



2027 Budget Snapshots

**The Fifth MADANI Budget:
Reaching for the Skies, While
Anchored on Our Values**

October 2026

KPMG. Make the Difference.

KPMG in Malaysia

Overview and commentary

MADANI Tax 2027 Budget: Inclusive by Design, Balanced in Delivery

Friday, 9 October 2026 marks the tabling of Malaysia's 2027 Budget by Prime Minister and Finance Minister YAB Dato' Seri Anwar Ibrahim.

As the fifth MADANI Budget and the second under the 13th Malaysia Plan, seeks to translate reforms into tangible benefits while maintaining fiscal discipline and competitiveness. If there is one word that encapsulates 2027 Budget, it is "inclusive".

With growth projected at 4.2% to 5.2% in 2027 and the fiscal deficit narrowing to 3.3% of GDP, the Budget aims to balance support for the rakyat, economic growth and fiscal sustainability.

Putting more into the rakyat's pocket - For individuals, the increase in personal tax relief from RM9,000 to RM12,000, lower tax rates for selected income bands and expanded reliefs for healthcare, caregiving, education, skills development and lifestyle expenses should provide welcome support, particularly for middle-income households and the "sandwich generation". Together with measures to raise earning capacity, these initiatives should strengthen disposable income, consumption and economic growth. The challenge is ensuring that wage and productivity gains keep pace with rising costs and prices.

Giving MSMEs room to grow - For MSMEs, the one-percentage-point reduction in income tax rates should provide relief amid rising costs. Enhanced capital allowance measures and stamp duty concessions for selected financing arrangements should support cash flow, reinvestment, digitalisation and productivity. The Sales Tax refund facility given to local traders or distributors for supplying qualifying machinery, equipment and selected inputs to manufacturer reduce costs and strengthen local supply chains. Together, these measures support stronger businesses, better jobs and higher incomes.

Strengthening Malaysia's competitiveness - The enhanced Global Services Hub incentive should encourage new investment and higher-value activities, strengthening Malaysia's position as a hub for regional headquarters, shared services, treasury operations and other strategic functions. Together with incentives for

qualifying activities within the Johor-Singapore Special Economic Zone and the extension of green technology incentives, the Budget reinforces Malaysia's ambition to attract higher-value and sustainable investment.

Incentives on one hand, compliance on the other – 2027 Budget is not only about tax reliefs and incentives. It also emphasises compliance, transparency and tax system integrity. With the fiscal deficit targeted at 3.3% of GDP, fiscal sustainability will require economic growth, sustainable revenue collection, expenditure discipline and stronger compliance, rather than higher tax rates alone.

From reform to results – 2027 Budget marks a shift from reform to results. Success will ultimately be measured by whether these measures deliver higher disposable incomes, stronger businesses, quality jobs and greater investment for the rakyat. Clear legislation, timely implementation and continued engagement between the Government, businesses and taxpayers will be critical. With effective execution, 2027 Budget can support stronger consumption, greater investment and more sustainable growth for Malaysians.

An inclusive Budget should ultimately deliver inclusive growth.

Should you have any queries relating to this Snapshot or other tax matters, please contact your KPMG consultants or email us at info@kpmg.com.my.



Soh Lian Seng

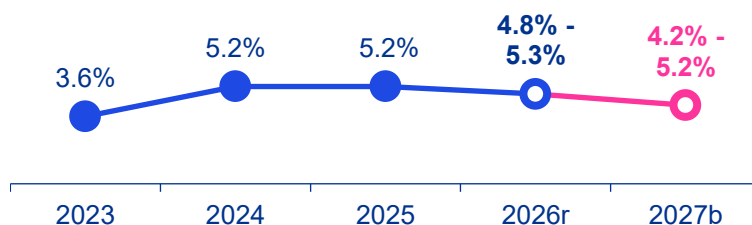
Partner | Head of Tax
KPMG Tax Services Sdn Bhd

State of our economy

GDP growth

- Malaysia's economy is projected to grow **4.8% to 5.3% in 2026** and to **moderate between 4.2% to 5.2% in 2027**, driven by sustained domestic demand, favorable labor market conditions, continued income growth, and robust investment activity.
- Private consumption, a key driver of growth, is supported by sustained household purchasing power and continued expansion in tourism, retail, transportation, and other services.

