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MALAYSIA BUDGET TAX SEMINAR 2027

Date: 4th November 2026 | *Time:* 8.00am - 5.30pm | *Venue:* Royale Chulan Damansara

SPEAKER SESSION 2

KEY HIGHLIGHTS OF THE 2027 DIRECT TAX PROPOSALS



ENCIK MUHAMMAD AMINUDIN AWALUDIN
Director
SALIHIN Tax

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MALAYSIA BUDGET TAX SEMINAR 2027

Date: 4th November 2026 | Time: 8.00am - 5.30pm | Venue: Royale Chulan Damansara

INITIATIVES BUDGET 2027

COMPANY TAX



Drop Your Question Here

TAX RATE REVISION MICRO, SMALL & MEDIUM ENTERPRISES (MSME)

CHARGEABLE INCOME	CURRENT TAX RATE	PROPOSED TAX RATE
First RM150,000	15%	**14%**
RM150,001 – RM600,000	17%	**16%**
Exceeding RM600,000	24%	24% **(No changes)**

W.E.F : YA 2027

Drop Your Question Here

CAPITAL ALLOWANCE FOR SMALL VALUE ASSETS

PARTICULARS	CURRENT LIMIT	PROPOSED LIMIT
Value of Each Asset	RM2,000.00	**RM3,000.00**
Total Capital Allowance Limit	RM20,000.00	**RM30,000.00**

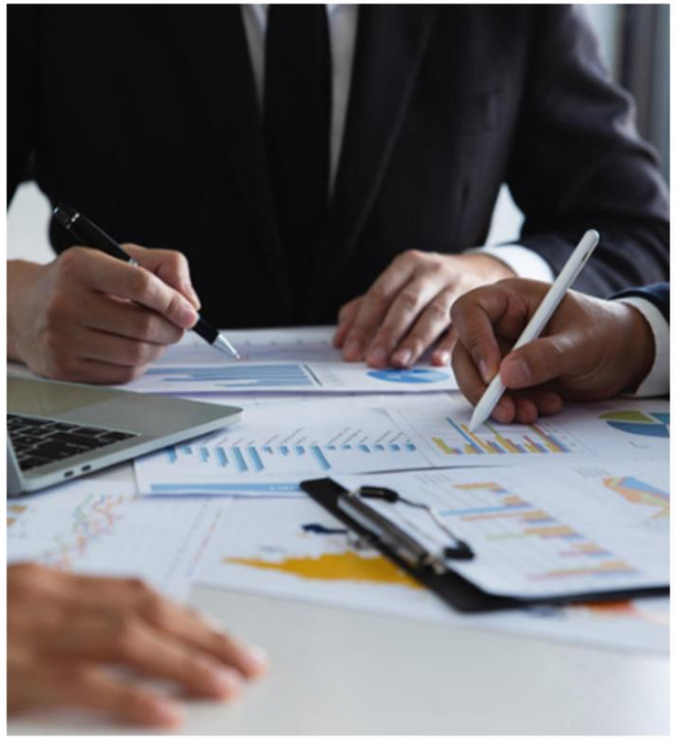
**** Total Capital Allowance Limit Does Not Apply To MSME***

W.E.F : YA 2027



Drop Your Question Here

SYARIAH-COMPLIANT FUND MANAGEMENT SERVICE PROVIDER



Revision of the Income Tax Exemption Rate and Extension of the Exemption Period

Eligible: Resident company

Exemption rate on statutory income

60% → 40%

For 3 years – FROM YA 2028 TO 2030

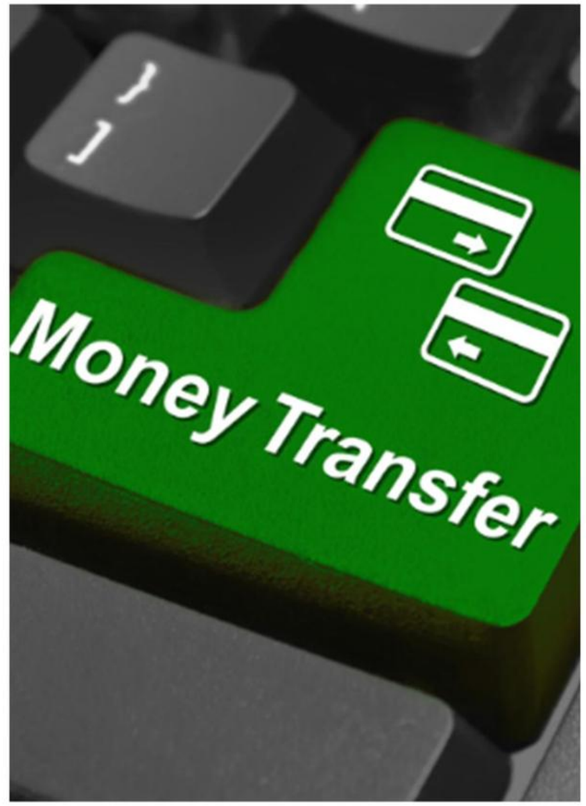
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RESTRICTION ON DEDUCTION FOR EMPLOYMENT EXPENSES

Deduction for expenses in respect of employment is **only allowed** for payments made via financial institution **(CASHLESS)**

- Exception applies to Micro, Small and Medium Enterprise (MSME) employer.
- Employment income referred to is employment income under paragraph 13(1)(a), in monetary form only

W.E.F: YA 2028



Drop Your Question Here

COST OF ISSUANCE FOR SUKUK PRISMA SDG



Qualifying Expenditure on the Cost of Issuance for Sukuk Prisma SDG

- Sukuk as financing instruments for projects or activities for adaptation of climate changes, water and food security, biodiversity resilience and the blue economy
- **4 years of assessment**
- The deduction for cost of issuance for Sukuk SRI is effective until year of assessment 2027

APPROVED / AUTHORIZED / LODGED WITH SC FROM YA 2027 TO 2030

Drop Your Question Here

EQUITY CROWDFUNDING

CURRENT

INCOME TAX EXEMPTION:

- Limited to 50% of investment (not > RM50k)
- 10% of aggregate income

Investment made from
1 January 2024 to 31 December 2026

PROPOSAL

Extended for investment made from

1 January 2027 to

31 December 2030

Drop Your Question Here

ANGEL INVESTOR

CURRENT

Tax exemption equivalent to the amount of the investments made

Investments made from
1 January 2024 to 31 December 2026

PROPOSAL

Extended for investments made from

1 January 2027 to

31 December 2030

Drop Your Question Here

ACCELERATED CAPITAL ALLOWANCE

CURRENT

Heavy Machinery (Local Manufacturer)	**Initial Allowance 20%**
Plant and General Machinery	
ICT Equipment	**Annual Allowance 40%**
Consultation, licensing, and computer software development fees	

