

# FINANCE BILL 2018

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A BILL

*i n t i t u l e d*

An Act to amend the Income Tax Act 1967, Promotion of Investments Act 1986, Stamp Act 1949, Real Property Gains Tax Act 1976, Labuan Business Activity Tax Act 1990, Service Tax Act 2018 and Sales Tax Act 2018.

[ ]

**ENACTED** by the Parliament of Malaysia as follows:

CHAPTER I

PRELIMINARY

**Short title**

1. This Act may be cited as the Finance Act 2018.

**Amendment of Acts**

2. The Income Tax Act 1967 [*Act 53*], the Promotion of Investments Act 1986 [*Act 327*], the Stamp Act 1949 [*Act 378*], the Real Property Gains Tax Act 1976 [*Act 169*], the Labuan Business Activity Tax Act 1990 [*Act 445*], the Service Tax Act 2018 [*Act 807*] and the Sales Tax Act 2018 [*Act 806*] are amended in the manner specified in Chapters II, III, IV, V, VI, VII and VIII respectively.

## CHAPTER II

## AMENDMENTS TO THE INCOME TAX ACT 1967

**Commencement of amendments to the Income Tax Act 1967**

3. (1) Sections 10, 11, 12, 15, 16, 17, 18, 19, 23, 24, 25, 27, 28, 29 and 30 have effect from the year of assessment 2019 and subsequent years of assessment.

(2) Section 13 has effect for the years of assessment 2019, 2020 and 2021.

(3) Section 14 has effect for the years of assessment 2019 and 2020.

(4) Paragraph 4(*b*) and sections 5, 6, 7 and 8 come into operation on the coming into operation of this Act.

(5) Paragraph 4(*a*) and sections 9, 20, 21, 22 and 26 come into operation on 1 January 2019.

**Amendment of section 2**

4. The Income Tax Act 1967, which is referred to as the “principal Act” in this Chapter, is amended in subsection 2(1)—

(*a*) by substituting for the definition of “Labuan company” the following definition:

‘ “Labuan company” means a Labuan entity as provided under subsection 2B(1) of the Labuan Business Activity Tax Act 1990;’; and

(*b*) by inserting after the definition of “rent” the following definition:

‘ “research and development” means any systematic, investigative and experimental study that involves novelty or technical risk carried out in the field of science or technology with the object of acquiring

new knowledge or using the results of the study for the production or improvement of materials, devices, products, produce, or processes, but does not include—

- (a) quality control or routine testing of materials, devices or products;
- (b) research in the social sciences or the humanities;
- (c) routine data collection;
- (d) efficiency surveys or management studies;
- (e) market research or sales promotion;
- (f) routine modifications or changes to materials, devices, products, processes or production methods; or
- (g) cosmetic modifications or stylistic changes to materials, devices, products, processes or production methods;’.

#### **Amendment of section 4A**

**5.** Section 4A of the principal Act is amended by substituting for paragraph (ii) the following paragraph:

“(ii) amounts paid in consideration of any advice given, or assistance or services rendered in connection with any scientific, industrial or commercial undertaking, venture, project or scheme; or”.

#### **Amendment of section 12**

**6.** Section 12 of the principal Act is amended by inserting after subsection (2) the following subsections:

“(3) Notwithstanding subsections (1) and (2), the income of a person from a business that is attributable to a place of business in Malaysia shall be deemed to be the gross income of that person derived from Malaysia from the business.

(4) For the purpose of subsection (3), a place of business includes—

- (a) a place of management;
- (b) a branch;
- (c) an office;
- (d) a factory;
- (e) a workshop;
- (f) a warehouse;
- (g) a building site, or a construction, an installation or an assembly project;
- (h) a farm or plantation; and
- (i) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources,

and without prejudice to the generality of the foregoing, a person shall be deemed to have a place of business in Malaysia if that person—

- (i) carries on supervisory activities in connection with a building or work site, or a construction, an installation or an assembly project; or
- (ii) has another person acting on his behalf who—
  - (A) habitually concludes contracts, or habitually plays the principal role leading to the conclusion of contracts that are routinely concluded without material modification;
  - (B) habitually maintains a stock of goods or merchandise in that place of business from which such person delivers goods or merchandise; or
  - (C) regularly fills orders on his behalf.”.



**Amendment of section 34**

7. Subsection 34(7) of the principal Act is amended by substituting for the words “scientific research” the words “research and development”.

**Amendment of section 34A**

8. Section 34A of the principal Act is amended—

(a) in the shoulder note, by inserting after the word “research” the words “and development”; and

(b) in subsections (1), (2) and (5), by inserting after the word “research” the words “and development”.

**Amendment of section 39**

9. Subsection 39(1) of the principal Act is amended—

(a) by deleting the word “or” at the end of paragraph (p);

(b) by substituting for the full stop at the end of paragraph (q) the words “; or”; and

(c) by inserting after paragraph (q) the following paragraph:

“(r) a sum equal to ninety seven per cent of any expenditure incurred in relation to a payment made by a person, who is a resident, to any Labuan company.”.

**Special provision relating to section 43**

10. Notwithstanding section 43 of the principal Act, any amount ascertained under paragraph 43(3)(b) of the principal Act for the year of assessment 2018 may be accounted for the purpose of deduction under subsection 43(2) of the principal Act for the year of assessment 2019 and subsequent years of assessment until the year of assessment 2025 and any amount which has not been deducted pursuant to subsection 43(2) of the principal Act after the end of the year of assessment 2025 shall be disregarded for the purposes of the principal Act.

**Amendment of section 44**

**11.** Section 44 of the principal Act is amended by inserting after subsection (5E) the following subsection:

“(5F) Notwithstanding subsection (4) or (5), the amount ascertained under either of those subsections for any relevant year shall only be deductible in accordance with subsection 43(2) for a period of seven consecutive years of assessment and that period commences immediately following the relevant year of assessment and any amount or balance of the amount which is not deductible at the end of that period shall be disregarded for the purposes of this Act.”.

**Amendment of section 44A**

**12.** Section 44A of the principal Act is amended—

(a) in subsection (1), by inserting after the word “may” the words “, for the basis period for three consecutive years of assessment,”;

(b) by inserting after subsection (1) the following subsection:

“(1A) For the purpose of subsection (1), the basis period for three consecutive years of assessment commences—

(a) immediately following the basis period for a year of assessment the surrendering company first commences operation, provided that the basis period consists of a period of twelve months; or

(b) immediately following the second basis period the surrendering company first commences operation (in this paragraph referred to as the “second basis period”), if the basis period for a year of assessment the surrendering company first commences operation is less or more than twelve months and the second basis period consists of a period of twelve months.”;

(c) in subsection (10), by inserting after paragraph (a) the following paragraph:

“(aa) has unutilized investment tax allowance or adjusted loss from a pioneer business under the Promotion of Investments Act 1986;”;  
and

(d) in subsection (12)—

(i) in the definition of “ordinary shares”, by deleting the word “nominal”; and

(ii) in the definition of “residual profits”, by deleting the word “nominal”.

### **Special provision relating to section 44A**

**13.** Notwithstanding subsection 44A(1) of the principal Act as amended in this Act, a surrendering company may surrender its adjusted loss for the basis period for a year of assessment in accordance with that subsection for the basis period of—

(a) the year of assessment 2019, in relation to a surrendering company which first commences its operation in the year of assessment 2015;

(b) the years of assessment 2019 and 2020, in relation to a surrendering company which first commences its operation in the year of assessment 2016; and

(c) the years of assessment 2019, 2020 and 2021, in relation to a surrendering company which first commences its operation in the year of assessment 2017.

### **Amendment of section 46**

**14.** Paragraph 46(1)(k) of the principal Act is amended by substituting for the word “six” wherever appearing the word “eight”.

**Amendment of section 49****15.** Section 49 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) Subject to this section, in the case of an individual resident for the basis year for a year of assessment, there shall be allowed for that year of assessment a deduction—

- (a) not exceeding three thousand ringgit, in respect of premium paid by that individual for any insurance;
- (b) not exceeding four thousand ringgit, in respect of contribution to approved scheme (other than a private retirement scheme) made or suffered by that individual who is an employee or a self-employed person within the meaning of the Employees Provident Fund Act 1991 [Act 452]; or
- (c) not exceeding four thousand ringgit, in respect of any amount made or suffered by that individual on any contribution under any written law relating to widow, widower and orphan’s pension or under any approved scheme within the meaning of any such law.”; and

(b) by substituting for subsection (1A) the following subsection:

“(1A) For the purpose of subsection (1)—

- (a) the total amount of deduction under subsection (1) shall not exceed seven thousand ringgit;
- (b) where subsection 50(2) or 50(3) applies, the amount of deduction to be allowed shall be in accordance with paragraphs (1)(a), (b) and (c) and the total deduction under subsection 50(2) or (3) shall not exceed seven thousand ringgit;

- (c) in the case of an individual who is a pensionable officer within the meaning of section 2 of the Pensions Act 1980 [Act 227] and no deduction is made under paragraph (1)(b) or (c) to that individual, the amount of deduction under paragraph (1)(a) shall not exceed seven thousand ringgit.”.