Year-on-Year (YOY) GDP growth



Source: Ministry of Finance, Economic Outlook 2027

GDP growth by sectors

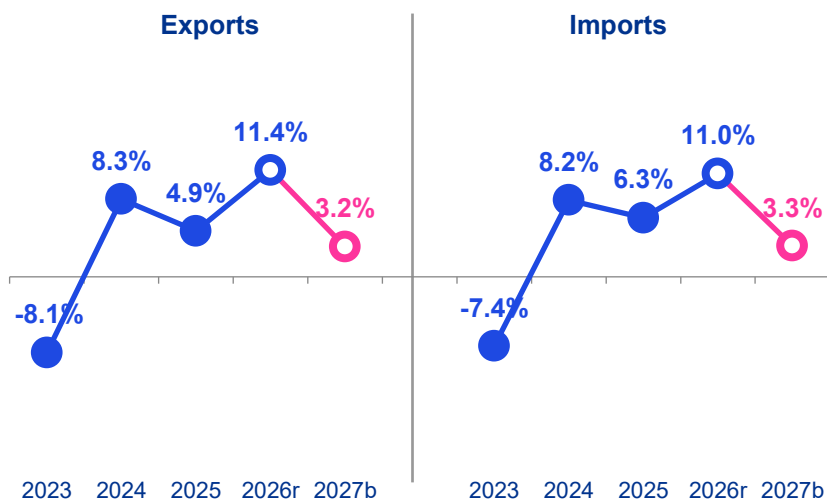
- Most economic sectors are expected to expand.**
- Services sector's growth** is driven by high-value digital services, resilient private consumption, and stronger tourist arrivals under Visit Malaysia 2026–2027.
- The **Manufacturing sector** is expected to expand, supported by moderate expansion in export-oriented industries, while the **construction sector** is projected to maintain steady growth, driven by sustained activity in non-residential buildings and specialized construction.

Year-on-Year (YOY) GDP growth (%)	2023	2024	2025	2026r	2027b
Manufacturing	0.7	4.2	4.5	6.2	4.1
Agriculture	0.4	3.4	2.2	-2.1	0.5
Services	5.2	5.4	5.4	5.5	5.2
Mining	0.5	1.2	0.6	2.6	1.2
Construction	5.9	17.6	12.2	6.4	5.7

Source: Ministry of Finance, Economic Outlook 2027

Trade

- Total trade is projected to reach RM3,895.5 billion in 2026 and RM4,021.8 billion in 2027**, supported by the technology upcycle and favorable energy conditions, despite slower global trade growth.
- In 2027, **gross exports** are projected to grow by 3%, driven by manufactured, mining and agricultural goods, alongside continued strength in the Electrical and Electronic (E&E) sector, particularly semiconductors. Meanwhile, **gross imports** are expected to rise by 3.5%, supported by intermediate, capital and consumption goods.



Sources: Ministry of Finance, Economic Outlook 2027

Note: r - Revised estimate b - Budget estimate, excluding 2027 Budget measures

Domestic demand

- Domestic demand is forecasted to **remain resilient, continuing to drive overall economic growth**, expanding by 5.4% in 2026 and 5.1% in 2027. This will be steered by sustained private sector consumption and investment activities.
- In 2027, private sector activity is expected to contribute 4.1 percentage points to GDP growth, supported by resilient consumption and investment. Private consumption is expected to remain strong while private investment is set to expand further, particularly in the technology intensive services and manufacturing sectors.

Year-on-year (YoY) change, in %	2023	2024	2025	2026r	2027b
Public consumption	3.3	4.7	5.3	3.8	3.2
Public investment	8.6	11.1	10.3	7.7	6.8
Private consumption	4.7	5.1	5.3	5.0	4.8
Private investment	4.6	12.3	9.4	7.8	7.1

Sources: Ministry of Finance, Economic Outlook 2027

Labor market

- Labor market remains stable in 2026**, supported by with steady economic performance, robust domestic demand and continued external sector performance.
- Labor market resilience is expected to continue in 2027, despite persistent geopolitical uncertainties, supported by robust domestic demand. **Total employment is forecast to grow by 2.0% to 17.2 million persons**, while the unemployment rate is estimated to remain low at 3.0%.

