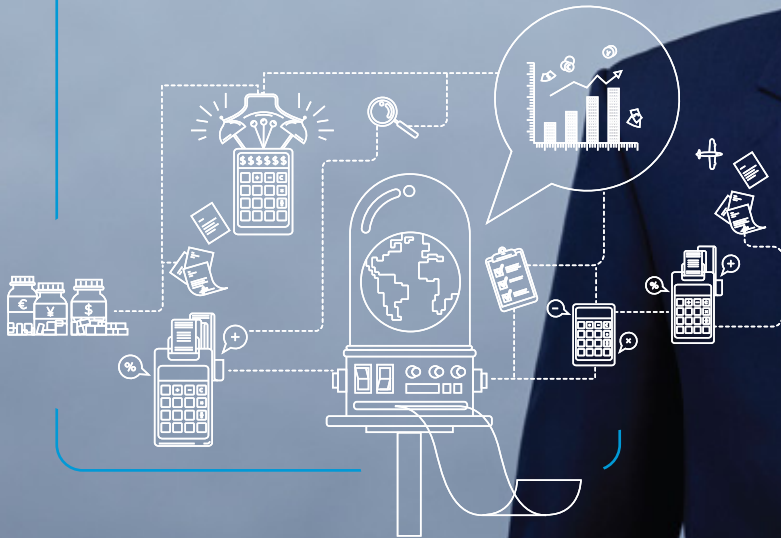


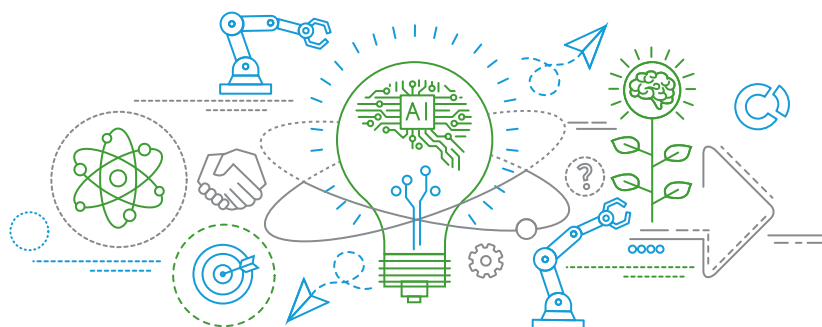
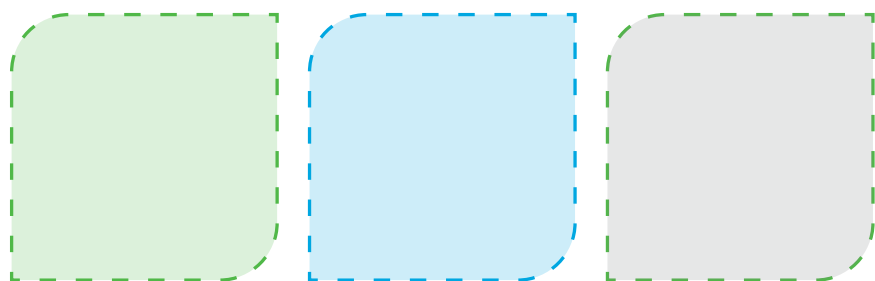
BUDGET 2023

Stay on top of
tax changes



RSM 2023 BUDGET HIGHLIGHTS

EXECUTIVE SUMMARY



CONTENTS

1.0 CORPORATE TAX
AND TAX INCENTIVES
PAGE 4

2.0 INDIVIDUAL TAX
PAGE 14

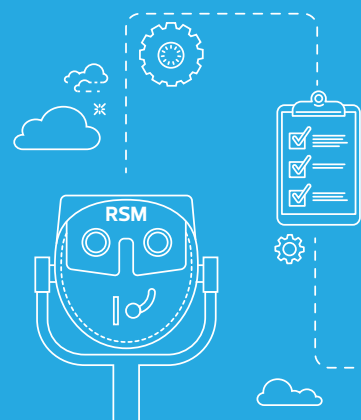
3.0 STAMP DUTY
PAGE 17

4.0 INDIRECT TAXES
PAGE 18

5.0 OTHERS
PAGE 21

2023 RSM TAX SEMINAR

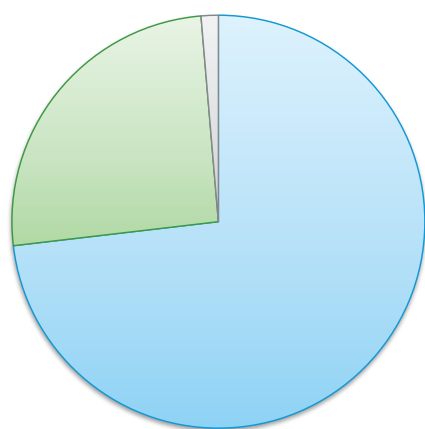
DATE TO BE ANNOUNCED



EXECUTIVE SUMMARY (CONT.)