### **Amendment of section 60**

**16.** Section 60 of the principal Act is amended—

(a) in subsection (2)—

(i) by substituting for paragraph (b) the following paragraph:

“(b) where an insurer carries on re-insurance business, the re-insurance business and the general business (excluding the re-insurance business) shall be treated as separate businesses;”; and

(ii) in paragraph (c), by substituting for the proviso the following proviso:

“Provided that where the insurer also carries on life re-insurance business, the life re-insurance business shall be a separate source from life business and shall be treated as a general business;”;

(b) in subsection (5A), by deleting the word “inward” wherever appearing;

(c) by deleting subsection (5B);

(d) in subsection (6A), by deleting the word “inward” wherever appearing;

(e) by deleting subsection (6B);

- (f) in subsection (7), by substituting for the words “, (6A) or (6B)” the words “or (6A)”; and
- (g) in subsection (11)—
  - (i) by substituting for the words “, sections 60A and 60B” the words “and section 60A”; and
  - (ii) by deleting the definitions of “inward re-insurance”, “inward re-insurance contract”, “offshore insurance” and “offshore insurance policies”.

### **Amendment of section 60A**

**17.** Section 60A of the principal Act is amended—

- (a) in the shoulder note, by substituting for the words “Inward re-insurance” the word “Re-insurance”;
- (b) by deleting the word “inward” wherever appearing;
- (c) in subsection (2), by substituting for the words “5 per cent” the words “8 per cent”; and
- (d) by inserting after subsection (2) the following subsection:
  - “(3) This section shall apply to an insurer who has an adequate number of full time employees and has incurred an adequate amount of annual operating expenditure in Malaysia as prescribed by the Minister.”.

### **Amendment of section 60AA**

**18.** Section 60AA of the principal Act is amended—

- (a) by substituting for subsection (1) the following subsection:
  - “(1) This section shall apply—
    - (a) for ascertaining the adjusted income for the basis period for a year of assessment from the takaful business of a takaful operator; and

(b) to a takaful operator who has an adequate number of full time employees and has incurred an adequate amount of annual operating expenditure in Malaysia as prescribed by the Minister.”;

(b) in subsection (2)—

(i) by substituting for paragraph (b) the following paragraph:

“(b) where the takaful operator carries on a re-takaful business, the re-takaful business and the general takaful business (excluding the re-takaful business) shall be treated as separate general takaful businesses;”;

(ii) in paragraph (c), by substituting for the proviso the following proviso:

“Provided that where the takaful operator also carries on family re-takaful business, the family re-takaful business shall be a separate source from the family business and shall be treated as a general takaful business;” and

(iii) by substituting for paragraph (e) the following paragraph:

“(e) where a takaful operator carries on re-takaful business which includes family re-takaful business and general takaful business (excluding those businesses), the income of the fund established in respect of each of the businesses (in this section referred to as “re-takaful fund”, “family re-takaful fund” and “general fund” respectively) shall be treated as a separate source of income from the income of the shareholders’ fund in respect of those businesses.”;

(c) by substituting for subsection (6) the following subsection:

“(6) The adjusted income of the re-takaful fund or family re-takaful fund for the basis period for a year of assessment in respect of re-takaful business, or family re-takaful business respectively of a takaful operator resident for the basis year for that year of assessment shall consist of an amount arrived at by applying subsection (5) and references in that subsection to—

- (a) “general takaful certificate” shall be construed as references to “re-takaful contract” or “takaful certificate in relation to its family re-takaful business”, as the case may be;
- (b) “general takaful business” shall be construed as references to “re-takaful business” or “family re-takaful business”, as the case may be; and
- (c) “reserve fund for unexpired risks” and “takaful operator” shall, in the case of family re-takaful business, be construed as references to “actuarial valuation reserve” and “family takaful operator” respectively;

Provided that in the case of re-takaful business, no deduction shall be allowed on any share of profits distributed or credited to the takaful participant or shareholders’ fund for that period out of any of the takaful operator’s fund, as the case may be.”;

(d) by substituting for subsection (8) the following subsection:

“(8) The adjusted income of the re-takaful fund, or family re-takaful fund for the basis period for a year of assessment in respect of re-takaful business or family re-takaful business respectively of a takaful operator not resident for the basis year for that year of assessment shall, where that business is wholly or partly carried on in Malaysia, consist of an amount arrived at by applying subsection (7) and references in that subsection to—

- (a) “Malaysian general takaful certificate” shall be construed as references to “re-takaful contract” or “Malaysian takaful certificate in relation to its family re-takaful business”, as the case may be;



- (b) “general takaful business” shall be construed as references to “re-takaful business” or “family re-takaful business”, as the case may be; and
- (c) “reserve fund for unexpired risks” and “takaful operator” shall, in the case of family re-takaful business, be construed as references to “actuarial valuation reserve” and “family takaful operator” respectively:

Provided that in the case of re-takaful business, no deduction shall be allowed on any share of profits distributed or credited to the takaful participant or shareholders’ fund for that period out of any of the takaful operator’s re-takaful fund, as the case may be.”;

- (e) in subparagraph (9)(a)(iii), by deleting the words “inward” and “offshore fund”;
- (f) in subparagraph (10)(a)(iii), by deleting the words “inward” and “offshore fund”;
- (g) in subsection (20), by deleting the words “inward” and “or offshore takaful business” wherever appearing;
- (h) in subsection (21), by deleting the words “inward” and “or offshore takaful business”;
- (i) in subsection (22)—
  - (i) by deleting the words “inward” and “or offshore takaful business” wherever appearing; and
  - (ii) by substituting for the word “five” the word “eight”; and
- (j) in subsection (23), by deleting the definitions of “inward re-takaful”, “inward re-takaful contract” and “offshore takaful”.

**Deletion of section 60B**

19. The principal Act is amended by deleting section 60B.

**Amendment of section 140A**

20. Section 140A of the principal Act is amended—

(a) in paragraph (5)(c), by inserting after the word “person” the words “(in this section referred to as “third person”);”;  
and

(b) by inserting after subsection (5) the following subsection:

“(5A) Without prejudice to the generality of section 139, for the purpose of subsection (5), “control” refers to persons one of whom owns shares of the other person, or a third person who owns shares of both persons, where the percentage of the share capital held in either situation is twenty per cent or more and—

(a) the business operations of that person depends on the proprietary rights, such as patents, non-patented technological know-how, trademarks, or copyrights, provided by the other person or a third person;

(b) the business activities, such as purchases, sales, receipt of services, provision of services, of that person are specified by the other person, and the prices and other conditions relating to the supply are influenced by such other person or a third person; or

(c) where one or more of the directors or members of the board of directors of a person are appointed by the other person or a third person.”.

**New section 140c**

**21.** The principal Act is amended by inserting after section 140B the following section:

**“Restriction on deductibility of interest**

**140c.** (1) This section shall apply without prejudice to section 140 or 140A and subject to any rules made under this Act.

(2) In ascertaining the adjusted income of a person from each of his sources consisting of a business for the basis period for a year of assessment, no deduction from the gross income from that source for that period shall be allowed in respect of any interest expense in connection with or on any financial assistance in a controlled transaction granted directly or indirectly to that person which is in excess of the maximum amount of interest as determined under any rules made under this Act.

(3) In this section—

“control” has the meaning assigned to it in subsection 140A(5A);

“controlled transaction” shall be construed as a financial assistance—

(a) between persons one of whom has control over the other; or

(b) between persons both of whom are controlled by some other person (in this section referred to as “third person”);

“financial assistance” includes loan, interest bearing trade credit, advances, debt or the provision of any security or guarantee;

“interest expense” means—

(a) interest on all forms of debt; or

(b) payments economically equivalent to interest (excluding expenses incurred in connection with the raising of finance).”.

**Amendment of section 154**

**22.** Paragraph 154(1)(*ed*) of the principal Act is amended by substituting for the words “section 140A” the words “sections 140A and 140C”.

**Amendment of Schedule 1**

**23.** Schedule 1 to the principal Act is amended—

(*a*) in Part I—

- (i) in paragraph 2A, in the column *Rate of income tax* in item 1, by substituting for the words “18 per cent” the words “17 per cent”;
- (ii) in paragraph 2D, in the column *Rate of income tax* in item 1, by substituting for the words “18 per cent” the words “17 per cent”;
- (iii) by substituting for paragraph 3 the following paragraph:
 

“3. Income tax shall be charged for a year of assessment on the chargeable income of an insurer from a re-insurance business at the rate of 8 per cent on every ringgit of the chargeable income.”; and
- (iv) by substituting for paragraph 4 the following paragraph:
 

“4. Income tax shall be charged for a year of assessment on the chargeable income of a takaful operator from a re-takaful business at the rate of 8 per cent on every ringgit of the chargeable income.”;

(*b*) by substituting for Part VIII the following Part:

“PART VIII

Notwithstanding Part I and Part II, income tax shall be charged on the chargeable income of a life fund, other than income arising from life re-insurance business of a resident or non-resident insurer at the rate of .. .. 8 per cent.”;

(c) in Part IX, by inserting after the words “10 per cent” the words “for the years of assessment 2019 and 2020 and 24 per cent for the subsequent years of assessment”; and

(d) by substituting for Part XII the following Part:

“PART XII

Notwithstanding Part I and Part II, income tax shall be charged on the chargeable income of a family fund referred to in section 60AA, other than income arising from a family re-takaful business of a resident or non-resident operator at the rate of .. .. .8 per cent.”.