PROPOSAL

Extension on Qualifying capital expenditure incurred from

1 January 2027 to

31 December 2030

Drop Your Question Here

GREEN INVESTMENT TAX ALLOWANCE (GITA) PROJECT – BUSINESS PURPOSES –

PARTICULARS	CURRENT			PROPOSAL	
QUALIFYING ACTIVITIES	**Tier 1** Green Hydrogen	**Tier 2** Integrated waste management Electric vehicle (EV) charging station	**Tier 3** Biomass Biogas Mini hydro Geothermal Solar Wind energy	**Tier 1** Green hydrogen Ocean Thermal Energy Conversion	**Tier 2** Electric vehicle (EV) charging station Renewable Energy system (Biomass, Biogas, mini hydro, Geothermal, wind energy)
GITA (%)	100%	100%	100%	100%	**60%**
DEDUCTION FROM STATUTORY INCOME (%)	100% / 70%	100%	100%	100% / 70%	**70%**
INCENTIVE PERIOD	Up to 10 years (5 + 5)	5 years	5 years	Up to 10 years (5 + 5)	5 years

APPLICATION RECEIVED BY MIDA FROM 1 JAN 2027 TO 31 DEC 2030

Drop Your Question Here

GREEN TECHNOLOGY INCENTIVES (GITA)/(GITE) – OWN CONSUMPTION – CURRENT

PARTICULARS	CURRENT – Tier 1	CURRENT – Tier 2
QUALIFYING ACTIVITIES	*Qualifying asset as approved by Minister of Finance* Battery Energy Storage System Green Building	*Qualifying asset as approved by Minister of Finance* Renewable Energy System Energy efficiency
GITA (%)	100%	60%
Deduction from Statutory Income (%)	70%	70%
INCENTIVE PERIOD	Qualifying Capital Expenditure incurred starting from 1 January 2024 to 31 December 2026	

PARTICULARS	CURRENT	
GITE SOLAR LEASING Qualifying Asset	Energy Generation capacity >3MW – ≤10MW	Energy Generation capacity >10MW – ≤30MW
% GITE on Statutory Income	70%	70%
Incentive Period	5 years	10 years

Drop Your Question Here

GREEN TECHNOLOGY INCENTIVES (GITA)/(GITE) – OWN CONSUMPTION – PROPOSAL

PARTICULARS	PROPOSAL – Tier 1	PROPOSAL – Tier 2
QUALIFYING ACTIVITIES	*Qualifying asset as approved by Minister of Finance* Bus, MPV Panel Van, Movers/Terminal Tractors/Forklift/Light Truck and Lorry/Heavy Duty Truck and Lorry; EV Infrastructure (local product) Integrated Renewable technology system (Biomass, Biogas, Mini Hydro, Solar, Geothermal, Wind energy) with Battery Energy Storage System (BESS) or Energy Storage System (ESS) Waste Composter and Recycling (local product) Wastewater Recycling and Rainwater Harvesting (local product).	*Qualifying asset as approved by Minister of Finance:* Renewable energy system (Biomass, Biogas, Mini hydro, Geothermal, Wind energy) Waste Composter and Recycling; Wastewater Recycling and Rainwater Harvesting; and EV infrastructure
GITA (%)	100%	60%
DEDUCTION FROM STATUTORY INCOME (%)	70%	70%
INCENTIVE PERIOD	For qualifying capital expenditure incurred, verified by MGTC for the purchase of green technology assets from 1 January 2027 to 31 December 2030	

APPLICATION RECEIVED BY MGTC FROM 1 JAN 2027 TO 31 DEC 2030

Drop Your Question Here

CONTRIBUTION TO SCHOOL PUBLIC CONTRIBUTION FUND (TSUWAS)

PARTICULARS	CURRENT	PROPOSAL
PURPOSE	Implementation of projects or school programs approved by Ministry of Education	Administrations, operations, minor repairs and maintenance of school
QUALIFIED SCHOOL	Fully government-aided School Non-government owned school (vernacular schools or national-type schools without government intervention) Fully government-aided religious school Non-government owned religious school	Fully government-aided School Non-government owned school (vernacular schools or national-type schools without government intervention) Fully government-aided religious school Non-government owned religious school
CONDITIONS	Donation by cash only Individual or corporate donor Tax deduction limited to 10% of aggregate income	Donation by cash only Individual or corporate donor Tax deduction limited to 10% of aggregate income
ADMINISTERED BY	None	TSUWAS jointly administered by Parent-Teacher Association (PTA) or Alumni Association

W.E.F: YA 2027 VIA AMENDMENT TO CURRENT GUIDELINES

Drop Your Question Here

GLOBAL SERVICES HUB (GSH) – QUALIFYING SERVICES

Revisit the Scope of Qualifying Services under Global Services Hub (GSH)

CURRENT

PARTICULAR	NEW COMPANY		EXISTING COMPANY	
	TIER 1	TIER 2	TIER 1	TIER 2
TYPES OF INCOME EXEMPTED	Service income; or Service or trading income			
QUALIFYING ACTIVITIES	Regional P&L / Business Management Unit; Strategic Business Planning; and Corporate Development			
TWO (2) ADDITIONAL SERVICES	Strategic Services; Business Services; or Shared Services			

PROPOSAL

PARTICULARS	NEW COMPANY	EXISTING COMPANY
TYPES OF INCOME EXEMPTED	Service income; or Service or trading income	
QUALIFYING ACTIVITIES	Regional P&L / Business Management Unit; Strategic Business Planning; and Corporate Development	
TWO (2) ADDITIONAL SERVICES	Strategic Services; Business Services **(including Treasury Fund Management – TFM)**; or Shared Services	

APPLICATION RECEIVED BY MIDA FROM 1 JAN 2027

Existing company: Value Added Income (VAI)

Drop Your Question Here

GLOBAL SERVICES HUB (GSH) – TAX INCENTIVE

CURRENT

PARTICULARS	NEW COMPANY		EXISTING COMPANY	
	TIER 1	TIER 2	TIER 1 (VAI)	TIER 2 (VAI)
TAX INCENTIVE	Tax rate 5%	Tax rate 10%	Tax rate 5% on value-added income	Tax rate 10% on value-added income
INCENTIVE PERIOD	5 years + subsequent 5 years		First 5 years	