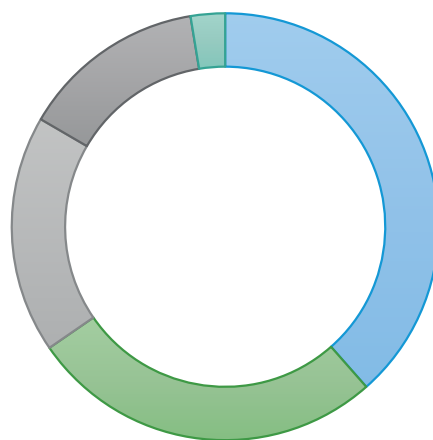
✧ Federal Government Budget: **RM 372.34 billion** ✧

Allocation of Budget Expenditure



- Operating expenditure
- Development expenditure
- Covid-19 fund

Sources of Revenue



- Income Tax
- Non-tax Revenue
- Other Direct Tax
- Borrowings and Use of Government's Assets
- Indirect Tax

b = billion

Fiscal Policy



Federal government's revenue collection is expected to be RM 272.57 billion

Federal government's debt accounts are expected to be RM 1.044 trillion



Fiscal deficit is expected to shrink to 5.5% of GDP in 2023

GDP is estimated to grow between 4% to 5% in 2023



1.0 CORPORATE TAX AND TAX INCENTIVES

1.0 CORPORATE TAX AND TAX INCENTIVES (CONT.)

1.5 EXTENSION OF TAX INCENTIVE FOR MEDICAL TOURISM



Effective: For applications received by Malaysian Investment Development Authority (MIDA) from 1 January 2023 to 31 December 2025

1.6 REVIEW OF TAX INCENTIVE FOR TOUR OPERATORS



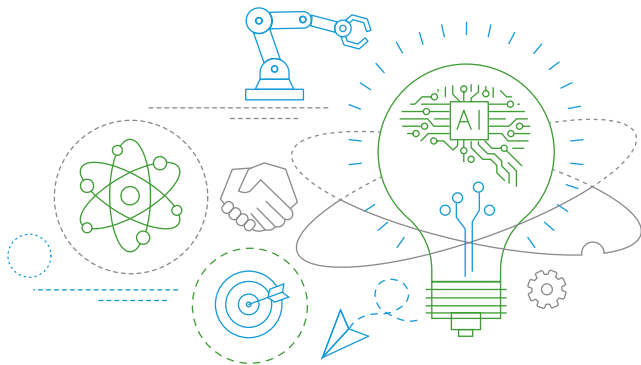
Effective: YA 2023



1.0 CORPORATE TAX AND TAX INCENTIVES (CONT.)

1.7 TAX DEDUCTION FOR SPONSORSHIP OF SMART ARTIFICIAL INTELLIGENCE (AI)-DRIVEN REVERSE VENDING MACHINE

Effective: For contribution/sponsorship and applications received by Ministry of Finance (MOF) from 1 January 2023 to 31 December 2024



1.8 SPECIAL TAX DEDUCTION FOR EXPENDITURE ON MALAYSIAN-MADE HANDICRAFT BY HOTEL INDUSTRY

Effective: For eligible expenditure on handicraft products incurred from 1 January 2023 to 31 December 2023

1.9 EXTENSION OF TAX INCENTIVE FOR EXPORT OF PRIVATE HEALTHCARE SERVICES



Effective: YAs 2023 to 2025

1.10 EXPANSION OF SCOPE OF TAX DEDUCTION FOR THE EMPLOYMENT OF SENIOR CITIZENS, EX-CONVICTS, PAROLEES, SUPERVISED PERSONS AND EX-DRUG DEPENDANTS

Effective: YAs 2023 to 2025

A tall, cylindrical industrial cooling tower is the central focus, emitting a thick, white plume of steam that rises into a clear blue sky. The tower is surrounded by various industrial structures, including pipes, scaffolding, and a yellow crane arm. The scene is brightly lit, suggesting a sunny day.