### **Amendment of Schedule 3**

**24.** Schedule 3 to the principal Act is amended—

(a) in paragraph 37B—

- (i) in subparagraph (a), by inserting after the word “research” the words “and development”;
- (ii) in subparagraph (e), by inserting before the word “undertaken” the words “and development”;
- (iii) by inserting after the words “such research” wherever appearing the words “and development”; and
- (iv) by inserting after the words “in the case of research” the words “and development”;

(b) in paragraph 37D, by inserting after the word “research” the words “and development”;

(c) in paragraph 75, by deleting the words “until the whole amount of the allowance or that aggregate amount to be made to him has been made to him”; and

(d) by inserting after paragraph 75c the following paragraph:

“**75D.** Notwithstanding paragraph 75, the amount which has not been so made (or so much thereof as has not been so made) as ascertained under that paragraph for a year of assessment (in this paragraph referred to as “the first year”), shall only be made to that person in accordance with that paragraph for a period of seven consecutive years of assessment and that period commences immediately following the first year and any amount of that allowance or that aggregate amount at the end of that period which has not been so made to that person, by reason of insufficiency or absence of adjusted income from a business of his for that period, shall be disregarded for the purpose of this Schedule.”.

### **Special provision relating to paragraph 75D of Schedule 3**

**25.** Subject to paragraph 75A of Schedule 3 to the principal Act, and notwithstanding the provision of section 42 of the principal Act, paragraph 75 of Schedule 3 to the principal Act and paragraph 75D of that Schedule as introduced by section 24 of this Act, any allowance or aggregate amount of allowances which has not been so made (or so much thereof as has not been so made) as ascertained under paragraph 75 of Schedule 3 to the principal Act for the year of assessment 2018 and preceding years of assessment—

- (a) shall be made to that person in accordance with paragraph 75 of Schedule 3 to the principal Act for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of that allowance or that aggregate amount at the end of that period which has not been so made to that person, by reason of insufficiency or absence of adjusted income from a business of his for that period, shall be disregarded for the purpose of Schedule 3 of the principal Act.

**Amendment of Schedule 6**

**26.** Paragraph 35A of Schedule 6 to the principal Act is amended by substituting for the proviso the following proviso:

“Provided that in the case of a wholesale fund which is a money market fund, the exemption shall only apply to such interest income derived by a person other than a company and the wholesale fund complies with the criteria as set out in the relevant guidelines of the Securities Commission Malaysia.”.

**Amendment of Schedule 7A**

**27.** Schedule 7A to the principal Act is amended—

(a) in paragraph 4, by deleting the words “until the person has received the whole of the allowance or allowances to which it is so entitled”; and

(b) by inserting after paragraph 4A the following paragraph:

“**4B.** Notwithstanding paragraph 4, so much of the allowance or allowances as cannot be given as ascertained under that paragraph at the end of the fifteen consecutive years of assessment referred to in paragraph 2 (in this paragraph referred to as “the first mentioned year of assessment”), shall only be given to that person in accordance with paragraph 4 for a period of seven consecutive years of assessment (in this paragraph referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance or that allowances at the end of that period which cannot be given to that person, by reason of insufficiency or absence of statutory income from a business of his for that period, shall be disregarded for the purpose of this Schedule.”.

**Special provision relating to paragraph 4B of Schedule 7A**

**28.** Notwithstanding paragraph 4 of Schedule 7A to the principal Act and paragraph 4B of that Schedule as introduced by section 27 of this Act, so much of that allowance as cannot be given under paragraph 4 of that Schedule before the coming into operation of section 27 of this Act for the year of assessment 2018 and

that amount relates to allowance ascertained at the end of the fifteen consecutive years of assessment referred to in paragraph 2 of that Schedule or allowance ascertained for the year of assessment 2018 as provided for under paragraph 2B—

- (a) shall only be given to that person in accordance with paragraph 4 of Schedule 7A to the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of that allowance or that aggregate amount at the end of that period which has not been given to that person, by reason of insufficiency or absence of statutory income from a business of his for that period, shall be disregarded for the purpose of Schedule 7A of the principal Act.

### **Amendment of Schedule 7B**

**29.** Schedule 7B to the principal Act is amended—

- (a) in paragraph 5, by deleting the words “until the company has received the whole of the allowance or allowances to which it is so entitled”; and
- (b) by inserting after paragraph 5 the following paragraph:

“**5A.** Notwithstanding paragraph 5, so much of the allowance or allowances as cannot be given as ascertained under that paragraph for the year of assessment that relates to the basis period where the five-year period specified in paragraph 3 ends (in this paragraph referred to as “the first mentioned year of assessment”), shall only be given to that person in accordance with paragraph 5 for a period of seven consecutive years of assessment (in this paragraph referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance or those allowances at the end of that period which cannot be given to that person, by reason of insufficiency or absence of statutory income from a business of his for that period, shall be disregarded for the purpose of this Schedule.”.



**Special provision relating to paragraph 5A of Schedule 7B**

**30.** Notwithstanding paragraph 5 of Schedule 7B to the principal Act and paragraph 5A of that Schedule as introduced by section 29 of this Act, any allowance or allowances which cannot be given under paragraph 5 of Schedule 7B to the principal Act before the coming into operation of section 29 of this Act for the year of assessment 2018 and that amount relates to the allowance or allowances ascertained under paragraph 5 of Schedule 7B to the principal Act before the coming into operation of section 29 of this Act for the year of assessment that relates to the basis period where the five-year period specified in paragraph 3 ends—

- (a) shall only be given to that person in accordance with paragraph 5 of Schedule 7B to the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of that allowance or that aggregate amount at the end of that period which has not been given to that person, by reason of insufficiency or absence of statutory income from a business of his for those period, shall be disregarded for the purpose of Schedule 7B of the principal Act.

**CHAPTER III****AMENDMENTS TO THE PROMOTION OF INVESTMENTS ACT 1986****Commencement of amendments to the Promotion of Investments Act 1986**

**31.** (1) Section 32 comes into operation on the coming into operation of this Act.

(2) Sections 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61 and 62 have effect from the year of assessment 2019 and subsequent years of assessment.

(3) Sections 33, 34 and 35 come into operation on 1 January 2019.

**Amendment of section 2**

**32.** Section 2 of the Promotion of Investments Act 1986 [Act 327], which is referred to as the “principal Act” in this Chapter, is amended by substituting for the definition of “research and development” the following definition:

‘ “research and development” means any systematic, investigative and experimental study that involves novelty or technical risk carried out in the field of science or technology with the object of acquiring new knowledge or using the results of the study for the production or improvement of materials, devices, products, produce, or processes, but does not include—

- (a) quality control or routine testing of materials, devices or products;
- (b) research in the social sciences or the humanities;
- (c) routine data collections;
- (d) efficiency surveys or management studies;
- (e) market research or sales promotion;
- (f) routine modifications or changes to materials, devices, products, processes or production methods; or
- (g) cosmetic modifications or stylistic changes to materials, devices, products, processes or production methods.”.

**Amendment of section 6**

**33.** Subsection 6(1AC) of the principal Act is amended—

- (a) by substituting for the full stop at end of the subsection a colon; and
- (b) by inserting the following proviso:

“Provided that the contract research and development company at the time of application has an adequate number of full time employees and incurred adequate amount of annual operating expenditure in Malaysia for an activity relating to research and development.”.

**Special provision relating to section 6**

**34.** Notwithstanding the proviso of subsection 6(1AC) of the principal Act as introduced by section 33 of this Act—

- (a) where a contract research and development company has been granted a pioneer status on or before 16 October 2017, the proviso to subsection 6(1AC) shall not apply to that company until 30 June 2021; and
- (b) where a contract research and development company has been granted a pioneer status after 16 October 2017, the proviso to subsection 6(1AC) shall not apply to that company until 31 December 2018.

**Amendment of section 21E**

**35.** Section 21E of the principal Act is amended by inserting after subsection (2) the following subsections:

“(2A) For the avoidance of doubt, the income of a pioneer company referred to in subsection (2) shall not include any income from royalty and other income derived from an intellectual property right if it is receivable as consideration for the commercial exploitation of that right.

(2B) Any income derived from intellectual property right referred to in subsection (2A) is subject to tax under the Income Tax Act 1967.

(2C) For the purpose of this section, “intellectual property right” means a right arising from any patent, utility innovation and discovery, copyright, trade mark and service mark, industrial design, layout-design of integrated circuit, secret processes or formulae and know-how, geographical indication and the grant of protection of a plant variety, and other like rights, whether or not registered or registrable.”.