Notes

1. Tax treatment for TFM activities also applies to GSH company under JS-SEZ package
2. Computation of VAI / base income for an existing company is based on the average income for the last 3 years

PROPOSAL

PARTICULARS	NEW COMPANY	EXISTING COMPANY
	Tax Rate	Tax Rate (Tier)
TAX INCENTIVE	**5%**	≤ Base Income : 15 % > Base Income : 5%
ADDITIONAL INCENTIVE	Exemption to GSH company carrying out TFM activity: withholding tax on payment of interest to a non-resident; and stamp duty on foreign currency loan agreement	
INCENTIVE PERIOD	Extended every 5 years up to maximum of 30 years	

APPLICATION RECEIVED BY MIDA FROM 1 JAN 2027



Drop Your Question Here

NATIONAL HIGHER EDUCATION FUND CORPORATION (PTPTN) REPAYMENT OF LOAN BY EMPLOYERS

CURRENT

Employers that make loan repayments on behalf of their employees were eligible for tax deductions on the amount equivalent to the loan repayment.

- Repayment by the employers from 1 January 2019 to 31 December 2021
- Repayment either in monthly instalment or full settlement

Perquisites is eligible for full exemption pursuant to Income Tax (Exemption) (No. 8)(Amendment) Order 2019

PROPOSAL

Employers that make loan repayments are eligible for tax deduction subject to these conditions:

- No payment imposed on the employees as a consideration for the loan repayment made;
- The employees must be a full-time employee; and
- The employees must not be the owner of the business or relatives of the employer

Loan repayment by the employers are deemed as employees' income (Perquisites), subject to income tax. Income Tax (Exemption) (No. 8)(Amendment) Order 2019 is not extended

W.E.F : REPAYMENT MADE FROM 1 JAN 2027 – 31 DEC 2028

Drop Your Question Here

TAX INCENTIVE MALAYSIAN SHIPPING INDUSTRY

PARTICULARS	CURRENT	PROPOSAL
EXEMPTION RATE	100% income tax exemption	100% income tax exemption
EXEMPTION PERIOD	From Year of Assessment 2024 to Year of Assessment 2026	**Extended from Year of Assessment 2027 to Year of Assessment 2036**
CONDITIONS	Annual operating expenditure of at least RM250,000.00 for each Malaysian ship; Has an adequate number of full-time employees in Malaysia for each Malaysian ship; and In relation to employees who are ship personnel under Part III of the Merchant Shipping Ordinance 1952 [Ord. 70/1952], the employees shall be subject to the minimum requirement	**Strategic management and effective control exercised in Malaysia;** Annual operating expenditure of at least RM250,000.00 for each Malaysian ship; and Has at least **four (4) full time employees (Malaysian citizen)** for each Malaysian ship with average salary of RM15,000 per month

W.E.F: STARTING 1 JAN 2027 – 31 DEC 2036

Drop Your Question Here

COST OF ISSUING NEW SHARES

CURRENT

Under the Employee Share Option Scheme (ESOS), the cost relating to shares expended by a company is allowed as a deduction if;

Treasury Shares (S.34D)

- The rights and benefits of the treasury shares are transferred to the employee; or
- The holding company recharges the cost of treasury shares to its subsidiaries

New Shares (PR 9/2013)

- No deduction is allowed for the cost of newly issued shares for ESOS.

PROPOSAL

Cost of issuing new shares is **not deductible** in respect of:

- Any amount incurred by a company in respect of its own shares to its employees; and
- Any amount in respect of any payment made by a company to a holding company or a subsidiary company in respect of new shares subject to any rules prescribed by the Minister

W.E.F: YA 2027

Drop Your Question Here

e-INVOICE : e-COMMERCE PLATFORM

Ensuring a uniform, fair and effective e-Invoicing treatment across all e-commerce platforms

PROPOSAL

Requires e-commerce platform providers to issue a **self-billed e-invoice**.



W.E.F : 1 JAN 2027

PLATFORM	SELLER	CUSTOMER	SELF-BILLED e-INVOICE BY PLATFORM PROVIDER
Malaysia	Malaysia	Malaysia	Compulsory
	Malaysia	Outside Malaysia	Compulsory
	Outside Malaysia	Malaysia	Compulsory
	Outside Malaysia	Outside Malaysia	Compulsory
Outside Malaysia	Malaysia	Malaysia	Compulsory
	Malaysia	Outside Malaysia	Compulsory
	Outside Malaysia	Malaysia	Compulsory
	Outside Malaysia	Outside Malaysia	Not Compulsory

Drop Your Question Here

FAILURE TO COMPLY WITH INCOME TAX RULES (EOI/CbCR)

CURRENT

Offence is chargeable under subsection 119B(1) and upon conviction, shall be liable to the following punishment:

- Fine ≥RM20,000 ≤ RM100,000;
- Imprisonment not exceeding 6 months; or
- Both

PROPOSAL

Expanding the scope of provision for the offence by permitting DGIR to impose penalty where there is **no prosecution instituted**

Penalty:

≥RM20,000 ≤ RM100,000

W.E.F : 1 JAN 2027

Drop Your Question Here

DEFINITION "CONTROL" TRANSACTION BETWEEN ASSOCIATED PERSONS

PROPOSAL

TERM	PURPOSE	PROPOSAL
"Control"	Transaction between Associated Persons	**"Control" includes "direct" or "indirect" shareholding".**

W.E.F: YA 1 JAN 2027



Drop Your Question Here

CONTRIBUTION FOR CHARITY PROJECT

CURRENT

Deduction of the amount of expenditure for:

- Provision of services, public amenities and contribution to a charity or community project [Subsection 16(7B)]
- Provision of infrastructure in relation to a business which is available for public use [Subsection 16(7BA)]

– subject to Minister's Approval

PROPOSAL

The approval mechanism is streamlined as follows:

AMOUNT OF CONTRIBUTION	PROJECT APPROVAL	VERIFICATION OF CONTRIBUTION
Less than RM300,000	Relevant Government Authority (RGA)	
More than RM300,000	Ministry of Finance	RGA

W.E.F : YA 2027

Drop Your Question Here

CONTRIBUTION / SPONSORSHIP ARTS, CULTURAL OR HERITAGE ACTIVITIES

CURRENT

Limit	RM200,000
Scope of Activities	Arts Cultural
Approval	Ministry of Tourism, Arts and Culture