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Effective: For applications received by MIDA from 1 January 2024 to 31 December 2025



1.0 CORPORATE TAX AND TAX INCENTIVES (CONT.)

1.12 TAX INCENTIVES FOR CARBON CAPTURE AND STORAGE (CCS)

Tax Incentive	Companies undertaking CCS in-house activity	Companies undertaking CCS services	Companies engaging CCS services

Effective: For applications received by MOF from 1 January 2023 to 31 December 2027

1.13 TAX INCENTIVES FOR CHICKEN REARING IN CLOSED HOUSE SYSTEM

-
-

Effective: YAs 2023 to 2025

1.14 EXTENSION OF TAX INCENTIVE FOR INTELLECTUAL PROPERTY DEVELOPMENT

Effective: For applications received by MIDA from 1 January 2023 to 31 December 2025

1.0 CORPORATE TAX AND TAX INCENTIVES (CONT.)

1.15 EXTENSION OF TAX INCENTIVE FOR PHARMACEUTICAL COMPANIES



Effective: For applications received by MIDA from 1 January 2023 to 31 December 2025



1.16 EXTENSION OF TAX INCENTIVE FOR ANGEL INVESTOR

Effective: For applications received by MOF from 1 January 2024 to 31 December 2026

1.17 EXTENSION OF TAX INCENTIVE FOR PRINCIPAL HUB 3.0

Effective: For applications received by MIDA from 1 January 2023 to 31 December 2025



1.18 EXTENSION OF TAX INCENTIVE FOR GLOBAL TRADING CENTRE

Effective: For applications received by MIDA from 1 January 2023 to 31 December 2025



1.0 CORPORATE TAX AND TAX INCENTIVES (CONT.)

1.19. TAX INCENTIVE FOR RENTAL OF ELECTRIC VEHICLE (EV)

Effective: YAs 2023 to 2025



1.20 TAX INCENTIVES FOR MANUFACTURER OF EV CHARGING EQUIPMENT

Tax incentive	Incentive period

**Companies are eligible to enjoy tax exemption for a period of 10 years or until YA 2032, whichever is earlier.*

Effective: For applications received by MIDA from 8 October 2022 to 31 December 2025





1.0 CORPORATE TAX AND TAX INCENTIVES (CONT.)

1.21 REVIEW OF TAX INCENTIVES FOR FOOD PRODUCTION PROJECT

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Effective: For applications received by Ministry of Agriculture and Food Industry (MAFI) from 1 January 2023 to 31 December 2025

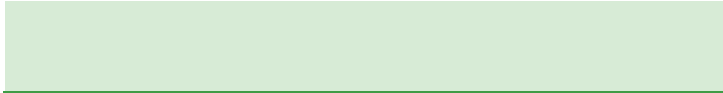
1.22 REVIEW OF TAX INCENTIVES FOR BIONEXUS STATUS COMPANY

-
-

Effective: For applications received by Malaysian Bioeconomy Development Corporation from 1 January 2023 to 31 December 2024

1.23 REVIEW OF TAX INCENTIVE FOR AUTOMATION IN MANUFACTURING AND SERVICES SECTOR

Category 1	Category 2
Labour-intensive industry (rubber, plastic, wood and textile products)	Industries other than Category 1 including services sector



-
-
-

Effective: For applications received by MIDA and MAFI from 1 January 2023 to 31 December 2027



1.0 CORPORATE TAX AND TAX INCENTIVES (CONT.)

1.24 REVIEW OF TAX INCENTIVE FOR EQUITY CROWDFUNDING

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Effective: For investment made from 1 January 2024 to 31 December 2026

1.25 EXTENSION OF TAX INCENTIVE FOR SHIP BUILDING AND SHIP REPAIRING (SBSR) INDUSTRY

Tax incentive	Incentive period

Effective: For SBSR applications received by MIDA from 1 January 2023 until 31 December 2027



1.0 CORPORATE TAX AND TAX INCENTIVES (CONT.)

1.26 EXTENSION OF TAX INCENTIVE FOR AEROSPACE INDUSTRY

Tax incentive	Incentive period

Effective: For applications received by MIDA from 1 January 2023 to 31 December 2025