**Amendment of section 25**

**36.** Section 25 of the principal Act is amended—

- (a) by deleting subsection (3);
- (b) in subsection (4), by deleting the proviso; and
- (c) by inserting after subsection (4) the following subsection:

“(5) Notwithstanding subsection (4), the deduction which has not been so made (or so much thereof as has not been so made) for a year of assessment under that subsection, shall only be made to that company in accordance with that subsection for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment that relates to the basis period in which the day the post pioneer business falls, and any amount of deduction at the end of that period which has not been so made to that company, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purpose of this section.”.

**Special provision relating to section 25**

**37.** Notwithstanding subsection 25(4) of the principal Act as amended by section 36 of this Act and subsection 25(5) of the principal Act as introduced by section 36 of this Act, any amount of deduction which cannot be made under subsection 25(4) of the principal Act for the year of assessment 2018 and preceding years of assessment—

- (a) shall only be made to that company in accordance with subsection 25(4) of the principal Act for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of deduction at the end of that period which has not been so made to that company, by reason of insufficiency or absence of statutory income from its business for that period, shall be disregarded for the purposes of the principal Act.

**Amendment of section 29**

**38.** Section 29 of the principal Act is amended—

- (a) in subsection (5), by deleting the words “until the company has received the whole of the allowance to which it is so entitled”; and
- (b) by inserting after subsection (5) the following subsection:

“(5A) Notwithstanding subsection (5), so much of the allowance in question as cannot be given as ascertained under that subsection for the year of assessment that relates to the basis period where the five-year period specified in paragraph (2)(b) ends (in this subsection referred to as “the first mentioned year of assessment”), shall only be given to that company in accordance with subsection (5) for a period of seven consecutive years of assessment (in this subsection referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance at the end of that period which cannot be given to that company, by reason of insufficiency or absence of adjusted income for that period, shall be disregarded for the purpose of this section.”.

**Special provision relating to 29**

**39.** Notwithstanding subsection 29(5) of the principal Act as amended by section 38 of this Act and subsection 29(5A) of the principal Act as introduced by section 38 of this Act, any amount of allowance which cannot be given under subsection 29(5) of the principal Act before the coming into operation of section 38 of this Act for the year of assessment 2018 and that amount relates to the allowance ascertained under subsection 29(5) before the coming into operation of section 38 of this Act for the year of assessment that relates to the basis period where the five-year period specified in paragraph 29(2)(b) ends—

- (a) shall only be given to that company in accordance with subsection 29(5) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and

- (b) any amount of allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of adjusted income from its business for that period, shall be disregarded for the purposes of the principal Act.

### **Amendment of section 29A**

**40.** Section 29A of the principal Act is amended—

- (a) in subsection (6), by deleting the words “until the company has received the whole of the allowance to which it is so entitled”; and
- (b) by inserting after subsection (6) the following subsection:

“(6A) Notwithstanding subsection (6), so much of the allowance in question as cannot be given as ascertained under that subsection for the year of assessment that relates to the basis period where the five-year period specified in paragraph (3)(b) ends (in this subsection referred to as “the first mentioned year of assessment”), shall only be given to that company in accordance with subsection (6) for a period of seven consecutive years of assessment (in this subsection referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance at the end of that period which cannot be given to that company, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purpose of this section.”.

### **Special provision relating to section 29A**

**41.** Notwithstanding subsection 29A(6) of the principal Act as amended by section 40 of this Act and subsection 29A(6A) of the principal Act as introduced by section 40 of this Act, any amount of allowance which cannot be given under subsection 29A(6) of the principal Act before the coming into operation of section 40

of this Act for the year of assessment 2018 and that amount relates to the allowance ascertained under subsection 29A(6) before the coming into operation of section 40 of this Act for the year of assessment that relates to the basis period where the five-year period specified in paragraph 29A(3)(b) ends—

- (a) shall only be given to that company in accordance with subsection 29A(6) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income from its business for that period, shall be disregarded for the purposes of the principal Act.

#### **Amendment of section 29AA**

**42.** Section 29AA of the principal Act is amended—

- (a) in subsection (5), by deleting the words “until the company has received the whole of the allowance or allowances to which it is so entitled”; and
- (b) by inserting after subsection (5) the following subsection:

“(5A) Notwithstanding subsection (5), so much of the allowance in question as cannot be given as ascertained under that subsection for the year of assessment that relates to the basis period where the five-year period specified in paragraph (3)(b) ends (in this subsection referred to as “the first mentioned year of assessment”), shall only be given to that company in accordance with subsection (5) for a period of seven consecutive years of assessment (in this subsection referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance at the end of that period which cannot be given to that company, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purpose of this section.”.

**Special provision relating to section 29AA**

**43.** Notwithstanding subsection 29AA(5) of the principal Act as amended by section 42 of this Act and subsection 29AA(5A) of the principal Act as introduced by section 42 of this Act, any amount of allowance which cannot be given under subsection 29AA(5) of the principal Act before the coming into operation of section 42 of this Act for the year of assessment 2018 and that amount relates to the allowance ascertained under subsection 29AA(5) before the coming into operation of section 42 of this Act for the year of assessment that relates to the basis period where the five-year period specified in paragraph 29AA(3)(b) ends—

- (a) shall only be given to that company in accordance with subsection 29AA(5) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of allowance or allowances at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income from its business for that period, shall be disregarded for the purposes of the principal Act.

**Amendment of section 29B**

**44.** Section 29B of the principal Act is amended—

- (a) in subsection (4), by deleting the words “until the company has received the whole of the allowance to which it is so entitled”; and
- (b) by inserting after subsection (4) the following subsection:

“(4A) Notwithstanding subsection (4), so much of the allowance in question as cannot be given as ascertained under that subsection for the year of assessment that relates to the basis period where the five-year period specified in paragraph (2)(b) ends (in this subsection referred to as “the first mentioned year of assessment”), shall only be given to that company in accordance with subsection (4) for a period of seven consecutive



years of assessment (in this subsection referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purpose of this section.”.

### **Special provision relating to section 29B**

**45.** Notwithstanding subsection 29B(4) of the principal Act as amended by section 44 of this Act and subsection 29B(4A) of the principal Act as introduced by section 44 of this Act, any amount of allowance which cannot be given under subsection 29B(4) of the principal Act before the coming into operation of section 44 of this Act for the year of assessment 2018 and that amount relates to the allowance ascertained under subsection 29B(4) before the coming into operation of section 44 of this Act for the year of assessment that relates to the basis period where the five-year period specified in paragraph 29B(2)(b) ends—

- (a) shall only be given to that company in accordance with subsection 29B(4) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income from its business for that period, shall be disregarded for the purposes of the principal Act.

### **Amendment of section 29D**

**46.** Section 29D of the principal Act is amended—

- (a) in subsection (4), by deleting the words “until the company has received the whole of the allowance to which it is so entitled”; and

(b) by inserting after subsection (4) the following subsection:

“(4A) Notwithstanding subsection (4), so much of the allowance in question as cannot be given as ascertained under that subsection for the year of assessment that relates to the basis period where the ten-year period specified in paragraph (2)(b) ends (in this subsection referred to as “the first mentioned year of assessment”), shall only be given to that company in accordance with subsection (4) for a period of seven consecutive years of assessment (in this subsection referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purpose of this section.”.

### **Special provision relating to section 29D**

**47.** Notwithstanding subsection 29D(4) of the principal Act as amended by section 46 of this Act and subsection 29D(4A) of the principal Act as introduced by section 46 of this Act, any amount of allowance which cannot be given under subsection 29D(4) of the principal Act before the coming into operation of section 46 of this Act for the year of assessment 2018 and that amount relates to the allowance ascertained under subsection 29D(4) before the coming into operation of section 46 of this Act for the year of assessment that relates to the basis period where the ten-year period specified in paragraph 29D(2)(b) ends—

- (a) shall only be given to that company in accordance with subsection 29D(4) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income from its business for that period, shall be disregarded for the purposes of the principal Act.

**Amendment of section 29E**

**48.** Section 29E of the principal Act is amended—

- (a) in subsection (4), by deleting the words “until the company has received the whole of the allowance or allowances to which it is so entitled”; and
- (b) by inserting after subsection (4) the following subsection:

“(4A) Notwithstanding subsection (4), so much of the allowance or allowances in question as cannot be given as ascertained under that subsection for the year of assessment that relates to the basis period where the ten-year period specified in paragraph (2)(b) ends (in this subsection referred to as “the first mentioned year of assessment”), shall only be given to that company in accordance with subsection (4) for a period of seven consecutive years of assessment (in this subsection referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purpose of this section.”.

**Special provision relating to section 29E**

**49.** Notwithstanding subsection 29E(4) of the principal Act as amended by section 48 of this Act and subsection 29E(4A) of the principal Act as introduced by section 48 of this Act, any amount of allowance which cannot be given under subsection 29E(4) of the principal Act before the coming into operation of section 48 of this Act for the year of assessment 2018 and that amount relates to the allowance ascertained under subsection 29E(4) before the coming into operation of section 48 of this Act for the year of assessment that relates to the basis period where the ten-year period specified in paragraph 29E(2)(b) ends—

- (a) shall only be given to that company in accordance with subsection 29E(4) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and

- (b) any amount of allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income from its business for that period, shall be disregarded for the purposes of the principal Act.

