

RSM 2024 BUDGET HIGHLIGHTS

POST BUDGET UPDATES



THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING





Further to Budget 2024 which was presented on 13 October 2023, the Ministry of Finance (“MOF”) has released Budget 2024 Touchpoints and updated Appendices on Tax Measures (an additional Appendix 34 – Expansion of Taxable Service Scope and Changes on the Service Tax Rate was issued).

We are pleased to share with you some of the key updates in this newsletter.

EXPANSION OF SCOPE OF TAXABLE FOREIGN-SOURCED INCOME (“FSI”)

It is proposed that the scope of taxable FSI be expanded to cover foreign capital gains i.e. gains from disposal of capital assets from outside Malaysia. However, the Government has indicated that there will be exemption given (subject to complying with economic substance requirements).

Effective: 1 March 2024

It is expected that the Inland Revenue Board of Malaysia (“IRBM”) will issue amended guideline on tax treatment in relation to income received from abroad and how this proposal will be implemented, considering the earlier Capital Gains Tax (“CGT”) announced in Budget 2024 which is scheduled to take effect from 1 March 2024.

INCREASE OF RATE OF SERVICE TAX FROM 6% TO 8%

It is proposed that the new service tax rate of 8% takes effect from 1 March 2024. In addition, the current service tax rate of 6% will remain unchanged for the following services: –



Group B – Food and beverage



Group I – Telecommunication services



Group I – Vehicle parking space services



Group I – Logistic services (new taxable service, which will take effect from 1 March 2024)

Effective: 1 March 2024

EXPANSION OF SCOPE OF TAXABLE SERVICES

It is proposed that the scope of taxable services be expanded to include the following services: -



Group C – Karaoke centre services



Group I – Delivery services (except for delivery of food and beverage)



Group I – Brokerage and underwriting services for non-financial services e.g. brokerage for ship and aircraft space, commodity and real estate



Group I – Logistic services

The threshold value of taxable service for mandatory registration is set at RM500,000.

Effective: 1 March 2024

ASSESSMENT UNDER LABUAN BUSINESS ACTIVITY TAX ACT 1990 (“LBATA 1990”)

It is proposed that assessment under LBATA 1990 be changed from preceding year basis to current year basis.

Effective: Year of Assessment 2025



TAX PROFESSIONAL TEAM

Ng Ah Bah

Head of Tax

T +603 2610 2827

E ngab@rsmmalaysia.my

Dato' Robert Teo

Chairman

T +603 2610 2886

E roberteo@rsmmalaysia.my

CORPORATE TAX COMPLIANCE

Anston Cheah

Executive Director

T +603 2610 2829

E anston.cheah@rsmmalaysia.my

Nicole Chong

Director

T +603 2610 2830

E nicole.chong@rsmmalaysia.my

Lim Sok Juau

Associate Director

T +603 2610 2842

E limsj@rsmmalaysia.my

Soong Kim How

Associate Director

T +603 2610 2848

E soongkh@rsmmalaysia.my

TAX ADVISORY

Ng Ah Bah

Head of Tax

T +603 2610 2827

E ngab@rsmmalaysia.my

Anston Cheah

Executive Director

T +603 2610 2829

E anston.cheah@rsmmalaysia.my

INDIRECT TAX

Mayadevi Karpayah

Director

T +603 2610 2831

E mayadevi@rsmmalaysia.my

Kalvinder Singh

Senior Manager

T +603 2610 2863

E kalvinders@rsmmalaysia.my

FIELD AUDIT AND INVESTIGATION

Ng Ah Bah

Head of Tax

T +603 2610 2827

E ngab@rsmmalaysia.my

Chang Suang Yue

Manager

T +603 2610 2862

E changsy@rsmmalaysia.my

PERSONAL TAX

Mayadevi Karpayah

Director

T +603 2610 2831

E mayadevi@rsmmalaysia.my

Lynda Harun

Senior Manager

T +603 2610 2832

E lynda@rsmmalaysia.my

TRANSFER PRICING

Ng Ah Bah

Head of Tax

T +603 2610 2827

E ngab@rsmmalaysia.my

Jeyapriya Pereysamy

Associate Director

T +603 2610 2844

E jeyapriya@rsmmalaysia.my

CONTACT US

RSM Tax Consultants (Malaysia) Sdn Bhd

5th Floor, Penthouse, Wisma RKT,
Block A, No.2 Jalan Raja Abdullah Off Jalan Sultan Ismail,
50300 Kuala Lumpur,
Malaysia

Johor Bahru Office

Suite 16-02, Level 16, Menara Landmark,
No. 12, Jalan Ngee Heng,
80000 Johor Bahru,
Malaysia



Contact our office for an
immediate response

General Email askus@rsmmalaysia.my
Website www.rsmmalaysia.my



RSM Tax Consultants (Malaysia) Sdn Bhd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and advisory firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London, EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

This article is not intended to provide specific business or investment advice. No responsibility for any errors or omissions nor loss occasioned to any person or organisation acting or refraining from acting as a result of any material in this website can, however, be accepted by the author(s) or RSM International. You should take specific independent advice before making any business or investment decision.

© RSM International Association, 2023