2.0 INDIVIDUAL TAX

2.1 REVIEW OF INDIVIDUAL TAX RATES

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-
-

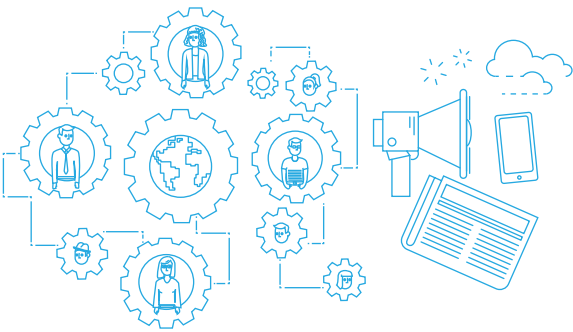
Chargeable income (RM)	Existing (YA 2022)		Proposed (YA 2023 onwards)		Potential savings (RM)
First 50,000		1,800		1,800	
Next 20,000	13	2,600	11	2,200	
First 70,000		4,400		4,000	400
Next 30,000	21	6,300	19	5,700	
					1,000
			25	37,500	1,000
					250
					250
					250
					250

Effective: YA 2023



2.0 INDIVIDUAL TAX (CONT.)

2.2 EXTENSION OF TAX RELIEF ON FEES PAID TO CHILD CARE CENTRE AND KINDERGARTEN



Effective: YA 2024

2.3 EXTENSION OF RELIEF FOR DEPOSIT IN SKIM SIMPANAN PENDIDIKAN NASIONAL (SSPN)

Effective: YAs 2023 and 2024

2.4 EXPANSION OF SCOPE OF LIFE INSURANCE PREMIUMS OR TAKAFUL CONTRIBUTION ON LIFE INSURANCE POLICY



Effective: YA 2023

2.5 EXPANSION OF SCOPE FOR MEDICAL TREATMENT EXPENSES FOR TAXPAYER, SPOUSE AND CHILD



Effective: YA 2023

2.0 INDIVIDUAL TAX (CONT.)

2.6 TAX EXEMPTION FOR WOMEN RETURNING TO WORK FROM CAREER BREAK



Effective: For applications received by Talent Corporation Malaysia Berhad from 1 January 2023 until 31 December 2027

2.7 SPECIAL TAX RATE FOR C-SUITE POSITION IN ELECTRICAL & ELECTRONIC (E&E) SECTOR



It is proposed that the special tax rate of 15% be extended until YA 2024 for companies in E&E sector which relocate their manufacturing operations to Malaysia.



3.0 STAMP DUTY

3.1 STAMP DUTY TREATMENT FOR TRANSFER OF PROPERTY BY WAY OF LOVE AND AFFECTION

-
-

Effective: For instrument of transfer of property executed from 1 January 2023

3.2 STAMP DUTY TREATMENT FOR EDUCATIONAL LOAN/SCHOLARSHIP AGREEMENT



ad valorem

Effective: For educational loan/scholarship agreement executed from 1 January 2023

3.3 EXTENSION OF STAMP DUTY EXEMPTION ON RESTRUCTURING OR RESCHEDULING OF LOAN/FINANCING AGREEMENT

-
-

Effective: For restructuring or rescheduling of loan/financing agreement executed from 1 January 2023 until 31 December 2024

3.4 REVIEW OF STAMP DUTY EXEMPTION FOR THE PURCHASE OF 1ST RESIDENTIAL HOME

Effective: For sale and purchase agreements executed until 31 December 2023

4.0 INDIRECT TAXES

4.1 IMPORT DUTY AND SALES TAX EXEMPTION ON STUDIO AND FILMING PRODUCTION EQUIPMENT

4.3 EXTENSION OF IMPORT DUTY AND EXCISE DUTY EXEMPTION ON IMPORTED “COMPLETELY BUILT-UP” (CBU) ELECTRIC VEHICLES

Effective: 1 January 2024 to 31 December 2024

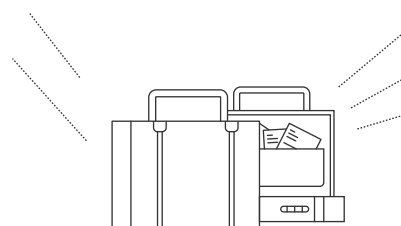
Effective: 1 January 2023 to 31 December 2024 [Note: Application to be made to the MOF]

4.2 REVIEW OF EXCISE DUTY AND SALES TAX EXEMPTION ON THE SALE OR TRANSFER OF INDIVIDUALLY OWNED TAXIS AND HIRED CARS

4.4 EXCISE DUTY EXEMPTION ON TOURISM VEHICLES

Effective: 1 January 2023 to 31 December 2024 [Note: Application to be made to the MOF]