### **Amendment of section 29F**

**50.** Section 29F of the principal Act is amended—

- (a) in subsection (4), by deleting the words “until the company has received the whole of the allowance to which it is so entitled”; and
- (b) by inserting after subsection (4) the following subsection:

“(4A) Notwithstanding subsection (4), so much of the allowance in question as cannot be given as ascertained under that subsection for the year of assessment that relates to the basis period where the ten-year period specified in paragraph (2)(b) ends (in this subsection referred to as “the first mentioned year of assessment”), shall only be given to that company in accordance with subsection (4) for a period of seven consecutive years of assessment (in this subsection referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purpose of this section.”.

### **Special provision relating to section 29F**

**51.** Notwithstanding subsection 29F(4) of the principal Act as amended by section 50 of this Act and subsection 29F(4A) of the principal Act as introduced by section 50 of this Act, any amount of allowance which cannot be given under subsection 29F(4) of the principal Act before the coming into operation of section 50

of this Act for the year of assessment 2018 and that amount relates to the allowance ascertained under subsection 29F(4) before the coming into operation of section 50 of this Act for the year of assessment that relates to the basis period where the ten-year period specified in paragraph 29F(2)(b) ends—

- (a) shall only be given to that company in accordance with subsection 29F(4) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income from its business for that period, shall be disregarded for the purposes of the principal Act.

### **Amendment of section 29G**

**52.** Section 29G of the principal Act is amended—

- (a) in subsection (4), by deleting the words “until the company has received the whole of the allowance to which it is so entitled”; and
- (b) by inserting after subsection (4) the following subsection:

“(4A) Notwithstanding subsection (4), so much of the allowance in question as cannot be given as ascertained under that subsection for the year of assessment that relates to the basis period where the five-year period specified in paragraph (2)(b) ends (in this subsection referred to as “the first mentioned year of assessment”), shall only be given to that company in accordance with subsection (4) for a period of seven consecutive years of assessment (in this subsection referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purpose of this section.”.

**Special provision relating to section 29G**

**53.** Notwithstanding subsection 29G(4) of the principal Act as amended by section 52 of this Act and subsection 29G(4A) of the principal Act as introduced by section 52 of this Act, any amount of allowance which cannot be given under subsection 29G(4) of the principal Act before the coming into operation of section 52 of this Act for the year of assessment 2018 and that amount relates to the allowance ascertained under subsection 29G(4) before the coming into operation of section 52 of this Act for the year of assessment that relates to the basis period where the five-year period specified in paragraph 29G(2)(b)—

- (a) shall only be given to that company in accordance with subsection 29G(4) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income from its business for that period, shall be disregarded for the purposes of the principal Act.

**Amendment of section 29H**

**54.** Section 29H of the principal Act is amended—

- (a) in subsection (4), by deleting the words “until the company has received the whole of the allowance to which it is so entitled”; and
- (b) by inserting after subsection (4) the following subsection:

“(4A) Notwithstanding subsection (4), so much of the allowance in question as cannot be given as ascertained under that subsection for the year of assessment that relates to the basis period where the ten-year period specified in paragraph (2)(b) ends (in this subsection referred to as “the first mentioned year of assessment”), shall only be given to that company in accordance with subsection (4) for a period of seven consecutive

years of assessment (in this subsection referred to as “that period”) and that period commences immediately after the end of the first mentioned year of assessment, and any amount of that allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purpose of this section.”.

### **Special provision relating to section 29H**

**55.** Notwithstanding subsection 29H(4) of the principal Act as amended by section 54 of this Act and subsection 29H(4A) of the principal Act as introduced by section 54 of this Act, any amount of allowance which cannot be given under subsection 29H(4) of the principal Act before the coming into operation of section 54 of this Act for the year of assessment 2018 and that amount relates to the allowance ascertained under subsection 29H(4) before the coming into operation of section 54 of this Act for the year of assessment that relates to the basis period where the ten-year period specified in paragraph 29H(2)(b) ends—

- (a) shall only be given to that company in accordance with subsection 29H(4) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of allowance at the end of that period which has not been given to that company, by reason of insufficiency or absence of statutory income from its business for that period, shall be disregarded for the purposes of the principal Act.

### **Amendment of section 29J**

**56.** Subsection 29J(4) of the principal Act is amended by inserting after the words “(5)” the words “, (5A)”.

### **Amendment of section 29K**

**57.** Subsection 29K(4) of the principal Act is amended by inserting after the words “(5)” the words “, (5A)”.

**Amendment of section 29L**

**58.** Section 29L of the principal Act is amended—

- (a) in paragraph (2)(c), by inserting after the words “(4)” the words “, (4A)”;
- (b) in paragraph (3)(c), by inserting after the words “(4)” the words “, (4A)”;
- (c) in paragraph (4)(c), by inserting after the words “(4)” the words “, (4A)”;
- (d) in paragraph (5)(c), by inserting after the words “(6)” the words “, (6A)”;
- (e) in paragraph (6)(c), by inserting after the words “(6)” the words “, (6A)”.

**Amendment of section 29N**

**59.** Subsection 29N(4) of the principal Act is amended by inserting after the words “(5)” the words “, (5A)”.

**Amendment of section 29O**

**60.** Section 29O of the principal Act is amended—

- (a) in subsection (6), by inserting after the words “(6)” the words “, (6A)”;
- (b) in subsection (7), by inserting after the words “(5)” the words “, (5A)”.

**Special provision relating to sections 29J, 29K, 29L, 29N and 29O**

**61.** Notwithstanding subsections 29J(4), 29K(4), 29L(2),(3),(4),(5) and (6), 29N(4) and 29O(6) and (7) of the principal Act and subsections 29J(4), 29K(4), 29L(2),(3),(4),(5) and (6), 29N(4) and 29O(6) and (7) as amended by sections 56, 57, 58, 59 and 60 of this Act respectively, any amount of allowance which cannot



be given under subsections 29J(4), 29K(4), 29L(2),(3),(4),(5) and (6), 29N(4) and 29O(6) and (7) before the coming into operation of sections 56, 57, 58, 59 and 60 of this Act for the year of assessment that relates to the basis period where the five-year or ten-year period, whichever is applicable, specified in paragraph 29J(3)(b), 29K(3)(b), subparagraph 29L(2)(a)(ii), 29N(3)(b) or 29O(3)(b) ends—

- (a) shall only be available to be given to that company in accordance with subsections 29J(4), 29K(4), 29L(2),(3),(4),(5) and (6), 29N(4) and 29O(6) and (7) of the principal Act, as if the principal Act has not been amended, for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment 2018; and
- (b) any amount of allowance at the end of that period which has not been so made to that company, by reason of insufficiency or absence of statutory income from a business of that company for that period, shall be disregarded for the purposes of the principal Act.

### **Amendment of section 30A**

**62.** Subsection 30A(1) of the principal Act is amended by substituting for the word “two” the word “five”.

## CHAPTER IV

### AMENDMENTS TO THE STAMP ACT 1949

### **Commencement of amendments to the Stamp Act 1949**

**63.** (1) Sections 64, 65, 66, 67 and paragraphs 68(a), (b), (c) and (e) commence on the coming into operation of this Act.

(2) Paragraph 68(d) comes into operation on 1 January 2019.

**Amendment of section 2**

**64.** The Stamp Act 1949, which is referred to as the “principal Act” in this Chapter, is amended in section 2—

(a) by substituting for the definition of “banker” the following definition:

‘ “banker” means—

(a) any person licensed under the Financial Services Act 2013 [*Act 758*] to carry on a banking business in Malaysia;

(b) any person licensed under the Islamic Financial Services Act 2013 [*Act 759*] to carry on an Islamic banking business in Malaysia; or

(c) a development financial institution prescribed under the Development Financial Institutions Act 2002 [*Act 618*];’; and

(b) by substituting for the definition of “small and medium enterprise” the following definition:

‘ “small and medium enterprise” means—

(a) in relation to the manufacturing activities, an enterprise with sales turnover not exceeding fifty million ringgit or full-time employees not exceeding two hundred people; or

(b) in relation to the services, and other sectors, an enterprise with sales turnover not exceeding twenty million ringgit or full-time employees not exceeding seventy-five people;’.

**Amendment of section 9**

**65.** Section 9 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) The Collector, may by notification in the *Gazette*, authorize any person including any banker, dealer or insurer, to compound for the payment of duty on unstamped instrument subject to the condition that the instrument be drawn or drawn up and issued on a form to be supplied or adopted by the said person.”; and

(b) in subsection (6), by substituting for the words “as mentioned under paragraph 1(a), (b) or (c)” the words “under subsection (1)”.

