

BUDGET 2022

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tax changes



RSM 2022 BUDGET HIGHLIGHTS

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EXECUTIVE SUMMARY

Dear Clients & Business Associates,

Budget 2022 was announced on 29 October 2021 and it was themed "Keluarga Malaysia, Makmur Sejahtera (A Prosperous Malaysian Family)".

The 3 main focuses are: -

- Rakyat / People's well-being
- Resilient Businesses
- A Prosperous and Sustainable Economic

Budget 2022 Overview: -

- Total budget: RM 332.10 billion
- Government expenditure
 - Operating expenditure RM 233.50 billion
 - Development expenditure RM 75.60 billion
 - Covid-19 Fund RM 23.00 billion

RM 332.10 billion
- Government revenue RM 234.00 billion
- The largest budget in Malaysian history to spur post-Covid recovery
- Maintaining an expansionary budget
- Fiscal deficit is projected to shrink to 6.0% of Gross Domestic Products (GDP) from 6.5% in 2021
- GDP growth rate: 5.5% to 6.5%

Please refer to the key highlights of the Budget 2022 proposed changes attached and do join us at our **Tax Budget Webinar on 23 November 2021** for a more detailed analysis of Budget 2022.

Stay safe & Happy reading!

1 INTRODUCTION OF ONE-OFF “CUKAI MAKMUR” / PROSPERITY TAX ON NON-MSMEs

Currently, Small and Medium Enterprises (SMEs) are subject to tax at 17% on the chargeable income of up to RM 600,000 and 24% on the remaining chargeable income whereas non-Micro Small and Medium Enterprises (MSMEs*) are subject to tax at 24%.

**MSMEs refer to companies with paid-up capital not exceeding RM2.5 million and business income not exceeding RM50 million.*

It is proposed that a special one-off tax known as “Cukai Makmur” be imposed on non-MSMEs as follows: -

- Chargeable income for the first RM 100 million is taxed at 24%; and
- The remaining chargeable income is taxed at 33%.

Effective: Year of Assessment (YA) 2022

2 REMOVAL OF TAX EXEMPTION ON FOREIGN-SOURCED INCOME

Currently, income derived from sources outside Malaysia and received in Malaysia by any person (other than a resident company carrying on the business of banking, insurance, shipping or air transport) is exempted from tax pursuant to Paragraph 28, Schedule 6 of the Income Tax Act 1967.

It is proposed that such exemption on foreign-sourced income be removed.

Effective: 1 January 2022

3 CARRY FORWARD OF UNUTILISED BUSINESS LOSSES

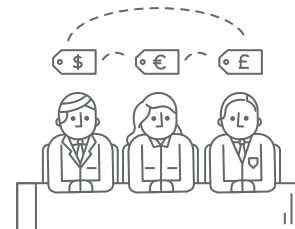
Effective YA 2019, unutilised business losses can only be carried forward for a maximum period of seven (7) consecutive YAs and any unutilised business losses will be disregarded.

For unutilised business losses up to YA 2018, such losses can only be carried forward up to YA 2025.

It is proposed that: -

- The maximum period to be extended from seven (7) to ten (10) consecutive YAs; and
- Unutilised business losses up to YA 2018 be allowed to be carried forward for 10 consecutive YAs, i.e. until YA 2028.

Effective: YA 2019



4 SPECIAL REVISION OF TAX ESTIMATES

Currently, companies are allowed to revise their tax estimates in the 6th and/or 9th month of the basis period for a YA.

It is proposed that companies may submit a revised estimate in the 11th month of the basis period before 31 October 2022.

CORPORATE TAX (CONT)

5 DEFERMENT OF TAX INSTALMENT PAYMENTS FOR MSMEs

Currently, companies may apply for deferment of corporate tax instalment payments for the months of April 2021 to December 2021.

It is proposed that income tax instalment payments for MSMEs be deferred for a period of 6 months until 30 June 2022.



6 EXTENSION OF ADDITIONAL REINVESTMENT ALLOWANCE (RA) INCENTIVE

Currently, a special RA incentive is available for companies undertaking manufacturing and selected agriculture activities for a period of 3 YAs (from YAs 2020 to 2022) which have exhausted their 15 years RA.