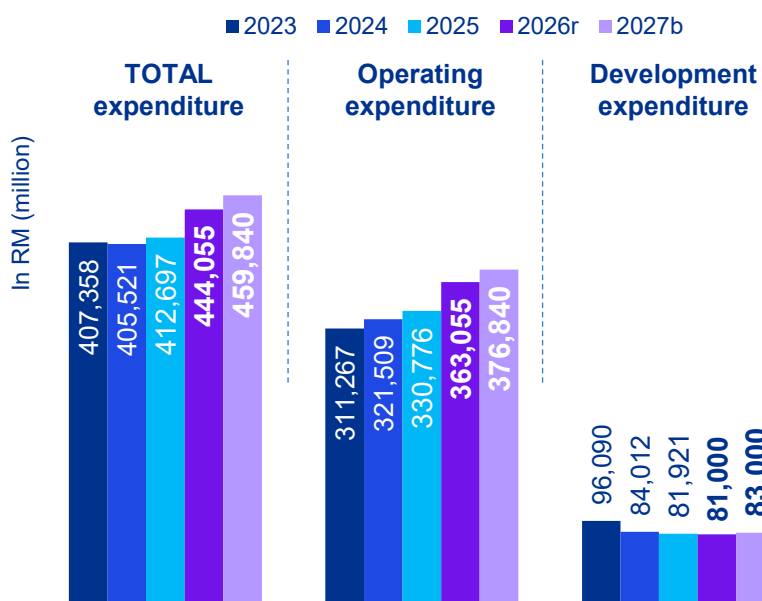
Unemployment rate



Source: Ministry of Finance, Economic Outlook 2027

Federal government expenditure

- The **total expenditure for 2026 has been revised upward** from the initially approved RM419.2 billion **to RM444.1 billion**, with 81.8% is channeled to operating expenditure (OE) and 18.2% is earmarked for development expenditure (DE). The **social sector emerges as the largest beneficiary**, receiving RM154.8 billion (34.9% of total expenditure).
- For 2027, RM459.8 billion has been allocated, representing 19.8% of GDP.** 81.9% is allocated for OE while the remaining 18.1% is earmarked for DE. The Ministry of Education (MOE), Ministry of Health (MOH) and Ministry of Defence are the top three recipients, collectively accounting for 30.2% of total expenditure.
- Fiscal deficit is revised to 3.6% of GDP in 2026 and projected to narrow further to 3.3% of GDP in 2027.