Effective: 1 January 2023 [Note: Application to be made to the Royal Malaysian Customs Department (“RMCD”)]





4.0 INDIRECT TAXES (CONT.)

4.5 EXTENSION OF SALES TAX EXEMPTION FOR THE PURCHASE OF LOCALLY ASSEMBLED BUS

Effective: 1 January 2023 to 31 December 2024
[Note: Application to be made to the MOF]

4.6 IMPORT DUTY AND SALES TAX EXEMPTION ON NICOTINE REPLACEMENT THERAPY (NRT)

Product	Import Duty	Sales Tax

Effective: 1 January 2023 to 31 December 2027



4.0 INDIRECT TAXES (CONT.)

4.7 SERVICE TAX EXEMPTION ON DIGITAL SERVICES RELATED TO BANKING/FINANCIAL SERVICES

-
-

Effective Date:

- 1 January 2020 to 31 July 2025 for local financial institutions/banks
- 1 August 2022 to 31 July 2025 for local non-bank digital payment service providers

4.8 STRICTER CONTROL ON MOVEMENT OF IMPORTED CIGARETTE AND LIQUOR PRODUCTS

4.9 IMPORT DUTY AND SALES TAX EXEMPTION FOR CCS

Effective: 1 January 2023 [Note: Application to be made to the MOF]



5.0 OTHERS

5.1 IMPLEMENTATION OF TAX IDENTIFICATION NUMBER (TIN)

5.3 GLOBAL MINIMUM TAX RATE OF 15%

Effective: 1 January 2023



5.2 INTRODUCTION OF E-INVOICING

Effective: Year 2024

5.4 EXPANDING THE SCOPE OF “PLANT”

Effective: To be confirmed



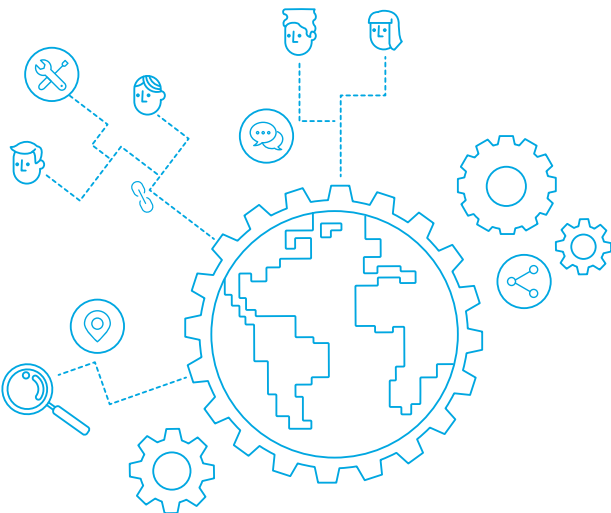
Effective: Year 2023



5.0 OTHERS (CONT.)

5.5 EXTENDED PERIOD TO CARRY FORWARD UNABSORBED LOSSES FOR INDUSTRIES WITH LONG GESTATION PERIOD

Effective: To be announced



2023 RSM TAX SEMINAR

2023 RSM TAX SEMINAR

27th October

POSTPONED

**DUE TO DISSOLUTION OF PARLIAMENT ON 10 OCTOBER 2022
NEW DATE TO BE ANNOUNCED**

Concorde Hotel
Kuala Lumpur



REGISTER NOW

ABOUT RSM TAX SEMINAR

Join us at this year's RSM Tax Seminar which will provide participants with interesting insights into the Government Budget and the key tax changes to be presented in the 2023 Budget Proposals.

WHO SHOULD ATTEND

Chief financial officers, Tax directors, Financial controllers, Tax executives, Finance managers, Accountants and those involved in tax matters.