It is proposed that the existing special RA incentive be extended for another 2 years until YA 2024.

Effective: YAs 2023 to 2024

7 TAX INCENTIVE FOR DIGITAL ECOSYSTEM ACCELERATION SCHEME (DESAC)

The following tax incentives have been proposed for activities under DESAC in order to support the comprehensive development of national digital ecosystem: -

i. Digital Technology Provider

New company

Tax incentive	Income tax rate of 0% to 10%
Period	Up to 10 years

Existing company

Tax incentive	Income tax rate of 10%
Period	Up to 10 years



ii. Digital Infrastructure Provider

Investment Tax Allowance (ITA) of 100% on qualifying capital expenditure incurred for qualifying activities up to 10 years and such ITA can be set-off against up to 100% of statutory income.

Effective: For applications received by Malaysian Investment Development Authority (MIDA) from 30 October 2021 to 31 December 2025



CORPORATE TAX (CONT)

8 EXTENSION OF TAX REBATES FOR ESTABLISHMENT OF NEW MSMEs

Currently, an income tax rebate of up to RM 20,000 per year for the first 3 YAs is given for newly incorporated MSMEs (in operation from 1 July 2020 until 31 December 2021) subject to the following conditions (amongst others): -

- The company or limited liability partnership (LLP) must be incorporated or registered under the Companies Act 2016 in Malaysia and qualify as a tax resident in Malaysia;
- Having a paid-up capital of not more than RM 2.5 million at the beginning of the basis period and gross business income of not more than RM 50 million for that YA;
- Amount of rebate is equivalent to the capital expenditure or operational expenditure incurred for each YA, subject to a maximum amount of RM 20,000 for each YA.

It is proposed that the establishment and operational period for new MSMEs including MSMEs that perform business activities through online platform be extended to 31 December 2022.

Effective: New MSMEs established and operational by 31 December 2022

9 EXTENSION ON SPECIAL TAX DEDUCTION FOR REDUCTION OF RENTAL DISCOUNT TO TENANTS

It is proposed that the special tax deduction for rental reduction (of at least 30% from the original rental rate) be extended to 30 June 2022.

Effective: Rental reduction in January 2022 until June 2022



10 EXTENSION ON SPECIAL TAX DEDUCTION FOR RENOVATION AND REFURBISHMENT EXPENSES

Currently, a special tax deduction (subject to a maximum amount of RM 300,000) is given for cost of renovation and refurbishment of business premises incurred from 1 March 2020 to 31 December 2021.

It is proposed that the special deduction be extended to 31 December 2022.

Effective: 1 January 2022 to 31 December 2022

11 EXPANSION OF THE SCOPE OF GREEN TECHNOLOGY INCENTIVE

Currently, the following Green Technology Incentive is available: -

i. Green Investment Tax Allowance (GITA)

ITA of 100% on capital expenditure for qualifying green activities to be set off against 70% of statutory income (extended for 3 YAs until YA 2023).

ii. Green Income Tax Exemption (GITE)

- Income tax exemption of 70% on statutory income for qualifying green activities (extended for 3 YAs until YA 2023).
- Income tax exemption of 70% of statutory income for a period of up to 10 YAs for solar leasing companies certified by the Sustainable Energy Development Authority (SEDA).

The above incentive is applicable for applications received by MIDA from 1 January 2020 to 31 December 2023.

It is proposed that the scope on the purchase of qualifying green assets and green services be extended to include Rainwater Harvesting System (RHS) projects where such projects must be approved by the Malaysian Green Technology Corporation (MGTC) to qualify for the following tax incentive: -

- GITA of 100% on qualifying capital expenditure for qualifying RHS activities to be set off against up to 70% of statutory income; or
- GITE of 70% of statutory income for qualifying RHS activities.

Effective: For applications received by MIDA from 1 January 2022 to 31 December 2023

12 EXTENSION OF DOUBLE DEDUCTION FOR VENDOR DEVELOPMENT PROGRAMME

Currently, double deduction is given on qualifying expenditure incurred by anchor companies (incorporated and resident in Malaysia) which participate in the Vendor Development Programme to carry out prescribed activities for 3 consecutive YAs.