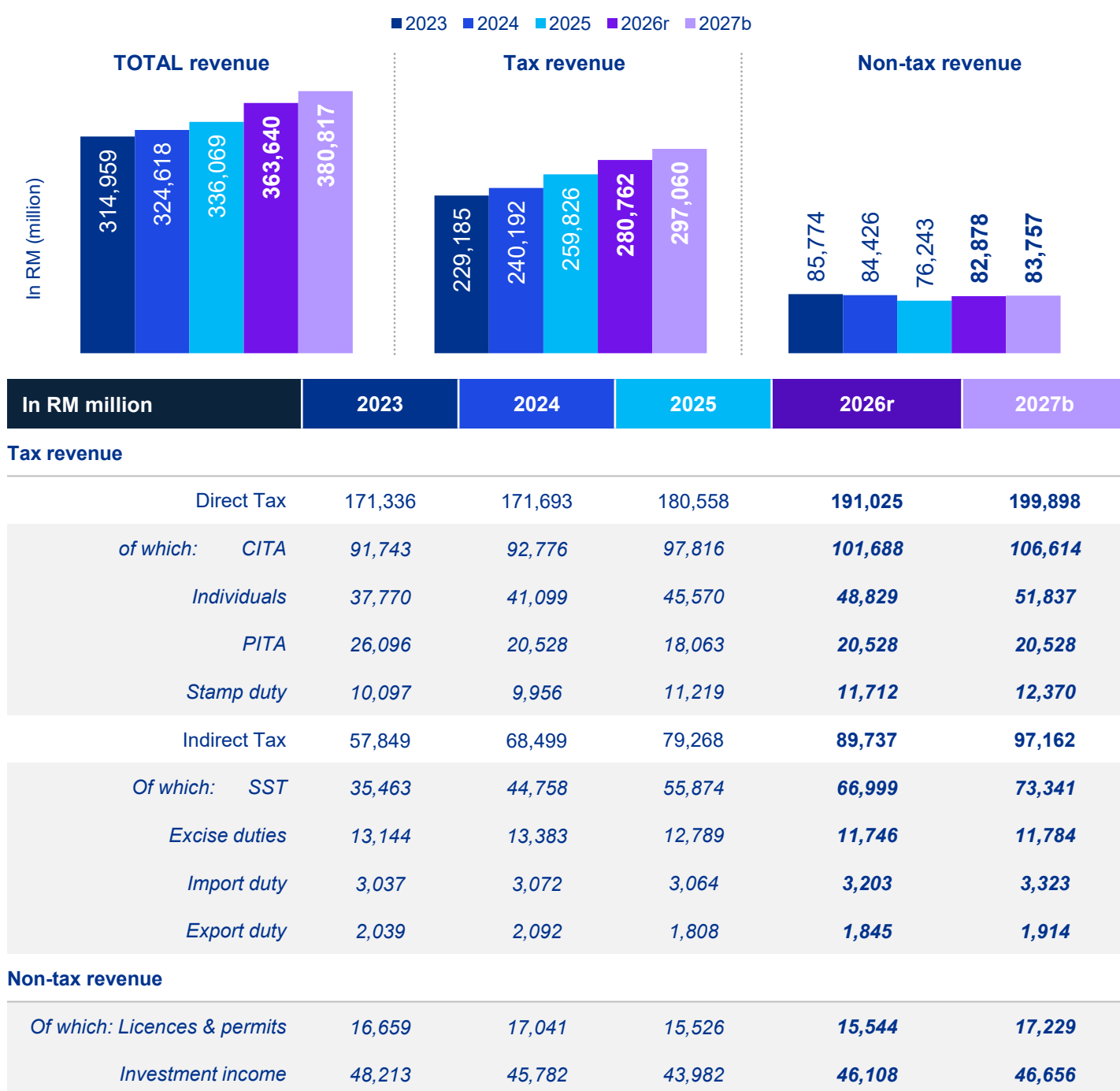


Source: Ministry of Finance, 2027 Fiscal Outlook and Federal Government Revenue Estimates

Note: r - Revised estimate b – Budget estimate, excluding 2027 Budget measures

Federal government revenue

- The **federal government revenue in 2026 is projected to rise 6.0% to RM363.6 billion**. Tax revenue remains the largest contributor (RM280.7 billion, 77.2% of total revenue, 12.8% of GDP), while **non-tax revenue** contributes RM88.9 billion (represents 22.8% of total revenue). **Direct tax collection is expected to grow by 5.8% to RM191 billion**, mainly driven by higher income tax receipts. **Indirect tax revenue is forecast to expand by 13.2% to RM89.7 billion**, led by stronger Sales Tax and Service Tax (SST) collections.
- The **federal government revenue is estimated to reach RM380.8 billion in 2027**, underpinned by resilient albeit moderating economic growth. After taking into account the 2027 Budget measures, the revenue is expected to be RM377.8 billion, reflecting an estimated revenue loss of RM2.9 billion, mainly from direct tax revenue.
- Tax revenue** is projected to grow by 5.8% to RM297.1 billion (78.0% of total revenue, 12.8% of GDP), while **non-tax revenue** remains stable at RM83.7 billion (3.6% of GDP). **Stamp duty collections are expected to continue rising**, reaching to RM12.4 billion, supported by the phased implementation of the Stamp Duty Self-Assessment System (STSDS), particularly for property transfer instruments effective 1 January 2027.



Source: Ministry of Finance, 2027 and 2026 Fiscal Outlook and Federal Government Revenue Estimates

Note: r - Revised estimate b - Budget estimate, excluding 2027 Budget measures

2027 budget highlights

Key announcements

1 Reduction of Income Tax Rate for Micro, Small and Medium Enterprises (MSMEs)

Income tax rate for first RM600,000 chargeable income

↓ 1%

Effective from Year of Assessment (YA) 2027, the corporate income tax rates will be reduced for MSMEs as follows:

- First RM150,000 of chargeable income: reduced from 15% to **14%**
- RM150,001 to RM600,000 of chargeable income: reduced from 17% to **16%**
- Chargeable income exceeding RM600,000: prevailing corporate income tax rate of **24%**.

2 Stamp Duty on Foreign Currency Loan or Financing Agreements

- Maximum limit of stamp duty imposed on loan or financing agreements in foreign currency from banks in Malaysia:
 - RM2,000 for facilities up to RM100 million; and
 - RM5,000 for facilities exceeding RM100 million
- For loan or financing agreements executed from 1 January 2027.

3 Changes to Income Tax Rate for Resident Individual from YA 2027

↓ 1%

- 19% to 18% for the chargeable income band of RM70,001 to RM100,000
- 25% to 24% for the chargeable income band of RM100,001 to RM150,000

↑ 2%

- 28% to 30% for the chargeable income band of RM1,000,001 to RM2,000,000

4 Individual Relief

- Amount to be increased from RM9,000 to RM12,000
- From YA 2027.

Corporate Tax

■ Commentary

Revenue growth is expected to come from broadening the tax base, improving compliance and refining existing tax policies, without introducing new taxes or raising tax rates. 2027 Budget also introduces targeted measures to ease cost-of-living pressures for M40 households.

Individual income tax relief was increased, with the basic relief raised from RM9,000 to RM12,000 and other reliefs expanded to cover medical care, sports equipment, children's tuition, AI subscriptions and pet adoption. Tax rates were also reduced for selected middle-income earners, while high-income earners with chargeable income exceeding RM1 million will face a higher tax rate.

For MSMEs, the reduction in income tax rates will provide additional financial flexibility to support business operations and growth. Accelerated capital allowances for certain locally sourced capital expenditure have also been extended to the end of 2030 for all businesses.