PROPOSAL

Limit	**RM1,000,000** (Limited to RM300,000 for foreign arts, cultural or heritage activity)
Scope of Activities	Arts Cultural **Heritage**
Approval	Minister charged with the responsibility for arts, culture or heritage

W.E.F : YA 2027

Drop Your Question Here

CONTRIBUTION FOR CHARITY, SPORT ACTIVITY & PROJECT OF NATIONAL INTEREST

CURRENT

Provision	Contribution to
Subsection 22(1)	Any approved institution or organization
Subsection 22(1E)	Any approved sports activities
Subsection 22(1F)	Any approved project of national interest
Shall not exceed 7% of statutory income	

PROPOSAL

Increasing deduction limit for the contribution:

7% → 10%

of statutory income

W.E.F : YA 2027

Drop Your Question Here

BUDGET SPEECH 2027



MULTI-FAMILY OFFICE (MFO) MODEL

A Single Family Office (SFO) managing funds in Malaysia is eligible for a tax incentive at a zero per cent rate on qualifying income for up to 20 years. The Multi-Family Office (MFO) model will be introduced to enable licensed fund managers to provide services to multiple families, including approved SFO funds.



REVIEW OF REINVESTMENT ALLOWANCE (RA) INCENTIVE

Reinvestment Allowance (RA) is currently under review, including the eligibility criteria and the manner in which the incentive is granted, to ensure greater targeting and enhance industrial competitiveness.

AGING UNIVERSITY INFRASTRUCTURE AND EQUIPMENT

Public contributions (including alumni and the corporate sector) to public universities qualify for a tax deduction of up to 10% of the donor's aggregate income. The tax treatment is subject to the provisions of subsection 44(6) and subsection 44(11D) of the Income Tax Act 1967 in respect of endowment funds.

Drop Your Question Here

DAPUR SISWA MADANI CONTRIBUTIONS



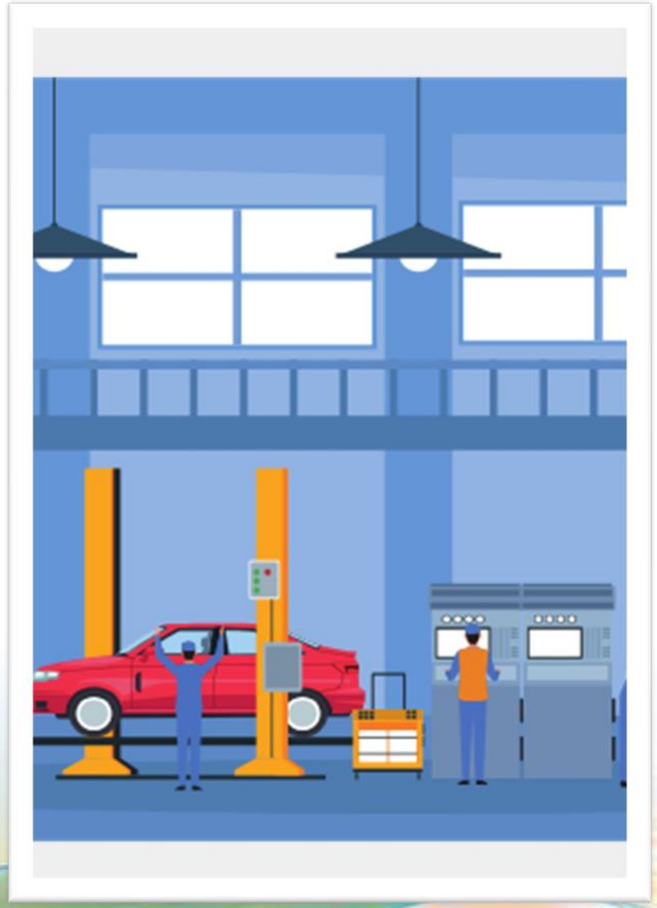
Education across all Public Universities, Polytechnics and Teacher Education Institutes.

- Cash contributions, food supplies, and food preparation equipment.
- Individual and corporate donors.
- Tax deduction pursuant to subsection 44(6) and subsection 44(11D) of the Income Tax Act 1967.

W.E.F : EXPENDITURE INCURRED FROM 1 JANUARY 2027 TO 31 DECEMBE

Drop Your Question Here

REGIONAL AUTOMOTIVE HUB STATUS



Attracting investments for the development of **Lumut Maritime Industrial City (LuMIC)** as a maritime hub in Lumut and elevating **Automotive Hi-Tech Valley** as a regional automotive hub in Tanjong Malim.

A tax deduction is granted on qualifying relocation costs incurred up to **RM5 million**.

W.E.F : EXPENDITURE INCURRED FROM 1 JANUARY 2027 TO 31 DECEMBER 2

Drop Your Question Here

BAKAT MADANI TRAINING PROGRAMME



Tax deduction on training expenditure and programme administration costs incurred under the **BAKAT MADANI Skills Training Programme**.

- Tax deduction for employers or companies implementing the BAKAT MADANI Training Programme

W.E.F : TRAINING PROGRAMMES COMMENCING FROM 29 JUNE 2026 – 31 DE

Drop Your Question Here

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MALAYSIA BUDGET TAX SEMINAR 2027

Date: 4th November 2026 | Time: 8.00am - 5.30pm | Venue: Royale Chulan Damansara

INITIATIVES BUDGET 2027

INDIVIDUAL TAX



Drop Your Question Here

SALIHIN THINK DIFFERENTLY

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MALAYSIA BUDGET TAX SEMINAR 2027

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INCREASE LIMIT FOR INDIVIDUAL PERSONAL RELIEF DEDUCTION



CURRENT

RM9,000 → PROPOSAL **RM12,000**

Relief: Personal tax relief deduction for individual and his dependant relatives

W.E.F : YA 2027

Drop Your Question Here

RATIONALISING THE EDUCATION FEES AND LIFESTYLE RELIEF

CURRENT

EDUCATION (SELF) – *Para. 46(1)(f)*			LIFESTYLE – *Per. 46(1)(p)(v)*
Courses up to Degree level in specified field	Masters or PhD Level	Upskilling or self-enhancement courses	Upskilling or self-enhancement courses
LIMITED TO RM7,000			**LIMITED TO RM2,500** *[subpara. 46(1)(p)(iv)]*