The double deduction is limited to qualifying expenditure incurred up to RM 300,000 for each YA and such expenditure need to be verified by the Ministry of International Trade and Industry (MITI) / Ministry of Entrepreneur Development and Cooperatives (MEDAC) before a claim is made.

The double deduction is effective for Memorandum of Understanding (MOU) signed between an anchor company and MITI/MEDAC from 1 January 2014 to 31 December 2020.



It is proposed that: -

- Double deduction on qualifying expenditure be increased to RM 500,000 for each YA, for 3 consecutive YAs; and
- The incentive application period be extended for 5 years for MOU signed between anchor companies and MEDAC.

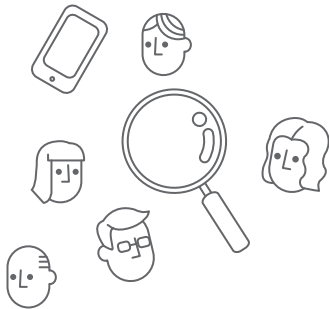
Effective: For MOU signed between anchor companies and MEDAC from 1 January 2021 to 31 December 2025

13 INCOME TAX EXEMPTION FOR SOCIAL ENTERPRISE

Currently, cash contributions to Social Enterprise accredited by MEDAC are given income tax deduction of up to 10% of aggregate income under subsection 44(11C) of the Income Tax Act 1967. However, income of the Social Enterprise including cash contributions received is subject to income tax.

To help accredited Social Enterprise in raising funds to spur positive social or environmental impact, the following are proposed: -

- Income tax exemption on all income for up to 3 YAs subject to the validity period of the Social Enterprise Accreditation; and
- Establishment of a Joint Accreditation Committee comprising Yayasan Hasanah and MEDAC to review the accreditation applications.



Effective:

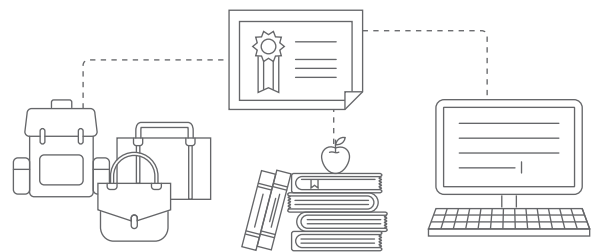
(i) For income tax exemption applications received by the Ministry of Finance from 1 January 2022 to 31 December 2023;

(ii) For accreditation applications received by Yayasan Hasanah from 1 January 2022 to 31 December 2023

14 INTRODUCTION OF TAX COMPLIANCE CERTIFICATE (TCC)

It is proposed that TCC be a pre-requisite for taxpayers to tender for government projects.

Effective: 1 January 2023



15 INTRODUCTION OF TAX IDENTIFICATION NUMBER (TIN)

It is proposed that TIN be implemented for all companies and individuals (above 18 years of age) from the year 2022 to broaden the tax base.

Effective: Year 2022



1 REVIEW OF TAX RELIEF FOR SOCSO CONTRIBUTION

From YA 2016, tax relief of up to RM 250 is given to private sector employee contributing to the social security protection scheme regulated by the Social Security Organisation (SOCSO) through the Employees Social Security Act 1969. Contribution by an employee to the Employment Insurance System (EIS) under the Employment Insurance System Act 2017 for income protection due to job loss is not eligible for tax relief.

It is proposed that: -

- the scope of tax relief for SOCSO contribution be expanded to include employee's contribution through the EIS; and
- the tax relief limit be increased from RM 250 to RM 350.

Effective: YA 2022

2 REVIEW OF INDIVIDUAL INCOME TAX RELIEF FOR UP-SKILLING AND SELF - ENHANCEMENT COURSES FEES

Currently, individual income tax relief of up to RM 1,000 from the total education fees relief of RM 7,000 is given on fees paid for up-skilling or self-enhancement courses in any field recognised by the Department of Skills Development, Ministry of Human Resources. This relief is given for the YAs 2021 and 2022.

It is proposed that: -

- The tax relief limit be increased from RM 1,000 to RM 2,000 (effective from YA 2022); and
- This relief be extended until YA 2023.