**Amendment of section 15**

**66.** Section 15 of the principal Act is amended—

(a) by substituting for the words “nominal share capital” wherever appearing the words “issued share capital”;

(b) by deleting subsection (2);

(c) in subsection (5)—

(i) in paragraph (b), by substituting for the words “two years” the words “three years”; and

(ii) in paragraph (c), by substituting for the words “two years” the words “three years”; and

(d) by inserting after subsection (6) the following subsection:

“(6A) Where any claim for exemption from duty under this section has been allowed and any of the circumstances specified under subsection (5) occurs, each company which was a party to the instrument shall notify the Collector of the circumstances of the occurrence within thirty days from the date of the occurrence.”.

**Amendment of section 15A**

**67.** Section 15A of the principal Act is amended—

(a) by substituting for subsection (2) the following subsection:

“(2) This section applies to any instrument with respect to which it is shown to the satisfaction of the Collector—

- (a) that the effect is to transfer a beneficial interest in property from one company with limited liability to another such company, and that the companies are associated where one is the beneficial owner of not less than ninety per cent of the issued share capital of the other, or that a third company with limited liability is the beneficial owner of not less than ninety per centum of the issued share capital of each of the aforesaid companies;
- (b) that the transfer of the property of the associated companies is to achieve greater efficiency in operation; and
- (c) that the company referred to as the transferee company under this section is incorporated in Malaysia.”;

(b) in subsection (4)—

(i) in paragraph (c)—

- (a) by inserting after the word “company” the words “within the period of three years from the date of the conveyance or transfer,”; and
- (b) by substituting for the comma at the end of paragraph (c) the words “; or”; and

(ii) by inserting after paragraph (c) the following paragraph:

“(d) the transferee company disposes of the property that it has acquired within three years from the date of the conveyance or transfer of the property,”; and

(c) by inserting after subsection (4) the following subsections:

“(5) Where any claim for exemption from duty under this section has been allowed, it is subsequently found that any declaration or other evidence furnished in support of the claim is untrue, the exemption from duty shall be revoked and duty shall be chargeable, together with interest thereon at the rate of six per centum per annum, from the date on which the duty which the conveyance or transfer ought to be stamped with the proper amount of duty.

(6) Where any claim for exemption from duty under this section has been allowed and any of the circumstances specified under subsection (4) occurs, each company which was a party to the instrument shall notify the Collector in writing of the circumstances of the occurrence within thirty days from the date of the occurrence.

(7) Where a claim is made for exemption under this section, the Collector may require the delivery to him of a statutory declaration in such form as he may direct made by an advocate and solicitor, or, in the case of Sabah and Sarawak, an advocate, of the High Court, and of such further evidence, if any, as he deems necessary.”.

### **Amendment of First Schedule**

**68.** The First Schedule to the principal Act is amended—

(a) by deleting item 10;

(b) in item 22—

(i) by substituting for subitem (1) the following subitem:

“(1) Being the only or principal or primary security for any annuity (except upon the original creation thereof by way of sale or security, and except a superannuation annuity), or for any sum or sums of money at stated periods, not being interest for any sum secured by a duly stamped instrument, nor rent reserved by a lease or tack—

(a) for a definite and certain period so that the total amount to be ultimately payable can be ascertained

The same *ad valorem* duty as a charge or mortgage for such total amount.

(b) for the term of life or any other indefinite period—

for every RM100 RM1.00”; and  
and also for any fractional part of RM100 of the annuity or sum periodically payable

(ii) in subitem (6), by inserting after the words “in accordance with the” the words “conventional hire purchase and”;

(c) by inserting after item 29 the following item:

“29A CONSTITUTION OF A COMPANY RM200.00”;

(d) in subitem 32(a), in the column Proper Stamp Duty—

(i) in item (iii), by substituting for the words “RM500,000.” the words “RM500,000 but not exceeding RM1,000,000;”; and

(ii) by inserting after item (iii) the following item:

“(iv) RM4.00 on any amount in excess of RM1,000,000.”; and

(e) by deleting item 53.

## CHAPTER V

### AMENDMENTS TO THE REAL PROPERTY GAINS TAX ACT 1976

#### **Commencement amendments to the Real Property Gains Tax Act 1976**

**69.** This Chapter comes into operation on 1 January 2019.

#### **Amendment of Schedule 5**

**70.** The Real Property Gains Tax Act 1976 [*Act 169*] is amended in Schedule 5—

- (a) in Part I, in the column “Rate of tax” in item 4, by substituting for the word “Nil” the words “5 per cent”;
- (b) in Part II, in the column “Rate of tax” in item 4, by substituting for the words “5 per cent” the words “10 per cent”; and
- (c) in Part III, in the column “Rate of tax” in item 2, by substituting for the words “5 per cent” dengan “10 per cent”.

## CHAPTER VI

### AMENDMENTS TO THE LABUAN BUSINESS ACTIVITY TAX ACT 1990

#### **Commencement of amendments to the Labuan Business Activity Tax Act 1990**

**71.** This Chapter comes into operation on 1 January 2019.

**Amendment of section 2**

**72.** The Labuan Business Activity Tax Act 1990, which is referred to as the “principal Act” in this Chapter, is amended in subsection 2(1)—

(a) by substituting for the definition of “Labuan business activity” the following definition:

‘ “Labuan business activity” means a Labuan trading or a Labuan non-trading activity carried on in, from or through Labuan, excluding any activity which is an offence under any written law;’; and

(b) by deleting the definition of “Labuan entity”.

**Amendment of section 2A**

**73.** Section 2A of the principal Act is amended by deleting subsection (2).

**Amendment of section 2B**

**74.** Section 2B of the principal Act is amended by substituting for subsection (1) the following subsection:

“(1) The Labuan entities—

(a) shall be as specified in the Schedule; and

(b) shall, for the purpose of the Labuan business activity, have—

(i) an adequate number of full time employees in Malaysia; and

(ii) an adequate amount of annual operating expenditure in Malaysia,

as prescribed by the Minister by regulations made under this Act.”.



**Amendment of section 4**

**75.** Section 4 of the principal Act is amended by inserting after subsection (2) the following subsections:

“(3) For the avoidance of doubt, the net profits referred to in subsection (2) shall not include any income derived from royalty and other income derived from an intellectual property right if it is receivable as consideration for the commercial exploitation of that right.

(4) Any income derived from intellectual property right referred to in subsection (3) is subject to tax under the Income Tax Act 1967.

(5) For the purpose of this section, “intellectual property right” means a right arising from any patent, utility innovation and discovery, copyright, trade mark and service mark, industrial design, layout-design of integrated circuit, secret processes or formulae and know-how, geographical indication and the grant of protection of a plant variety, and other like rights, whether or not registered or registrable.”.

**Deletion of section 7**

**76.** The principal Act is amended by deleting section 7.

**Substitution of section 8**

**77.** The principal Act is amended by substituting for section 8 the following section:

**“Absence of basis period**

**8.** Where a Labuan entity carrying on a Labuan business activity which is a Labuan trading activity does not have a basis period for a year of assessment, the Director General may direct that the basis period for that year of assessment and subsequent years of assessment to include a period or periods (which may be of any period) as specified in the direction.”.

**Amendment of section 8A**

**78.** Subsection 8A(1) of the principal Act is amended by deleting the words “, 7 or 8”.

**Substitution of section 11**

**79.** The principal Act is amended by substituting for section 11 the following section:

**“Payment of tax**

**11.** A Labuan entity shall, at the time of filing of the statutory declaration and return of its profits for a year of assessment under section 5, make full payment on account of—

(a) tax to be charged for that year of assessment; or

(b) tax to be charged for that year of assessment after reduction of rebate under section 8A.”.

**Amendment of section 12**

**80.** Section 12 of the principal Act is amended by substituting for the words “paragraph 11(a)” the words “section 11”.

**Amendment of section 23**

**81.** Paragraph 23(b) of the principal Act is amended by deleting the words “7, 8 or”.

**Amendment of section 25**

**82.** Section 25 of the principal Act is amended by deleting the words “, 7, 8”.

## CHAPTER VII

## AMENDMENTS TO THE SERVICE TAX ACT 2018

**Commencement of amendments to the Service Tax Act 2018**

**83.** This Chapter comes into operation on 1 January 2019.

**Amendment of section 2**

**84.** The Service Tax Act 2018, which is referred to as the “principal Act” in this Chapter, is amended in section 2, by inserting after the definition of “taxable service” the following definition:

‘ “imported taxable service” means any taxable service acquired by any person in Malaysia from any person who is outside Malaysia;’.

**Amendment of section 7**

**85.** The principal Act is amended by substituting for section 7 the following section:

**“Imposition and scope of service tax**

**7.** A tax to be known as service tax shall be charged and levied on—

(a) any taxable service provided in Malaysia by a registered person in carrying on his business; or

(b) any imported taxable service.”.

**Amendment of section 9**

**86.** Subsection 9(1) of the principal Act is amended—

(a) in paragraph (b), by deleting the word “or” at the end of subparagraph (iii);

(b) by substituting for the full stop at the end of paragraph (c) the words “; or”; and

(c) by inserting after paragraph (c) the following paragraph:

“(d) in the case of imported taxable service, the value of such imported taxable service shall be as prescribed.”.