PROPOSAL

EDUCATION FEES		
SELF Any recognised courses from Certificate to PhD level, in any field	**SELF / SPOUSE** Recognised TVET programmes	**SELF OR SPOUSE** – any course, training or upskilling programmes; **OR** **CHILD** – any course, training, class, tuition for STEM, arts, languages or religion
	LIMITED TO RM3,000	**LIMITED TO RM2,000**
OVERALL LIMIT: RM7,000		

W.E.F YA 2027

Drop Your Question Here

EXPANSION OF SCOPE HEALTH AND WELL-BEING EXPENSES

CURRENT

MEDICAL EXPENSES *Para. 46(1)(g)*		BREASTFEEDING EQUIPMENT *Per. 46(1)(q)*
Serious disease Fertility treatment	Vaccination Dental examination and treatment	For child aged 2 and below Claimable once in every 2 year
LIMITED TO RM10,000		**LIMITED TO RM1,000**

PROPOSAL

HEALTH AND WELL-BEING EXPENSES		
Serious disease Fertility treatment Vaccination Dental examination and treatment	Expenditure on breastfeeding equipment for children aged two years and below Claimable every year *(no limit for number of child)*	**Expenses on post-natal care services provided by a care centre or any individual registered, recognised or licensed**
	LIMITED TO RM1,000	**LIMITED TO RM3,000**
OVERALL LIMIT: RM10,000		

W.E.F : YA 2027

Drop Your Question Here

INDIVIDUAL RELIEF – EXPENSES FOR PARENTS & GRANDPARENTS

RELIEF	SUPPORTING DOCUMENT	
	CURRENT	PROPOSAL
Medical and dental treatment, complete medical examination including vaccination and special needs	Receipt on expended amount (certification from medical/dental practitioner)	Receipt on expended amount (certification from medical/dental practitioner)
Carer expenses	Certification from medical practitioner Written confirmation or receipt or work permit of the carer	Written certification or receipt or work permit of the carer **(The care is not limited to health/medical care)**
LIMITED TO RM8,000 (FULL MEDICAL EXAMINATION LIMITED TO RM1,000)		

W.E.F : YA 2027

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LIFESTYLE EXPENSES

PROPOSAL – RELIEF
1) Purchase or subscription of books, magazines, newspapers and other similar publication
2) Purchase of personal computer, smartphone or tablet
3) Payment of monthly bill for (self): Internet subscription **Subscription fees for Artificial Intelligence (AI) software and application**
4)Fees for any upskilling/self enhancement course **[Reclassified under Para 46(1)(f)]**
5) Cost in respect of pets: Adoption from registered animal shelter or adoption of animals kept by local government authority Vaccination and neutering by a veterinarian registered with the Malaysian Veterinary Council
LIMITED TO RM2,500

W.E.F YA 2027

Drop Your Question Here

EXPANSION OF SCOPE FOR INDIVIDUAL TAX RELIEF SOCIAL SECURITY ORGANIZATION (SOCSO)

CURRENT

CONTRIBUTION
Mandatory contribution for Employment Injury Scheme Mandatory contribution Employment Insurance System
Limited to RM350

PROPOSAL

CONTRIBUTION	LIMIT
Mandatory contribution for Employment Injury Scheme	**RM350** *(Current Limit remains)*
Mandatory contribution Employment Insurance System	
Mandatory contribution for the Self-Employment Social Security Scheme **(LINDUNG KENDIRI)**	
Voluntary contribution Non-Employment Injury Scheme **(LINDUNG 24)**	**RM150**
TOTAL	**RM500**

W.E.F YA 2027

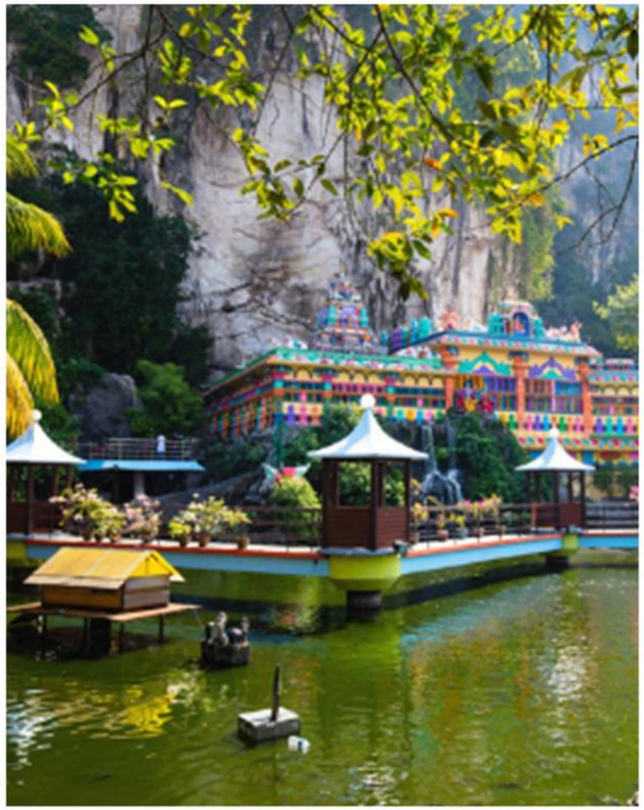
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DOMESTIC TOURISM

Extension of Period for Individual Tax Relief for Domestic Tourism Expenses

Extended to

Year of Assessment 2027



Drop Your Question Here

REVISION OF INDIVIDUAL TAX RATE

CURRENT		PROPOSAL	
Chargeable Income (RM)	**Tax Rate (%)**	**Chargeable Income (RM)**	**Tax Rate (%)**
0-5000	0	0-5000	0
5,001-20,000	1	5,001-20,000	1
20,001-35,000	3	20,001-35,000	3
35,001-50,000	6	35,001-50,000	6
50,001-70,000	11	50,001-70,000	11
70,001-100,000	19	**70,001-100,000**	**18**
100,001-400,000	25	**101,000-150,000**	**24**
400,001-600,000	26	**150,001-400,000**	**25**
600,001-2,000,0000	28	**400,001-600,000**	**26**
Exceeding 2,000,000	30	**600,001-1,000,000**	**28**
		Exceeding 1,000,000	**30**

W.E.F : YA 2027

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LIFESTYLE RELIEF (ADDITIONAL)

CURRENT – RELIEF
Purchase of sports equipment for sports activities
Rental or entrance fees to sports facilities
Registration fees for participating in any sports competitions
Gymnasium membership or sports training fees

PROPOSAL

Expansion of Scope:

Purchase of **sports shoes**

Limited to RM300

LIMITED TO RM1,000

W.E.F : YA 2027

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MALAYSIA BUDGET TAX SEMINAR 2027