Effective: YAs 2022 and 2023

3 EXPANSION OF SCOPE FOR TAX RELIEF ON CONTRIBUTIONS TO EMPLOYEES PROVIDENT FUND

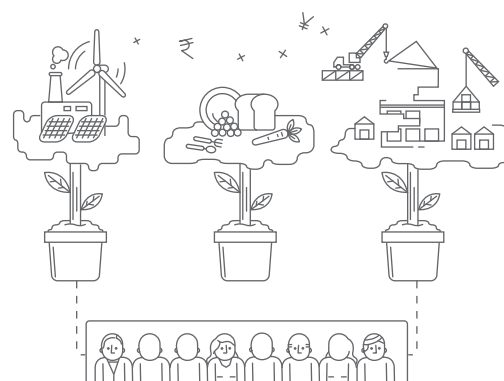
From YA 2019, individual income tax relief is given on mandatory contributions of employees or self-employed to Employees Provident Fund (EPF), takaful contributions or life insurance premium payments as follows:

No	Type of Contribution Relief	Amount
1	Payment of life insurance premiums or takaful contributions.	Up to RM 3,000
2	Contributions to approved schemes (NOT including private retirement schemes) or contributions under any written law.	Up to RM 4,000
Total		Up to RM 7,000

For civil servants under the pension scheme, the income tax relief on takaful contributions or payment for life insurance premiums is given up to RM 7,000.

It is proposed that the scope of tax relief for EPF contribution be expanded to include voluntary contribution including pensionable civil servants.

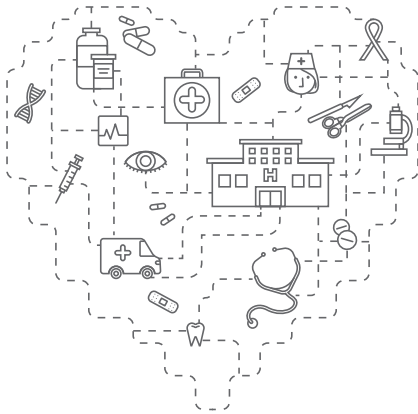
Effective: YA 2022



4 EXPANSION OF SCOPE OF INCOME TAX RELIEF ON MEDICAL TREATMENT EXPENDITURE

Currently, income tax relief of up to RM 8,000 is eligible to be claimed by individual taxpayer on medical expenses for serious diseases for taxpayer, spouse and child as well as fertility treatment for taxpayer and spouse. Tax relief claims must be proved by receipt and certification issued by medical practitioner registered with the Malaysian Medical Council confirming the treatment is given to the taxpayer, spouse and child. This relief includes the amount of up to RM 1,000 for full medical check-up expenses and RM 1,000 for vaccination expenses.

It is proposed that the scope of individual income tax relief for full medical check-up expenses be expanded to cover the cost of check-up or consultation service related to mental health from: -



- a psychiatrist registered with the Malaysian Medical Council under the Mental Health Act 2001 (Act 615);
- a clinical psychologist registered with the Malaysian Allied Health Professions Council under the Allied Health Professions Act 2016 (Act 774); or
- a counsellor registered with the Board of Counsellors Malaysia under the Counsellors Act 1998 (Act 580).

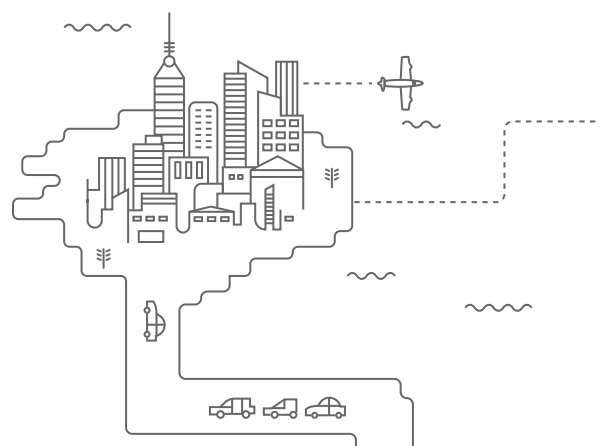
Effective: YA 2022

5 EXTENSION OF SPECIAL RELIEF FOR INDIVIDUAL INCOME TAX ON DOMESTIC TOURISM EXPENDITURE

Currently, a special relief for individual income tax of up to RM 1,000 is given for domestic tourism expenditure incurred between 1 March 2020 until 31 December 2021 for: -