### **Amendment of section 11**

**87.** Section 11 of the principal Act is amended by substituting for subsection (1) the following subsection:

“(1) The service tax chargeable under section 7, shall be due—

- (a) in the case of taxable service, at the time when payment is received for the service provided to the customer by the registered person; or
- (b) in the case of imported taxable service, at the time when the payment is made or invoice is received for the service, whichever is the earlier.”.

### **Amendment of section 24**

**88.** Section 24 of the principal Act is amended—

(a) in subsection (1)—

- (i) in paragraph (a), by deleting the word “and” at the end of that paragraph; and
- (ii) by inserting after paragraph (a) the following paragraph:

“(aa) all records of imported taxable service; and”;

(b) by inserting after subsection (5) the following subsection:

“(5A) This section shall also apply to any person other than a taxable person who, in carrying on his business, acquires any imported taxable service.”; and

(c) in subsection (6), by substituting for the words “or (4)” the words “, (4) or (5A)”.

### **New section 26A**

**89.** The principal Act is amended by inserting after section 26 the following section:

#### **“Furnishing of declaration and payment of service tax due and payable by person other than taxable person**

**26A.** (1) Any person other than a taxable person who, in carrying on his business, acquires any imported taxable service shall—

(a) account for the service tax due in a declaration as may be prescribed and the declaration shall be furnished to the Director General; and

(b) pay to the Director General the amount of service tax due and payable by him,

not later than the last day of the month following the end of the month in which the payment on the service has been made by him or invoice is received by him.

(2) Any person referred to in subsection (1) who—

(a) contravenes subparagraph (1)(a); or

(b) furnishes an incorrect declaration,

commits an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

(3) Any person referred to in subsection (1) who fails to pay to the Director General the amount of service tax due and payable under paragraph (1)(b) commits an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

(4) Where any service tax due and payable is not paid wholly or partly by any person referred to in subsection (1) after the last day on which it is due and payable under subsection (1) and no prosecution is instituted, the taxable person shall pay—

- (a) for the first thirty-day period that the service tax is not paid wholly or partly after the expiry of the period specified under subsection (1), a penalty of ten per cent of the amount of service tax which remains unpaid;
- (b) for the second thirty-day period that the service tax is not paid wholly or partly after the expiry of the period specified under subsection (1), an additional penalty of fifteen per cent of the amount of service tax which remains unpaid; and
- (c) for the third thirty-day period that the service tax is not paid wholly or partly after the expiry of the period specified under subsection (1), an additional penalty of fifteen per cent of the amount of service tax which remains unpaid.

(5) Subject to subsection (7), prosecution for the offence under subsection (3) may be instituted after the expiry of the period specified in paragraph (4)(c).

(6) The court may order that the person referred to in subsection (1) who is convicted for the offence under subsection (3) to pay the penalty as specified in subsection (4).

(7) No prosecution for the offence under subsection (3) shall be instituted against any person referred to in subsection (1) who has paid the amount of service tax due and payable, and the penalty specified under subsection (4) within the period specified in subsection (4).”.

**Amendment of section 27**

**90.** Section 27 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) Where—

(a) any taxable person—

(i) fails to apply for registration under section 13;

(ii) fails to furnish a return under section 26;  
or

(iii) furnishes a return which appears to the Director General to be incomplete or incorrect; or

(b) any person other than a taxable person who, in carrying on his business, acquires any imported taxable service—

(i) fails to furnish a declaration under section 26A; or

(ii) furnishes a declaration which appears to the Director General to be incomplete or incorrect,

the Director General may assess to the best of his judgment the amount of service tax due and payable, and the penalty payable under subsection 26(8) or 26A(4), as the case may be, if any, by the taxable person or person who is referred to in paragraph (1)(b) and shall forthwith notify him of the assessment in writing.”;

(b) in the national language text, in subsection (2), by deleting the words “kena cukai”;

(c) in paragraph (4)(a), by substituting for the words “paragraph (1)(a) or (b)” the words “subparagraph (1)(a)(i) or (ii);

(d) in subsection (5)—

(i) by substituting for paragraph (b) the following paragraph:

“(b) in the case of a taxable person, within the taxable period during which the assessment could have been made, or in the case of the person referred to in paragraph (1)(b), within the period under subsection 26A(1),”; and

(ii) by deleting the word “taxable”; and

(e) in subsection (6), by substituting for the words “to any taxable person under subsection (1), (2) or (5), it shall be deemed to be an amount of service tax due and payable, and penalty payable, by him and may be recovered accordingly and the amount of service tax and penalty, if any, shall be paid by the taxable person, whether or not that taxable person” the words “pursuant to subsection (1), (2) or (5), it shall be deemed to be an amount of service tax due and payable, and penalty payable, by the person and may be recovered accordingly and the amount of service tax and penalty, if any, shall be paid by the person, whether or not that person”.

## CHAPTER VIII

### AMENDMENTS TO THE SALES TAX ACT 2018

#### **Commencement of amendments to the Sales Tax Act 2018**

**91.** This Chapter comes into operation on 1 January 2019.

#### **Amendment of section 9**

**92.** The Sales Tax Act 2018, which is referred to as the “principal Act” in this Chapter, is amended in subsection 9(3) by deleting the word “registered”.



**Amendment of section 27**

**93.** Section 27 of the principal Act is amended—

- (a) in the national language text, in subsection (2), by deleting the words “kena cukai”;
- (b) in subsection (8)—
  - (i) in paragraph (b), by inserting before the word “within” the words “in the case of taxable person,”; and
  - (ii) by deleting the word “taxable”; and
- (c) in subsection (9), by substituting for the words “to any taxable person under subsection (1), (2), (6) or (8), it shall be deemed to be an amount of sales tax due and payable, and penalty payable, by him and may be recovered accordingly and the amount of sales tax and penalty, if any, shall be paid by the taxable person, whether or not that taxable person” the words “pursuant to subsection (1), (2), (6) or (8), it shall be deemed to be an amount of sales tax due and payable, and penalty payable, by the person and may be recovered accordingly and the amount of sales tax and penalty, if any, shall be paid by the person, whether or not that person”.

**Amendment of Part VI**

**94.** Part VI of the principal Act is amended in the title, by substituting for the words “AND REMISSION” the words “, REMISSION AND DEDUCTION”.

**New Section 41A**

**95.** The principal Act is amended by inserting after section 41 the following section:

**“Deduction of sales tax**

**41A.** (1) Subject to subsection (2), the Minister may make regulations prescribing—

- (a) any amount of sales tax to be deducted in respect of taxable goods purchased by any registered manufacturer;

(b) any condition for the deduction; and

(c) the form and manner of such deduction.

(2) The deduction of sales tax under subsection (1) shall be made on taxable goods which are raw materials, components or packaging materials used solely in the manufacturing of taxable goods.

(3) Where any registered manufacturer who has made a deduction under subsection (1) fails to comply with any conditions to which the deduction relates, any sales tax that has been the subject of the deduction shall become due and payable by the registered manufacturer on the date on which any of the conditions failed to be complied with.”.

### **Amendment of section 82**

**96.** Subsection 82(6) of the principal Act is amended by substituting for the words “(6)” the words “(5)”.

### **New section 88A**

**97.** The principal Act is amended by inserting after section 88 the following section:

#### **“Improperly obtaining deduction of sales tax**

**88A.** Any person who causes or attempts to cause the deduction of sales tax under section 41A for himself or for any other person of any amount in excess of the amount properly so deductible for him or for that other person commits an offence and shall, on conviction, be liable—

(a) to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding three years or to both; and

(b) to a penalty of two times the amount deducted in excess of the amount properly so deductible.”.

## EXPLANATORY STATEMENT

This Bill seeks to amend the Income Tax Act 1967 (“Act 53”), the Promotion of Investments Act 1986 (“Act 327”), the Stamp Act 1949 (“Act 378”), the Real Property Gains Tax Act 1976 (“Act 169”), the Labuan Business Activity Tax Act 1990 (“Act 445”), the Service Tax Act 2018 (“Act 807”) and the Sales Tax Act 2018 (“Act 806”).

## AMENDMENTS TO THE INCOME TAX ACT 1967

Chapter II of this Bill seeks to amend the Income Tax Act 1967.

2. *Clause 4* seeks to amend section 2 of Act 53. *Subclause (a)* seeks to substitute the definition of “Labuan company” to cover a Labuan entity as provided in the Schedule to Act 445.

This amendment comes into operation on 1 January 2019.

*Subclause (b)* seeks to introduce the definition of “research and development” to align with the requirements under the Frascati Manual issued by the Organisation for Economic Co-operation and Development (OECD). With the proposed definition, consequential amendments are made to Act 53 in sections 34 and 34A and Schedule 3 through *clause 7*, *clause 8* and *clause 24* of this Bill.

This amendment comes into operation on the coming into operation of this Act.

3. *Clause 5* seeks to amend section 4A of Act 53. The proposed amendment clarifies the current position that any amount paid to a person not resident in Malaysia in consideration of advice, assistance or services rendered in connection with any scientific, industrial or commercial undertaking, venture, project or scheme is subject to tax under this section.