Date: 4th November 2026 | Time: 8.00am - 5.30pm | Venue: Royale Chulan Damansara

INITIATIVES FOR BUDGET 2027

STAMP DUTY

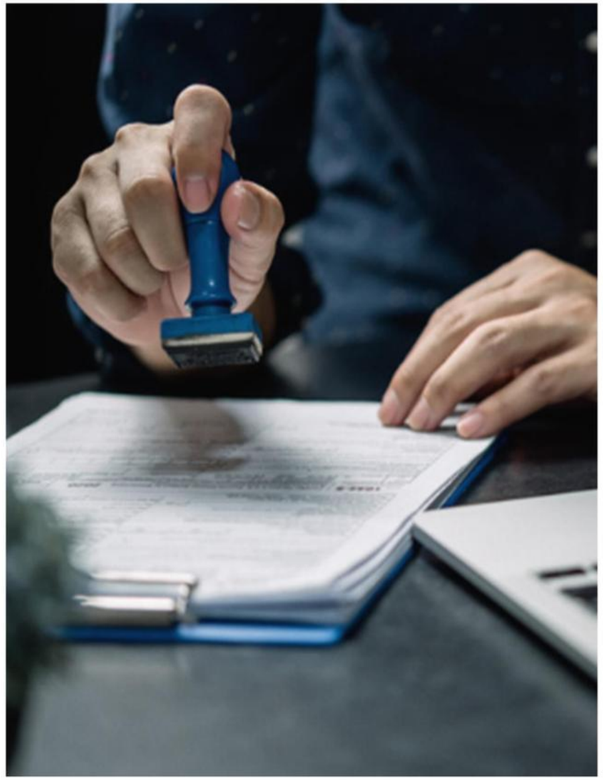


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LOAN/FINANCING CAKNA SCHEMES

Supporting MSMEs and small contractors

Remission of Stamp Duty in excess of **RM10** for Loan or Financing Agreements Under CAKNA I and CAKNA II Schemes



Micro, Small and Medium Enterprises (MSMEs) and Small Contractors:

CAKNA I Scheme	Agreements executed from **1 January 2029 – 31 December 2030**
CAKNA II Scheme	Agreements executed from **1 January 2027 – 31 December 2030**

Drop Your Question Here

FIRST HOME OWNERSHIP

CURRENT

SALE AND PURCHASE AND LOAN/FINANCING AGREEMENT FOR FIRST HOUSE

- Price not more than **RM500,000**
- **100%** stamp duty exemption
- Instruments executed from 1 January 2026 to 31 December 2027

PROPOSAL

SALE AND PURCHASE AND LOAN/FINANCING AGREEMENT FOR FIRST HOUSE

Price not more than **RM750,000**

100%
exemption for price up to RM500,000

50%
exemption for price between RM500,001 to RM750,000

Sale and Purchase Agreement executed from **1 January 2027 to 31 December 2030**

CURRENT TREATMENT PERIOD SHORTENED TO 31 DECEMBER 26

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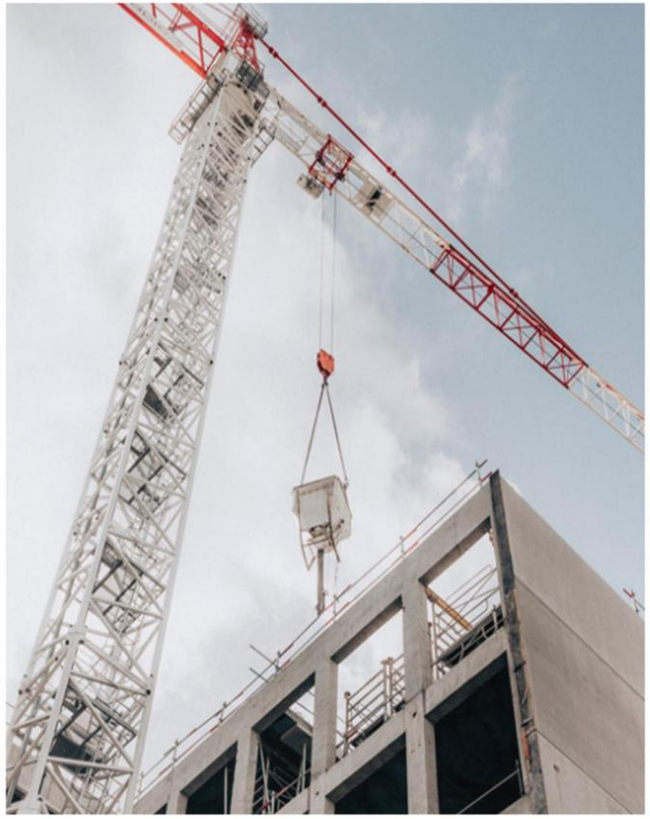
ABANDONED HOUSING PROJECT

100%

Duty Exemption on Instruments of Transfer and Loan Agreements for Abandoned Housing Projects

- Agreement executed between rescue contractors or developers and original buyers
- Agreements executed between 1 January 2027 and 31 December 2030

W.E.F : 1 JAN 2027 – 31 DEC 2030



Drop Your Question Here

SAVINGS/CURRENT ACCOUNT

CURRENT

Instruments to open savings or current account consisting of:

- Undertaking;
- Indemnity; and
- Guarantee or liability

Subject to fixed stamp duty of **RM10**.

PROPOSAL

- **100% stamp duty exemption** for opening savings or current account
- Scope of exemption covers individual and business