- accommodation expenses at premises registered with the Ministry of Tourism, Arts and Culture Malaysia (MOTAC);
- entrance fee to tourist attraction centres; and
- In March 2021, through PEMERKASA, this special relief is expanded to include expenses on tourism packages purchased with local tourism operators registered with MOTAC that comprises of:

- payment for local tour guide services;
- purchase of local handicraft products;
- food and beverages; and
- transportation including hop-on hop-off.



It is proposed that the period for this special relief for individual income tax be extended to expenditure incurred up to 31 December 2022.

Effective: YA 2022

6 EXTENSION OF INDIVIDUAL INCOME TAX RELIEF FOR CHILD CARE CENTRE OR KINDERGARTEN FEES

Effective YA 2020, individual income tax relief of up to RM 2,000 is given to a parent on fees paid to a child care centre registered with the Social Welfare Department or kindergarten registered with the Ministry of Education Malaysia.

Through PENJANA, the relief limit is increased up to RM 3,000 for YAs 2021 and 2022.

It is proposed that the relief of up to RM 3,000 be extended for another 2 years.

Effective: YAs 2022 and 2023

7 EXTENSION OF SPECIAL RELIEF FOR INDIVIDUAL INCOME TAX FOR PURCHASE OF MOBILE PHONE, COMPUTER AND TABLET

Under PENJANA, the Government has announced a special individual income tax relief for the purchase of mobile phone, computer and tablet of up to RM 2,500 for YA 2020. This is an addition to the relief given on the purchase of mobile phone, computer and tablet of up to RM 2,500 under lifestyle relief. The special individual income tax relief has been extended until YA 2021 under the PERMAI stimulus package.

It is proposed that the special individual income tax relief of up to RM 2,500 on the purchase of mobile phone, computer and tablet be extended for another 1 year.

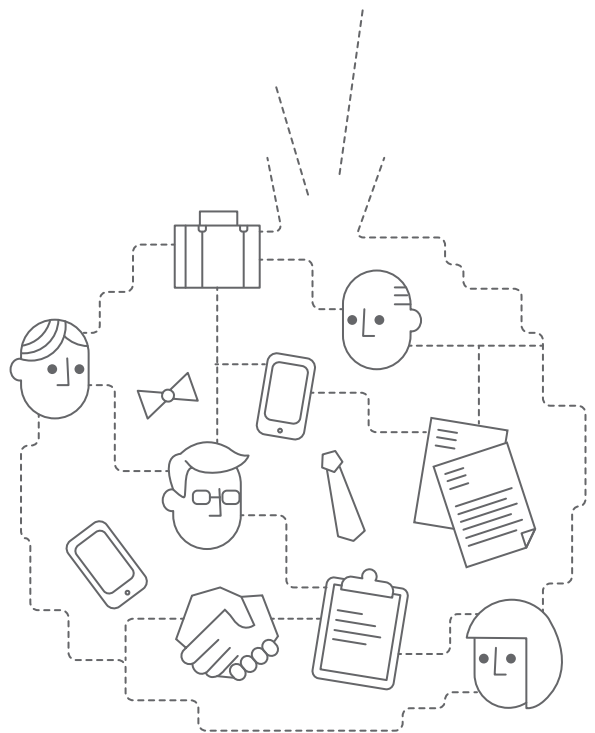
Effective: YA 2022

8 EXTENSION OF INDIVIDUAL INCOME TAX RELIEF FOR DEFERRED ANNUITY

Currently, income tax relief of up to RM 3,000 on premium payment for deferred annuity and contribution in the Private Retirement Scheme (PRS) is eligible to be claimed annually by individual taxpayers from YAs 2012 to 2021. In Budget 2021, the income tax relief for contribution in PRS has been extended until YA 2025. No extension was given for tax relief on premiums paid for deferred annuity.