Overall, greater use of AI, data analytics and e-invoicing by the Inland Revenue Board and Royal Malaysian Customs is expected to strengthen tax administration and support higher tax revenue in 2027.

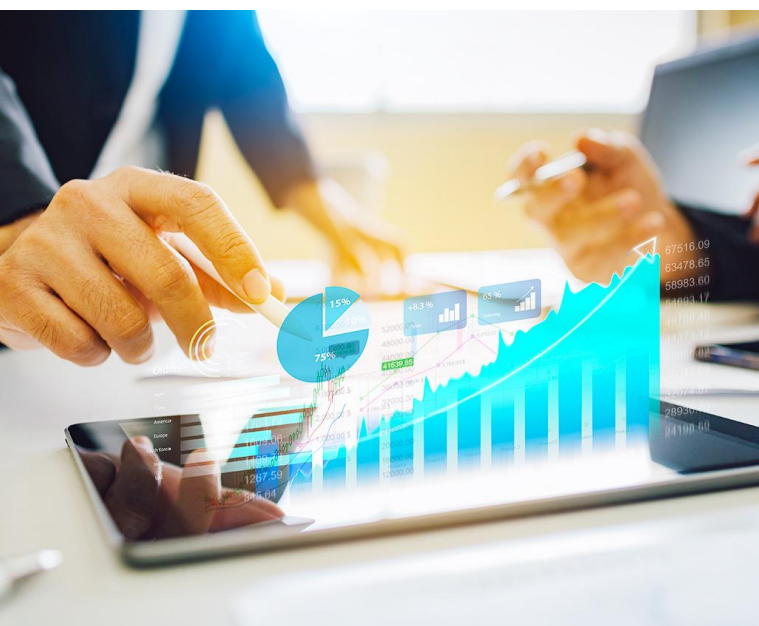


Dr Veerinderjeet Singh
Senior Adviser on Tax Policy

5

Tax Deduction for Sukuk Prisma Issuance Costs

- Tax deduction will be granted on issuance costs for Sukuk Prisma to finance sustainable projects approved or authorised by, or lodged with, the Securities Commission Malaysia (SC), from YA 2027 to YA 2030.



6

Extension of Shariah-Compliant Fund Management Tax Incentive

- The income tax exemption rate for resident companies providing SC-approved Shariah-compliant fund management services will be revised from 60% to 40% of statutory income derived from managing Shariah-compliant funds.
- The exemption will be extended for 3 years from YA 2028 to YA 2030.

7

Tax Deduction for Cashless Salary Payments

- Effective YA 2028, tax deductions for salary expenses will be allowed only for payments made through financial institutions or prescribed cashless payment instruments. This restriction is not applicable for MSMEs.

8 Tax Deduction on Repayment of National Higher Education Fund Corporation (PTPTN) Loan

- Tax deduction for employers repaying PTPTN loan on behalf of employees, subject to the following conditions:
 - The employer shall not impose any payment to the employee as a consideration for the PTPTN loan repaid by the employer;
 - The employee must be a full-time employee; and
 - The employee must not be the owner of the business or have family ties with the employer.
- For PTPTN loan repayment made by employer from 1 January 2027 until 31 December 2028.

9 Introduction of a Multi-Family Office (MFO) Model

- A MFO model will be introduced in Forest City, allowing licensed fund managers to manage and provide services to multiple families, including approved Single Family Office Vehicles.

10 Implementation of BAKAT MADANI Training Programme

- Tax deduction for participating companies in implementing BAKAT MADANI training programme from 29 June 2026 to 31 December 2030.

11 Extension of Tax Exemption for Malaysian Shipping Company

- Extension of income tax exemption of 100% granted to Malaysian Shipping Company from YA 2027 to YA 2036. This extension is subject to the following conditions:
 - Strategic management and effective control implemented in Malaysia;
 - Annual operating expenditure in Malaysia of at least RM250,000 for each Malaysian ship; and
 - Employ at least 4 Malaysian citizens with an average monthly salary of RM15,000 for each Malaysian ship.

12 Tax Deduction on Relocation Costs

- Tax deduction on qualifying relocation costs of up to RM5 million for wholly Malaysian-owned automotive vendor companies relocating to the Automotive Hi-Tech Valley in Tanjong Malim.
- For expenses incurred from 1 January 2027 to 31 December 2030.

13 Expansion of School Public Contribution Fund (TSUWAS) Scope

- Effective YA 2027, the scope of TSUWAS under subsection 44(6) of the Malaysian Income Tax Act, 1967 will be expanded to cover administrative and operating expenses, repairs and maintenance, equipment procurement and implementation of student programmes.