INSTRUMENT EXECUTED FROM 1 JANUARY 2027

Drop Your Question Here

SALIHIN THINK DIFFERENTLY

SALIHIN Academy

MALAYSIA BUDGET TAX SEMINAR 2027

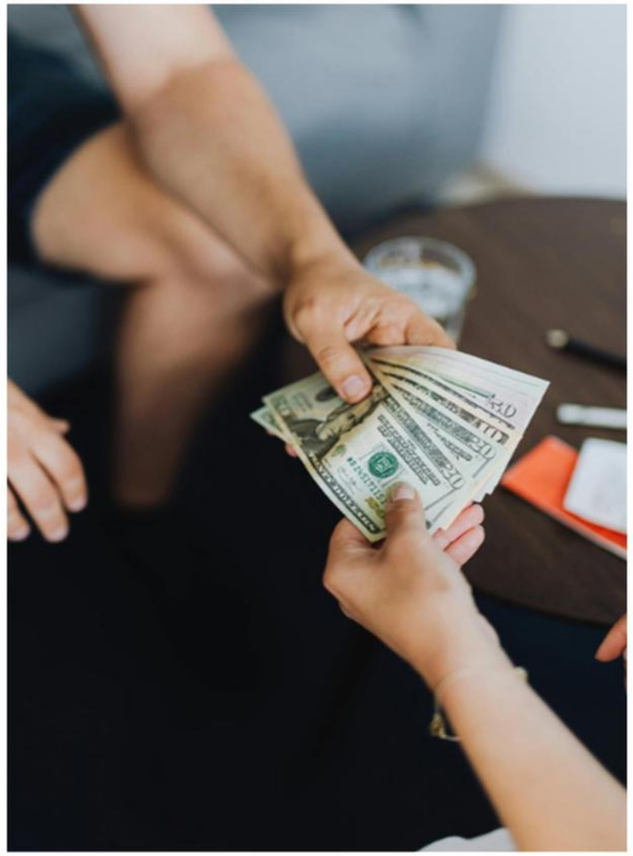
Date: 4th November 2026 | Time: 8.00am - 5.30pm | Venue: Royale Chulan Damansara

PEER-TO-PEER LOAN / FINANCING

100% **Stamp Duty Exemption on Peer-to-Peer Loan/Financing Agreements**

Instrument executed from

1 January 2027 – 31 December 2030



Drop Your Question Here

MAXIMUM LIMIT OF STAMP DUTY FOR LOAN OR FINANCING AGREEMENT IN FOREIGN CURRENCY

CURRENT

Stamp duty rate:

Ad valorem (0.5%)

PROPOSAL

Stamp duty limit on loan or agreement in foreign currency from banks in Malaysia as follows:

Loan/Financing Amount	Stamp Duty
Up to RM100 million	**RM2,000**
Exceeding RM100 million	**RM5,000**

LOAN/FINANCING AGREEMENT EXECUTED FROM 1 JANUARY 20

Drop Your Question Here

STAMP DUTY REMISSION ON LOAN AGREEMENTS FOR SUPPLIER FINANCING PROGRAMME (SECOND-TIER)

INSTRUMENTS	CURRENT	PROPOSAL
Credit Facility Agreement (First Tier)	Ad Valorem duty at the rate of: 0.5%	Ad Valorem duty: 0.5%
Agreement between MTC and financial institution for the utilisation of the excess credit facility given to MSME (Second tier agreement)	Ad Valorem duty at the rate of: 0.5%	Stamp duty in excess of **RM10 be remitted** subject to the following conditions: • MSME suppliers have fulfilled contracts for the supply of goods or services to MTCs; and • MSME suppliers are not parent company, subsidiary or related to the MTCs

SECOND TIER AGREEMENTS EXECUTED BETWEEN MTC AND FINANCIAL INSTITUTIONS FROM 1 JANUARY 2027 TO 31 DECEMBER 2030



Drop Your Question Here

STAMP DUTY REMISSION MALAYSIAN SHIPPING INDUSTRY

PROPOSAL

STAMP DUTY REMISSION ON LOAN OR FINANCING AGREEMENTS FOR PURCHASE OR CONSTRUCTION OF MALAYSIAN SHIPS	
AMOUNT OF LOAN/FINANCING	**STAMP DUTY**
Up to RM100 million	**RM2,000**
Exceeding RM100 million	**RM5,000**

LOAN OR FINANCING AGREEMENTS EXECUTED FROM 1 JAN 2027



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NEW DEFINITION

TERM	PLAIN MEANING	PURPOSE
FOREIGN COMPANY	A company incorporated outside Malaysia or a local company with at least 50% of its issued share capital or voting shares held by foreign parties, including direct or indirect control	Clarifies the characteristics of a party that falls within the foreign-company category.
PERMANENT RESIDENT	An individual recognised as a permanent resident under immigration law.	Determines the rate treatment associated with resident status.
ASSESSMENT	Includes original and additional assessments, including transactions conducted through the electronic system.	Aligns the use of the term across all assessment processes.

W.E.F: 1 JAN 2027



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STAMP DUTY DIGITALISATION

Submission through electronic medium for:

- Endorsement of instruments under the General Exemption, First Schedule
- Amended Return
- Applications for appeal, extension of time and cancellation of duty
- Claims for refunds
- Replicate of an instrument and indorsement

W.E.F : 1 JAN 2027

Submission via:

e-Duti Setem
LEMBAGA HASIL DALAM NEGERI MALAYSIA



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RESTRUCTURING OF SCHEDULES

Rate of duty payable and person liable to pay duty are compiled in one main schedule

CURRENT

2

DISTINCT SCHEDULES

- INSTRUMENT CHARGEABLE WITH DUTY
- DUTY BY WHOM PAYABLE

PROPOSAL

1

MAIN SCHEDULE

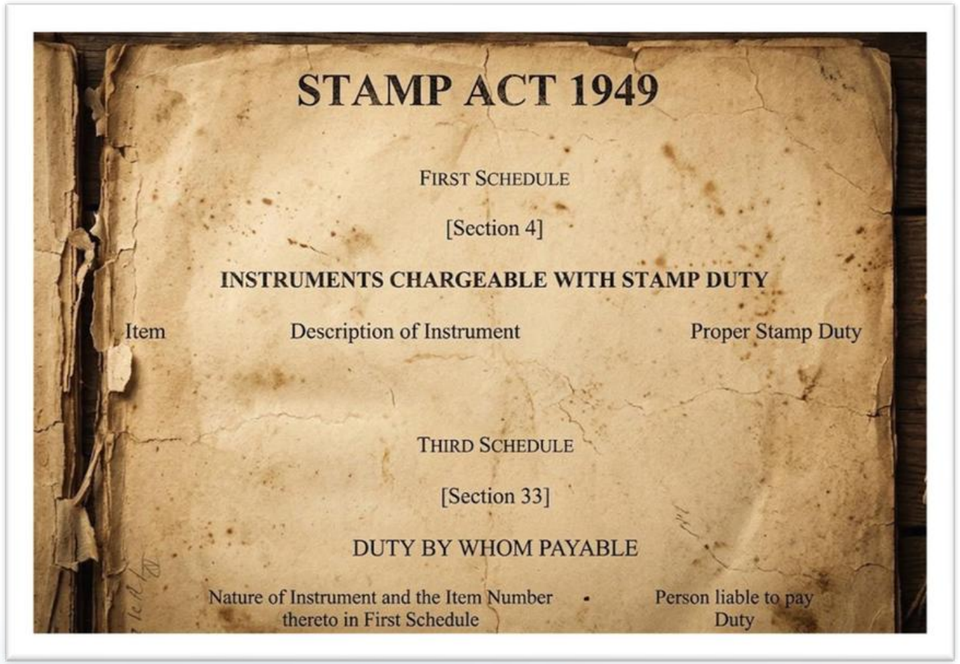
- INSTRUMENT CHARGEABLE WITH DUTY
- TRANSFER
- CHARGES / MORTGAGES
- RIGHTS AND CONTRACTS
- RENTAL AND LEASES