It is proposed that the income tax relief for deferred annuity premium payment be extended for another 4 years.

Effective: YAs 2022 to 2025



9 EXTENSION OF SPECIAL INCOME TAX RATE FOR NON-RESIDENT INDIVIDUALS HOLDING KEY POSITIONS IN COMPANIES INVESTING IN NEW STRATEGIC INVESTMENTS

Currently, the Government through PENJANA has announced tax incentive at the rate of 0% income tax for up to 15 years for manufacturing and services companies that relocate their operations to Malaysia. In addition, individual income tax at a flat rate of 15% is given to non-residents holding key positions (C-Suite) for 5 consecutive years. This tax incentive is limited to 5 non-resident individuals employed in each company provided that the following requirements are met:

- receiving a monthly salary of not less than RM 25,000; and
- a Malaysian tax resident for each YA throughout the flat rate tax treatment.

This tax incentive is given for applications received by MIDA from 7 November 2020 to 31 December 2021.

It is proposed that this incentive be extended for another 1 year.

Effective: For applications received by MIDA until 31 December 2022

10 INDIVIDUAL INCOME TAX RELIEF FOR SELF-FUNDED BOOSTER VACCINATION

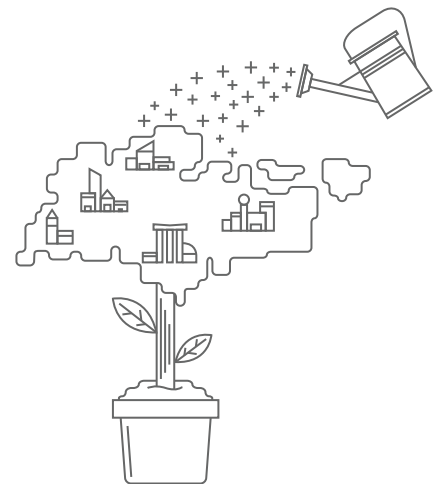
It is proposed that individual tax relief be given on costs incurred in relation to self-funded booster vaccination.

Effective: YA 2022

11 EXTENSION OF REDUCTION IN MINIMUM EPF CONTRIBUTION RATE

It is proposed that the minimum EPF monthly contribution rate for employees at the reduced rate of 9% (from 11 %) be extended up to June 2022.

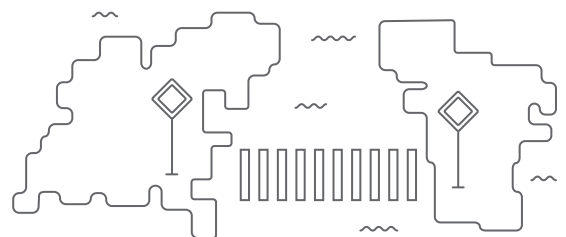
Effective: Until June 2022



12 REMOVAL OF TAX EXEMPTION ON FOREIGN-SOURCED INCOME

It is proposed that the exemption on foreign-sourced income provided under Paragraph 28, Schedule 6 of the Income Tax Act 1967 be removed.

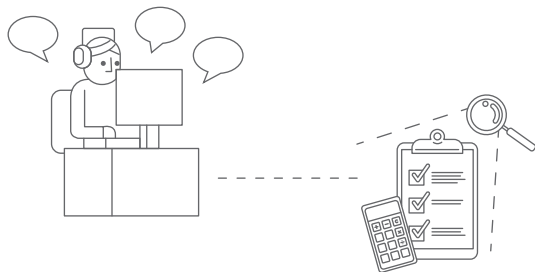
Effective: 1 January 2022



INDIRECT TAXES

1 INTRODUCTION OF SPECIAL VOLUNTARY DISCLOSURE PROGRAM (SVDP)

Currently, there is no provision in the indirect tax legislation for remission of tax and/or penalties for voluntary disclosures of underpayment or erroneously reported indirect taxes. Any remission on indirect taxes and/or penalties is subject to the approval of the Ministry of Finance (MOF) or Director General of Customs on a case-by-case basis.



It is proposed that an SVDP for indirect taxes be introduced in phases with the following penalty remission incentives: -

- First phase: 100% remission on penalties; and
- Second phase: 50% remission on penalties.