■ Commentary

2027 Budget sends a clear message: the quality of investment matters as much as its size. Support is being directed towards strategic activities and locations, from semiconductor development and automotive investment to selected green technologies and regional services. These measures aim to build Malaysia's capabilities and competitiveness, with the New Incentive Framework providing an outcome-based approach to assessing what manufacturing investments will deliver.

For businesses, a strong case for government support must go beyond capital expenditure. Investors must show how their projects will improve productivity, introduce technology, create skilled Malaysian jobs and develop local suppliers. The real measure of success will be how effectively investments translate into lasting economic value for Malaysia.



Mah Chun Wai
Senior Director

14 Review of Tax Incentives for Global Services Hub (GSH)

New company

5%

Tax rate on
GSH income

Existing company

15%

or

5%

Tax rate on GSH
income not
exceeding the
prescribed base
income

Tax rate on GSH
income exceeding
the prescribed
base income

Incentive period

- Every 5 years up to a maximum of 30 years (subject to the company's performance / commitment during the preceding and subsequent incentive periods).

Qualifying services

- Regional P&L / Business Management Unit;
- Strategic business planning; and
- Corporate development.

Additional services

Must undertake a minimum of 2 qualifying activities under the following service categories:

- Strategic services; or
- Business services including Treasury Fund Management (TFM); or
- Shared services.

Exempted income

- Service income; or
- Service and trading income; and
- TFM activity income as prescribed by the Minister of Finance.

Treasury Fund Management

GSH company undertaking TFM activities specifically for cash pooling via onshore intermediaries be given the following additional incentives:

- Withholding tax exemption on interest paid to non-residents; and
- Stamp duty exemption of 100% on loan agreements between companies in foreign currencies.

The above additional incentives are also expanded to the Johor-Singapore Special Economic Zone (JS-SEZ) incentive package.

Effective date

For applications received by Malaysian Investment Development Authority (MIDA) from 1 January 2027.

15 Review of Reinvestment Allowance

The reinvestment allowance incentive will be reviewed, including its eligibility criteria and mechanism.

16 Review of Green Investment Tax Allowance (GITA)

GITA Project (Business Purposes)

- Tier structure streamlined from 3 tiers to 2 tiers with corresponding revision to qualifying activities.
- Tier 1: 100% GITA on qualifying capital expenditure, set off against 100% or 70% of statutory income for 5 + 5 years (unchanged).
- Tier 2: 60% GITA on qualifying capital expenditure, set off against 70% of statutory income for 5 years (reduced from 100% GITA with 100% statutory income set-off previously available).
- For applications received by MIDA from 1 January 2027 to 31 December 2030.

GITA Asset (Own Consumption)

- Tier 1: 100% GITA on qualifying capital expenditure, set off against 70% of statutory income (unchanged).

Qualifying assets: removed electric motorcycle / scooter and green building but expanded to include locally produced electric vehicle infrastructure, waste composting and recycling system, wastewater recycling and rainwater harvesting system as well as renewable energy integrated system.

- Tier 2: 60% GITA on qualifying capital expenditure, set off against 70% of statutory income (unchanged).
- Qualifying assets: removed energy efficiency assets and solar renewable energy system but expanded to include electric vehicle infrastructure.
- For qualifying assets purchased from 1 January 2027 to 31 December 2030 as verified by the Malaysian Green Technology and Climate Change Corporation.

17 Enhancement of Capital Allowance for Small Value Assets

- Effective YA 2027, the value limit for each small value asset qualifying for capital allowance will be increased from RM2,000 to RM3,000.
- The overall annual claim limit for companies other than MSMEs will also be increased from RM20,000 to RM30,000. MSMEs will continue to enjoy unrestricted claims on qualifying small value assets.

18 Extension of Existing Tax Incentives

Investments

- Existing income tax exemption equivalent to the amount of investment made by an angel investor in technology start-up companies is extended to 31 December 2030.
- Existing income tax exemption equivalent to 50% of the amount invested by qualifying individual investors in equity crowdfunding (limited to RM50,000 and 10% of the aggregate income for each YA) is extended to 31 December 2030.

Organisers of International Incentive Trips, Conferences and Trade Exhibitions in Malaysia

- Existing 100% income tax exemption on statutory income for organisers verified by Ministry of Tourism, Arts and Culture is extended to YA 2030, subject to conditions.

Accelerated Capital Allowance (ACA) on Capital Expenditure for Plant, Machinery and ICT Equipment

+ 4 years

- ACA comprising initial allowance of 20% and annual allowance of 40% on qualifying capital expenditure incurred on procurement of heavy machinery as well as plant and general machinery from local manufacturers, purchase of ICT equipment and computer software, consultation, licensing and incidental fees for the development of customised computer software is extended to 31 December 2030.