✓ **The main schedule set out five groups of instruments and the parties liable for duty.**

W.E.F: 1 JAN 2027

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RESTRUCTURING OF SCHEDULES – BEFORE & AFTER



STAMP ACT 1949

FIRST SCHEDULE

[Section 4]

INSTRUMENTS CHARGEABLE WITH STAMP DUTY

Item	Description of Instrument	Proper Stamp Duty

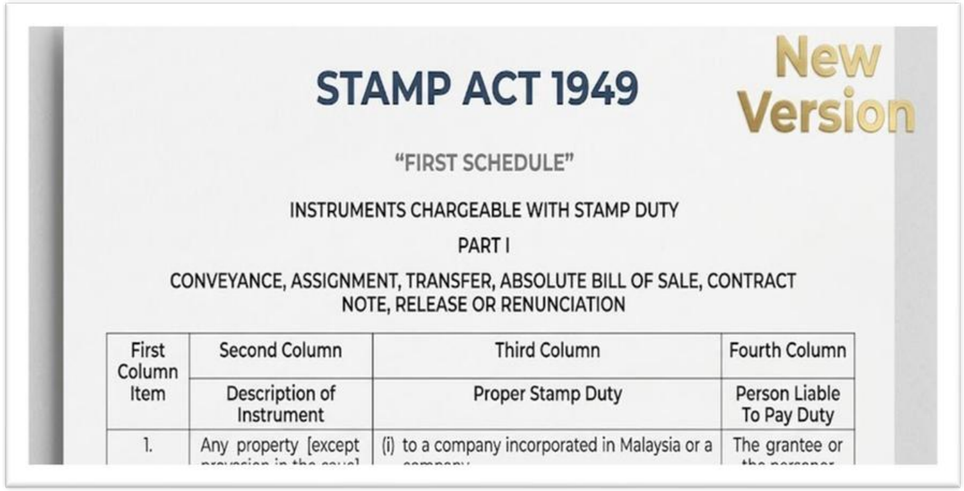
THIRD SCHEDULE

[Section 33]

DUTY BY WHOM PAYABLE

Nature of Instrument and the Item Number thereto in First Schedule	Person liable to pay Duty

→



STAMP ACT 1949

New Version

"FIRST SCHEDULE"

INSTRUMENTS CHARGEABLE WITH STAMP DUTY

PART I

CONVEYANCE, ASSIGNMENT, TRANSFER, ABSOLUTE BILL OF SALE, CONTRACT NOTE, RELEASE OR RENUNCIATION

First Column Item	Second Column	Third Column	Fourth Column
	Description of Instrument	Proper Stamp Duty	Person Liable To Pay Duty
1.	Any property [except	(i) to a company incorporated in Malaysia or a	The grantee or

W.E.F: 1 JAN 2027

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NEW METHOD FOR IMPOSITION OF DUTY

Simplifying calculation of duty and to provide certainty

	CURRENT	PROPOSAL	EXPLANATION
FINANCING / LOAN RATE	Fractional and rounding rates	**0.5% on actual amount**	Duty payable for RM650,100 is RM3,250.50
ADDITIONAL SECURITY	One-fifth of the duty on the principal and not >RM10	**RM10**	Fixed Duty

W.E.F: 1 JAN 2027



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REVISION OF TYPES OF INSTRUMENT

The list of instrument is updated to align with current practice

#	INSTRUMENT	REMARKS
01	**Warrant of Attorney**	Obsolete
02	**Share Warrant**	The issuance of Share Warrant is no longer permitted upon coming into force of Companies Act 2016
03	**Stock Certificate to Bearer**	The issuance of Stock Certificate to Bearer is no longer permitted upon coming into force of Companies Act 2016
04	**Bond on Obtaining Letters of Administration**	To align with current practice

W.E.F: 1 JAN 2027

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DETERMINATION OF STATUTORY PERIODS

Certainty and consistency in determining calculation of statutory period (penalty and refund)

CURRENT		PROPOSAL
3 MONTHS	→	90 DAYS
2 MONTHS	→	60 DAYS

The number of days may differ depending on the month concerned

Including working days and public holidays

W.E.F: 1 JAN 2027

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TECHNICAL ERROR IN NOTICE

The new provision distinguishes technical defects from disputes relating to substantive matters

TECHNICAL

✓ Error does not invalidate notice
✓ Assessment remains valid
✓ Notice remains valid
✓ Recovery action may proceed

ERROR IN ASSESSMENT, NOTICE AND OTHER DOCUMENTS

RIGHTS TO OBJECT

✓ Rights to object remain preserved

W.E.F: 1 JAN 2027

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SALIHIN THINK DIFFERENTLY

SALIHIN Academy

MALAYSIA BUDGET TAX SEMINAR 2027

Date: 4th November 2026 | Time: 8.00am - 5.30pm | Venue: Royale Chulan Damansara

AMENDMENT AND CANCELLATION OF RETURN

Introducing a clearer, structured and ethical process for amendment and cancellation of stamp duty return

AMENDMENT

1. **General Details**
   May be amended without a time limit
2. **Changes to Duty**
   Application within 30 days

CANCELLATION

1. States reason and provides supporting documents
2. The Collector assesses and records audit trails

THE COLLECTOR IS EMPOWERED TO DISCHARGE ASSESSMENTS IF ONE OR MORE ASSESSMENTS HAS BEEN RAISED IN RESPECT OF THE SAME INSTRUMENTS CHARGEABLE WITH DUTY

W.E.F : 1 JANUARY 2027

Drop Your Question Here

EDUCATION LOAN EXEMPTION

Applying the same treatment to a secured and unsecured loan

UNSECURED

Current duty: **RM10**

SECURED

Current duty: **ad valorem**

100%

EXEMPTION

Applicable to all types of education loan

W.E.F: 1 JANUARY 2027

Drop Your Question Here