Tax remission will also be considered in certain cases.

Effective: To be confirmed

2 EXTENSION OF SALES TAX EXEMPTION ON PASSENGER CARS

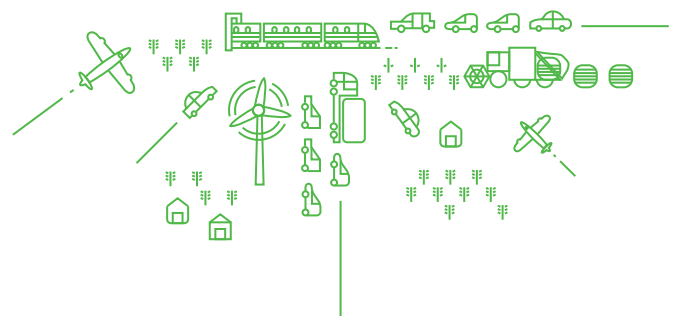
Under PENJANA, sales tax exemption was given on passenger cars (including SUV and MPV) from 15 June 2020 to 30 June 2021 to boost the sales affected by the COVID-19 pandemic as follows:

- 100% sales tax exemption on Completely-Knocked-Down (CKD); and
- 50% sales tax exemption on new and used imported Completely Built-Up (CBU).

The sales tax exemption has been extended under PEMERKASA+ for 6 months from 1 July 2021 to 31 December 2021.

It is proposed that the existing sales tax exemption be extended for 6 months to 30 June 2022.

Effective: 1 January 2022 to 30 June 2022



3 IMPOSITION OF SALES TAX ON LOW VALUE GOODS

Currently, sales tax is imposed and levied on all taxable goods manufactured in Malaysia or imported into Malaysia. However, sales tax exemption is given on imported goods not exceeding RM500 (except for cigarettes, tobacco and intoxicating liquor) using air courier services through designated international airports. The exemption is provided under Item 24, Schedule A, Sales Tax (Persons Exempted from Payment of Tax) Order 2018.

It is proposed that: -

- Goods not exceeding RM500 from abroad (Low Value Goods - LVG) sold online by seller and delivered to consumers in Malaysia via air courier service is subject to sales tax. The exemption under Item 24, Schedule A, Sales Tax (Persons Exempted from Payment of Tax) Order 2018 be revoked.
- Sellers from Malaysia or abroad who sell LVG to consumers in Malaysia are required to register and charge sales tax.

Effective: 1 January 2023

4 SERVICE TAX ON GOODS DELIVERY SERVICES

Currently, courier delivery services for documents or parcels not exceeding 30 kilogrammes by a licensed service providers under Section 10, Postal Services Act 2012 are subject to service tax under Group I, First Schedule of Service Tax Regulations 2018. Goods delivery services by service providers who are not licensed under the Postal Services Act 2012 are not subject to service tax.



It is proposed that service tax be imposed on goods delivery services provided by service providers including E-Commerce platform (excluding food and beverages delivery services as well as logistic services).

Effective: 1 July 2022

5 SERVICE TAX EXEMPTION ON BROKERAGE SERVICES RELATED TO TRADING OF LISTED SHARES

Currently, services in relation to financial services for the use or provision of brokerage and underwriting are subject to service tax under Group I, First Schedule of Service Tax Regulations 2018. Brokerage and underwriting service providers including services related to trading of listed shares are liable to charge service tax on such services.

It is proposed that: -

- recipients of brokerage services related to trading of shares be exempted from paying service tax;
- brokerage service providers related to trading of shares be exempted from charging service tax; and
- the exemption as per items (i) and (ii) is applicable to services related to trading of shares listed on Bursa Malaysia.

Effective: 1 January 2022





INDIRECT TAXES (CONT)

6 EXCISE DUTY ON LIQUID OR GEL USED FOR ELECTRONIC CIGARETTES AND VAPE

Effective 1 January 2021, devices and liquid or gel used for electronic and non-electronic cigarette including vape are subjected to excise duty as follows:

- All types of electronic and non-electronic cigarette devices including vape at the rate of 10% ad valorem; and
- Non-nicotine liquid or gel used for electronic cigarette including vape at the rate of RM 0.40 per millilitre

It is proposed that the scope of excise duty be expanded to include liquid or gel containing nicotine used for electronic cigarettes and vape. Excise duty will be imposed at the rate of **RM 1.20 per millilitre**.