Stamp Duty

■ Commentary

2027 Budget seeks to provide relief to the rakyat, support businesses, particularly MSMEs, and strengthen tax compliance at the same time. What is important is maintaining a balance between helping individuals manage their cost of living, enabling businesses to grow and remain competitive, and ensuring that everyone contributes fairly to the nation's revenue.

Ultimately, the effectiveness of the Budget will depend not only on the incentives and reliefs announced, but also on how well these measures are implemented, how accessible they are to the people and businesses that need them, and whether they translate into meaningful and sustainable benefits for the wider economy.



Bhupinder Singh
Senior Tax Advisor

19 Stamp Duty Exemption for Purchase of First Residential Property by Malaysian Citizens

- For homes priced up to **RM500,000**:
 - Extension of 100% stamp duty exemption on instruments of transfer and loan agreements.
- For homes priced up to **RM750,000**:
 - 100% stamp duty exemption on the first RM500,000; and
 - 50% stamp duty exemption on the remaining home price exceeding RM500,000 up to RM750,000.
- For loan agreements and instruments of transfer involving sale and purchase agreements executed from 1 January 2027 to 31 December 2030.

20 Stamp Duty Exemption for Revival of Abandoned Housing Projects

- Stamp duty exemption of 100% on instruments of transfer and loan agreements executed by rescue contractors or developers and original buyers.
- For loan agreements and instruments of transfer executed from 1 January 2027 to 31 December 2030.

21 Stamp Duty Exemption for Opening Savings and Current Accounts

- Stamp duty exemption of 100% on instruments executed by individuals or businesses for the opening of savings and current accounts that contain an undertaking which creates a specific legal obligation, indemnity, guarantee or liability, from 1 January 2027 onwards.

22 Stamp Duty for Loan or Financing under the CAKNA Scheme Executed by MSMEs and Small Contractors

- CAKNA I: stamp duty remission exceeding RM10 for loan or financing agreements executed from 1 January 2029 to 31 December 2030.
- CAKNA II: stamp duty remission exceeding RM10 for loan or financing agreements executed from 1 January 2027 to 31 December 2030.

23

Stamp Duty on Loan or Financing Agreement for the Purchase or Construction of Malaysian Ships

Maximum limit of stamp duty for the purchase or construction of Malaysian ships:

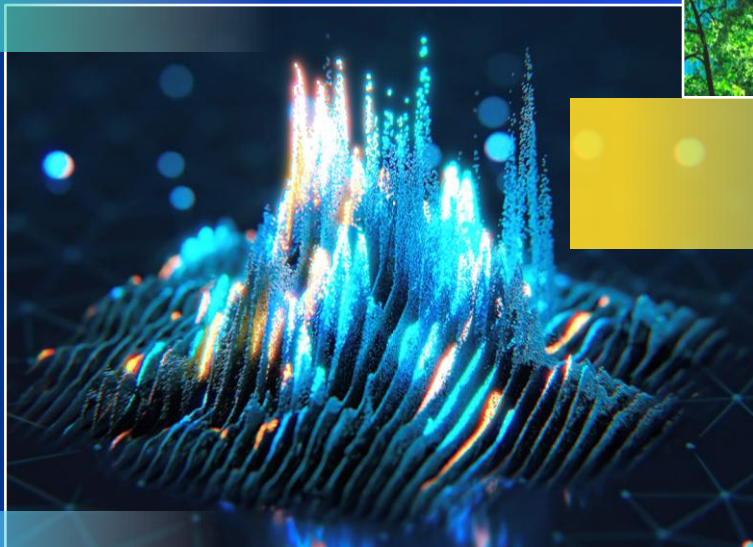
- RM2,000 for loan or financing amounting up to RM100 million; and
- RM5,000 for loan or financing exceeding RM100 million.

For loan or financing agreements executed from 1 January 2027.

24

Stamp Duty on Loan or Financing Agreements Through Peer-to-Peer (P2P) Platform

- Remission of stamp duty exceeding RM10 on P2P loan or financing agreements executed between MSMEs and investors from 1 January 2027 to 31 December 2030.



Indirect Tax

25 Reduced Service Tax Rate and Exemption on Elderly Care Services

↓ 2%

- Service Tax rate on the provision of elderly care services to be reduced from 8% to 6%.
- Service Tax exemption to be given to registered centres charging annual care fees up to RM96,000 per person, subject to meeting conditions.

Any amounts exceeding that shall be subject to Service Tax at 6%.

- The provision of elderly care services to be removed from Group C and introduced as a new item under Group I (Other Service Providers).
- Effective date: 1 January 2027.