SEMINAR FEES



Regular fee	Early bird fee <small>(registration & payment by 21 Oct 2022)</small>	Group fee 2 and above
RM 550	RM 500	RM 500

*seminar materials, two coffee breaks and lunch

PROGRAMME

- 8:30 am Registration & Welcome tea / coffee
- 9:00 am Welcome speech
- 9:15 am Session 1: Highlights of 2023 Budget and updates on recent tax developments
- 10:15 am Morning refreshment
- 10:45 am Session 2: Sales & Service Tax (SST): Latest update on SST issues
- 12:00 pm Networking lunch
- 1:30 pm Session 3: Managing tax audit risks and compliance issues
- 2:30 pm Session 4: Highlights on Indirect Tax
- 3:30 pm Refreshment
- 4:00 pm Session 5 : Analysis of recent tax cases
- 5:00 pm End of seminar

OUR SPEAKERS



DATO' ROBERT TEO
Managing Partner



ANSTON CHEAH
Executive Tax Director
RSM Tax Consultants
(Malaysia) Sdn Bhd

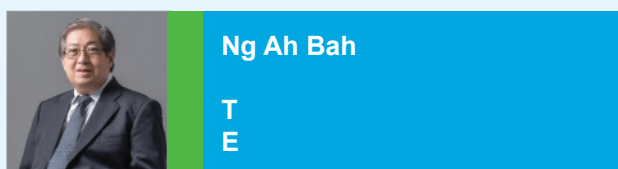


MAYADEVI
Tax Director
RSM Tax Consultants
(Malaysia) Sdn Bhd



S.SARAVANA
Partner
RDS Advocates &
Solicitors

For enquiries and registration, please contact
Ms. Maya (mayadevi@rsmmalaysia.my | 03-2610 2831)
Ms. Lynda (lynda@rsmmalaysia.my | 03-2610 2832)



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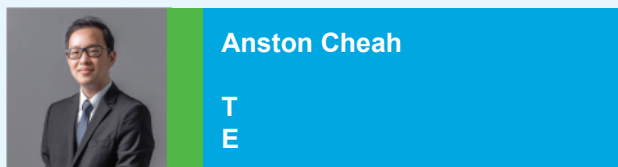
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Corporate Tax Compliance



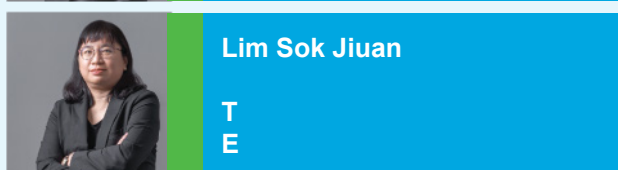
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Nicole Chong

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Lim Sok Jiuan

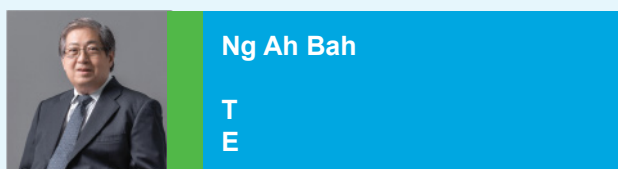
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Tax Consulting



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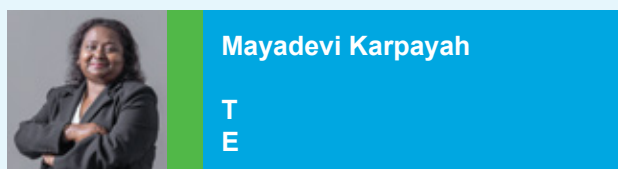
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Jimmy Yap

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Indirect Tax



Mayadevi Karpayah

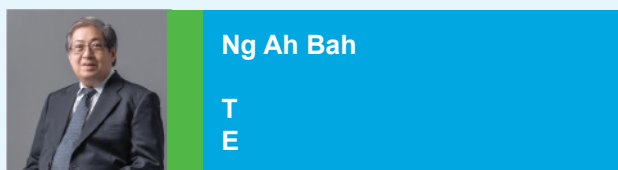
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Kalvinder Singh

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Field Audit and Investigation



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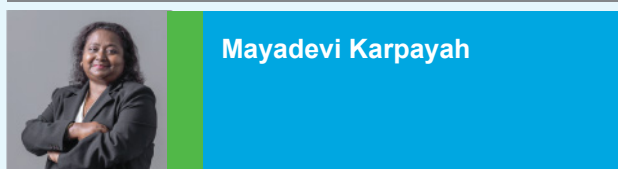
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Expatriate Employee Tax



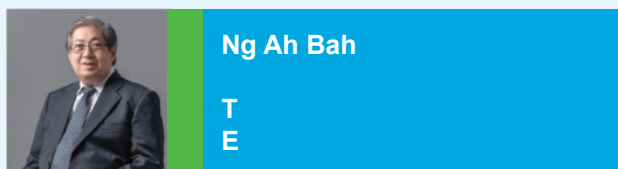
Mayadevi Karpayah



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Transfer Pricing



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