026

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

## **Customs Duties (Goods under the Framework Agreement on Comprehensive Economic Co-operation among the Government of the Member States of the ASEAN and the Republic of Korea) (Amendment) Order 2026**

The Customs Duties (Goods under the Framework Agreement on Comprehensive Economic Co-operation among the Government of the Member States of the ASEAN and the Republic of Korea) (Amendment) Order 2026 has been gazetted, and came into operation on **1 May 2026**.

Amendments are made in the principal Order under the following paragraphs:

- Paragraph (3), subparagraph (2), by substituting for the words “Customs Duties Order 2017 [P.U. (A) 5/2017]” the words “Customs Duties Order 2025 [P.U. (A) 384/2025]”; and
- Paragraph (3) subparagraph (4), and paragraph (5), by substituting for the words “Customs Duties Order 2017” the words “Customs Duties Order 2025”.

The principal Order is also amended in the First Schedule by substituting for Appendix 1 the revised version as set out in the amendment Order.

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

# e-Invoicing



# e-Invoicing

The MIRB has issued an updated e-Invoice Specific Guideline (Version 4.7) and e-Invoice general FAQs on 20 April 2026 and 5 May 2026 respectively which replace the e-Invoice Specific Guideline (Version 4.6) and e-Invoice general FAQs dated 5 January 2026.

## Topic Salient Updates to the Guidelines and FAQs

e-Invoice interim relaxation period timeline for targeted taxpayers

The MIRB has provided updates to the timeline for the e-Invoice interim relaxation period for taxpayers as outlined below: -

Phase	Implementation date	Interim relaxation period
Phase 4	<ul style="list-style-type: none"> <li>1 January 2026</li> <li>1 July 2026</li> </ul>	The interim relaxation period for taxpayers with an annual turnover or revenue of <b>RM1 million up to RM 5 million</b> has been extended until <b>31 December 2027</b> .

The MIRB will not undertake any prosecution action under Section 120 of the Income Tax Act, 1967 during the interim relaxation period on non-compliance of the e-Invoice requirements, provided that taxpayers comply with the requirements mentioned under Section 16.2 (a) and (b) of the e-Invoice Specific Guideline.

Determination of related companies for e-Invoice purposes

The MIRB has clarified the treatment of taxpayers with a common shareholder for e-Invoice purposes as follows: -

Types of shareholders	Details
Taxpayers with a common corporate shareholder	<ul style="list-style-type: none"> <li>Companies are regarded as related companies for e-Invoice purposes <b>where their operations are controlled, either directly or indirectly</b>, by another company.</li> <li>A Company that holds <b>at least 20% of the issued share capital</b> in another company is <b>treated as related company</b> for e-Invoice purposes.</li> <li>Even if the corporate shareholder's shareholding is <b>below 20%</b>, the companies will still be regarded as related companies for e-Invoice purposes if the <b>corporate</b></li> </ul>

Topic	Salient Updates to the Guidelines and FAQs	
	<b>shareholder exercises control over the operations of the companies.</b>	
Taxpayers with a common individual shareholder	<ul style="list-style-type: none"> <li>Companies whose operations are controlled by the same individual shareholder are <b>not considered related companies</b> for e-Invoice purposes.</li> </ul>	
Taxpayers with a common director who does not have any shareholding in the taxpayers	<ul style="list-style-type: none"> <li>The <b>mere presence</b> of a common director does not result in two (2) companies to be regarded as related companies for e-Invoice purposes.</li> <li>For e-Invoice purposes, the determination of whether companies are related is based on <b>shareholding ownership and control at the shareholder level.</b></li> </ul>	
Taxpayers with a common individual shareholder who is also a common director of the taxpayers	<ul style="list-style-type: none"> <li>Where two (2) companies are <b>owned by the same individual shareholder</b>, they are not regarded as related companies for e-Invoice purposes, even if the individual shareholder also serves as a director in both companies.</li> </ul>	

Source for the Guideline and FAQs: Official portal of [MIRB](#)

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

	Reference
DTT	Domestic Top-up Tax
FAQs	Frequently Asked Questions
GMT	Global Minimum Tax
MIRB	Malaysian Inland Revenue Board
MITA	Malaysian Income Tax Act, 1967
MOF	Ministry of Finance
OECD	Organisation for Economic Co-operation and Development
RMCD	Royal Malaysian Customs Department
STA 2018	Service Tax Act 2018
SVDP	Special Voluntary Disclosure Program
UPE	Ultimate Parent Entity

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