26 Sales Tax Refund Facility for Local Traders or Distributors on Supplies to Manufacturers

- Local traders or distributors to be allowed to claim a Sales Tax refund on qualifying machinery, spare parts, and equipment under Item 55, Schedule A to the Sales Tax (Persons Exempted from Payment of Tax) Order 2018, supplied to manufacturers.
- Local traders or distributors can also claim Sales Tax refund on approved inputs used in the manufacture of pharmaceutical products, animal feed, fertilizers, and pesticides under Schedule B of the same order, supplied to manufacturers.
- Effective date: 1 January 2027.

27 Review of Import Duty Exemption for Langkawi Origin Goods

- Import Duty exemption on products manufactured in Langkawi to be revised and expanded to cover specific goods e.g. coconuts, coffee products, handicraft products, marble and etc.
- Effective date: 1 January 2027.

28 Review of Import Duty and Sales Tax Exemption Treatment for Goods Transported Out of Duty-Free Islands

- The purchase limit for goods eligible for Import Duty and Sales Tax exemption by visitors and tourists in Langkawi and Labuan is proposed to be increased to RM10,000, subject to a minimum stay of 48 hours as follows:
 - All goods (new) except tyres and tubes, alcoholic beverages, cigarettes, tobacco products, smoking pipes, electronic cigarettes and vapes, including liquids or gels
- Effective date: 1 January 2027.



29 Entertainment Duty Exemption in the Federal Territories

- Entertainment Duty exemption on the below selected categories of entertainment to be extended until 31 December 2030.
 - 10% Entertainment Duty (after Exemption)**
Stage performances by international artists / light shows / circuses / film screenings (cinemas) / theatres, exhibitions / zoos / aquariums/ sports events / e-sports / bowling / snooker / pool / billiards / karaoke
 - 5% Entertainment Duty (after Exemption)**
Theme parks / family recreation centres / indoor amusement centres / simulators
 - 0% Entertainment Duty (after Exemption)**
Stage performances by local artists
- For applications received by the Ministry of Finance until 31 December 2030.
- Full Entertainment Duty exemption to be given on tickets for local film screenings at cinemas and local theatre performances held in the Federal Territories for four years.
For applications received by the Ministry of Finance from 1 January 2027 until 31 December 2030.

30 Entertainment Duty Exemption for Activities and Events held at Stadium Merdeka and Stadium Negara

- Entertainment Duty exemption be given on arts and cultural events, entertainment and sports activities to be held at Stadium Merdeka and Stadium Negara.
- Effective date: 1 January 2027.



Individual Tax

31

Expansion or increase of tax reliefs from YA 2027

Medical expenses incurred for self, spouse or child capped at RM10,000

- Expanded to include postnatal care services expenses and breastfeeding equipment limited to RM3,000 and RM1,000 respectively.
- The existing breastfeeding equipment relief is to be consolidated into this relief.

Medical treatment, dental treatment, special needs and carer expenses for parents or grandparents capped at RM8,000

- Expanded to cover all type of care expenses.

Lifestyle expenses up to RM2,500

- Expanded to include :-
 - subscriptions for AI software and applications.
 - cost of pet adoption, vaccination and spaying or neutering procedures.

Sports equipment and activities up to RM1,000

- Expanded to include purchase of sports shoes limited to RM300.

SOCSSO Contributions

- Expanded to include mandatory employee contributions to the Self-Employment SOCSSO (LINDUNG KENDIRI) for 3 mandatory sectors : passage transport, goods or food transport and hawkers.
- Additional tax relief limited to RM150 on voluntary employee contributions to the Non-Employment Injury Scheme (LINDUNG 24) and 17 non-mandatory sectors under LINDUNG KENDIRI.



32

Revision of tax relief from YA 2027

Education and skills training fees capped at RM7,000

Section 46(1)(f) is proposed to be amended to allow for the following claims:-

- Fees incurred for self to pursue Certificate, Diploma, Bachelor, Masters or Doctor of Philosophy level in any field at a recognised local institution or professional body.
- Expenses relating to recognised upskilling or self-enhancement courses in the field of Technical and Vocational Education and Training (TVET) have been expanded to include spouse with claim limit increased from RM2,000 to RM3,000.
- Fees incurred limited to RM2,000 for:
 - Courses, training and skills and self-enhancement classes unrelated to employment for self or spouse; or
 - Courses, training, classes or tuition in the field of Science, Technology, Engineering and Mathematics (STEM), arts, languages and religion for children.

33

Extension of tax relief

Domestic tourism expenses

- RM1,000 relief on payment of entrance fees for tourist attractions, cultural and arts programmes to be extended from YA 2026 to YA 2027

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