Excise duty for non-nicotine liquid or gel will be increased from **RM 0.40 per millilitre** to **RM 1.20 per millilitre** similar to excise duty for liquid or gel containing nicotine.

Effective: 1 January 2022

7 EXTENSION OF TOURISM TAX EXEMPTION

Currently, accommodation premise operators registered under the Tourism Tax Act 2017 are exempted from charging tourism tax until 31 December 2021. This exemption was provided under PENJANA and further extended under the PEMERKASA stimulus package.

It is proposed that the exemption from charging tourism tax be further extended for one year to 31 December 2022.

Effective: 1 January 2022 to 31 December 2022

STAMP DUTY

1 REVIEW OF STAMP DUTY ON CONTRACT NOTES FOR TRADING OF LISTED SHARES

Currently, courier delivery services for documents or parcels not exceeding 30 kilogrammes by a licensed service providers under Section 10, Postal Services Act 2012 are subject to service tax under Group I, First Schedule of Service Tax Regulations 2018. Goods delivery services by service providers who are not licensed under the Postal Services Act 2012 are not subject to service tax.

Currently, stamp duty is charged on contract notes for trading of listed shares on Bursa Malaysia at the rate of 0.1% equivalent to RM 1.00 for every RM 1,000 and part thereof is subject to a cap of RM 200 for each contract note.



It is proposed that the stamp duty treatment for trading of listed shares on Bursa Malaysia be reviewed as follows: -

- the rate of stamp duty on contract notes be increased to 0.15% which is equivalent to RM 1.50 for every RM 1,000; and
- the stamp duty limit of RM 200 for each contract note be removed.

Effective: 1 January 2022

2 STAMP DUTY EXEMPTION ON LOAN/FINANCING AGREEMENTS FOR PEER-TO-PEER FINANCING (P2P)

Currently, every successful fundraising by MSMEs through P2P platform is subjected to stamp duty on the loan/financing agreement at the rate between 0.05% to 0.50%.

As a background, P2P financing was introduced in 2016 and it is an innovative form of alternative fundraising that allows MSMEs to raise capital in the form of loan or financing through online P2P platform registered with the Securities Commission Malaysia (SC).

P2P financing is aimed to meet the MSMEs funding requirements, especially start-up and micro enterprise facing difficulties in accessing financing or loan facilities from financial institutions that impose stringent requirements. The P2P platform connects the MSMEs with multiple investors who then invest their fund according to request made by MSMEs through digital platform.

It is proposed that 100% stamp duty exemption be given on P2P loan/financing agreement between MSMEs and investors for 5 years made through P2P financing platform registered and recognised by the SC.

Effective: For P2P loan/financing agreement executed from 1 January 2022 to 31 December 2026



STAMP DUTY (CONT)

3 EXTENSION OF STAMP DUTY EXEMPTION FOR INSTRUMENTS RELATED TO MERGER AND ACQUISITION (M&A)

Currently, MSMEs that undertake merger or acquisition scheme approved by MEDAC (from 1 July 2020 to 30 June 2021) is given stamp duty exemption on qualifying instruments executed for M&A.

It is proposed that the existing exemption be extended for another year for instruments executed until 31 December 2022.

Effective: For applications of M&A received by MEDAC from 1 July 2021 to 30 June 2022 and qualifying instruments executed until 31 December 2022

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

Currently, 100% stamp duty exemption is given on restructuring or rescheduling of loan/financing agreement between borrowers and financial institutions executed from 1 March 2020 to 31 December 2021 provided: -

- the original loan/financing agreement has been duly stamped; and
- the restructuring or rescheduling of loan/financing agreement does not contain the element of additional value to the original amount of loan/financing.

It is proposed that the existing 100% stamp duty exemption on restructuring or rescheduling of loan/financing agreement be extended for another year.

Effective: For instruments executed from 1 January 2022 to 31 December 2022

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