This amendment comes into operation on the coming into operation of this Act.

4. *Clause 6* seeks to amend section 12 of Act 53 to provide that the income of a person from a business that is attributable to a place of a business in Malaysia shall be deemed to be the gross income of that person derived from Malaysia from the business. Further, the proposed provision clarifies the meaning of “place of business” and addresses the situation where a non-resident from a country which has not entered into a Double Taxation Agreement with Malaysia carries on business in Malaysia.

This amendment comes into operation on the coming into operation of this Act.

5. *Clause 9* seeks to amend section 39 of Act 53 to introduce a new paragraph (1)(r) to provide that ninety seven per cent of any expenses incurred in respect of any payment made by a person who is a resident to any Labuan company is not allowed as a deduction.

This amendment has effect from 1 January 2019.

6. *Clause 10* seeks to provide for a special provision relating to section 43 of Act 53. The proposed provision provides that any amount ascertained under paragraph 43(3)(b) of Act 53 for the year of assessment 2018 may be continued to be deducted under subsection 43(2) until the year of assessment 2025, and any such amount that could not be fully deducted based on the provision of subsection 43(2) of Act 53 after the year of assessment 2025 shall be disregarded.

This amendment has effect for the year of assessment 2019 and subsequent years of assessment.

7. *Clause 11* seeks to amend section 44 of Act 53 to introduce a new subsection (5F). The proposed amendment seeks to provide that any amount of losses ascertained under subsection 44(4) or (5) of Act 53 for a year of assessment is allowed as a deduction for the purpose of section 43 for a period of seven consecutive years of assessment immediately following that year of assessment.

This amendment has effect for the year of assessment 2019 and subsequent years of assessment.

8. *Clause 12* seeks to amend subsection 44A(1) of Act 53. *Subclause (a)* seeks to provide that a company may within a period of three consecutive years of assessment surrender not more than seventy per cent of its adjusted loss to its related company in contrast to the existing provision which sets no time limit for a company to surrender its adjusted loss.

*Subclause (b)* seeks to introduce a new subsection (1A) into section 44A of Act 53. The proposed amendment provides that the period of three consecutive years of assessment referred to in subsection (1) commences from the year of assessment immediately following the year of assessment which consists of a period of twelve months the company first commences operation. Where a surrendering company commences operation on a day in a basis year for a year of assessment makes up its account for a period of less or more than twelve months for the first year of assessment, the surrendering company is allowed to surrender its adjusted loss commencing from the second basis period for a year of assessment following the basis period a company commences its operation that has a basis period of twelve months.

*Subclause (c)* seeks to introduce a new paragraph (10)(aa) into section 44A of Act 53. With the proposed amendment, the provision of section 44A shall not apply to a company which has unutilized investment tax allowance or adjusted loss from a pioneer business under the Promotion of Investments Act 1986.

These amendments have effect for the year of assessment 2019 and subsequent years of assessment.

9. *Clause 13* seeks to provide for a special provision relating to section 44A of Act 53. *Subclause (a)* of Act 53 provides that a surrendering company is eligible to surrender its adjusted loss for the year of assessment 2019 for surrendering company which has first commenced its operation and that company has a twelve months basis period immediately prior to the year of assessment 2015.

*Subclause (b)* of Act 53 provides that a surrendering company is eligible to surrender its adjusted loss for the years of assessment 2019 and 2020 for surrendering company which has first commenced its operation and that company has a twelve months basis period immediately prior to the year of assessment 2016.

*Subclause (c)* of Act 53 provides that that a surrendering company is eligible to surrender its adjusted loss for the years of assessment 2019, 2020 and 2021 for surrendering company which has first commenced its operation and that company has a twelve months basis period immediately prior to the year of assessment 2017.

These amendments has effect for the years of assessment 2019, 2020 and 2021.

10. *Clause 14* seeks to amend paragraph 46(1)(k) of Act 53 to increase a personal deduction for an individual from six thousand ringgit to eight thousand ringgit in respect of an amount deposited by that individual for his child into the Skim Simpanan Pendidikan Nasional account in a basis year for a year of assessment reduced by any withdrawal made by that individual from that account in the basis year for the year of assessment.

This amendment has effect for the years of assessment 2019 and 2020.

11. *Clause 15* seek to amend section 49 of Act 53. With the proposed amendment the amount of deduction allowed to an individual under that section for the payment of premium of insurance, contributions to approved scheme and contribution in respect of widow, widower and orphan's pension is no longer aggregated. The amount allowed as deduction for premium of insurance, contributions to approved scheme and contribution in respect of widow, widower and orphan's pension is an amount not exceeding three thousand ringgit, four thousand ringgit and four thousand ringgit respectively. However in the case of a pensionable officer under Pensions Act 1980 [Act 227], an individual is allowed to claim for deduction of an amount not exceeding seven thousand if the individual has not made any claim for contribution to approved scheme or contribution in respect of widow, widower and orphan's pension.

This amendment has effect for the year of assessment 2019 and subsequent years of assessment.

12. *Clauses 16 and 17* seek to amend section 60 and 60A of Act 53. With the proposed amendments, an insurer who carries the re-insurance business shall be chargeable to tax under paragraph 3 of Part I in Schedule I to Act 53. The proposed amendment is in line with Malaysia's commitment under the OECD Forum on Harmful Tax Practices (FHTP).

This amendment has effect for the year of assessment 2019 and subsequent years of assessment.

13. *Clause 18* seeks to amend section 60AA of Act 53. With the proposed amendment, an operator of inward re-takaful business would no longer enjoy a preferential tax rate of five per cent. An operator who carries the re-takaful business including inward re-takaful business shall be chargeable to tax at the same rate as provided under paragraph 4 of Part I in Schedule I to Act 53.

This amendment has effect for the year of assessment 2019 and subsequent years of assessment.

14. *Clause 19* seeks to delete section 60B of Act 53. With the proposed amendment, an insurer of offshore insurance business would no longer enjoy a preferential tax rate of five per cent. An insurer who carries the offshore insurance business shall be chargeable to tax similar to other insurance business.

This amendment has effect for the year of assessment 2019 and subsequent years of assessment.

15. *Clause 20* seeks to amend section 140A of Act 53. *Subclauses (a) and (b)* seek to amend paragraph 140A(5)(c) and insert a new subsection 140A(5A) into Act 53 to expand the meaning of “control” under section 139 to include situations that describe the existence of control where the share capital held by a person or a third person is more than twenty per cent.

This amendment comes into operation on 1 January 2019.

16. *Clause 21* seeks to introduce a new section 140C into Act 53 as a consequence of the deletion of subsection 140A(4) by the Finance (No. 2) Act 2017 [Act 801]. With the amendment, a person is not allowed, subject to the rules made pursuant to that section, to make a deduction from the gross income from the sources that consist of a business for the basis period for a year of assessment in respect of any interest expense in connection with or on any financial assistance in a controlled transaction granted directly or indirectly to such person.

This amendment comes into operation on 1 January 2019.

17. *Clause 23* seeks to amend Schedule 1 to Act 53. *Subclause (a)* seeks to amend Part I in Schedule I to Act 53 to provide that—

- (i) the tax rate for the first five hundred thousand ringgit for a company with a paid-up capital in respect of ordinary shares of less than two million five hundred thousand ringgit and a limited liability partnership which has a total contribution of capital of two million five hundred thousand ringgit and less is reduced from eighteen per cent to seventeen per cent; and
- (ii) the tax rate chargeable for re-insurance business and re-takaful business is eight per cent.

*Subclause (c)* seeks to amend Part IX in Schedule 1 to Act 53 to provide that the tax rate for the chargeable income of a foreign fund management company in relation to the source consisting of the provision of fund management services to foreign investor is increased from ten per cent to twenty-four per cent beginning from the year of assessment 2021.

These amendments have effect for the year of assessment 2019 and subsequent years of assessment.

18. *Clause 24* seeks to amend Schedule 3 to Act 53. *Subclause (d)* seeks to introduce a new paragraph 75D into Schedule 3 to Act 53 to provide that any amount of unabsorbed capital allowances ascertained under paragraph 75 in Schedule 3 to Act 53 for a year of assessment shall only be made to a company in accordance with paragraph 75 for a period of seven consecutive years of assessment immediately following that year of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

19. *Clause 25* seeks to provide for a special provision relating to paragraph 75D in Schedule 3 to Act 53. The proposed provision provides that any unabsorbed capital allowance which has not been given to a person as at the year of assessment 2018 shall only be given to that person for a period of seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that person in that period shall be disregarded.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

20. *Clause 26* seeks to amend paragraph 35A in Schedule 6 to Act 53. With the proposed amendment, a company is no longer entitled for a tax exemption under that paragraph for any interest received from a bank or financial institution through a wholesale money market funds as approved by the Securities Commission Malaysia.

This amendment comes into operation on 1 January 2019.

21. *Clause 27* seeks to amend Schedule 7A to Act 53. With the proposed amendment, any reinvestment allowances which has not been given to a person under paragraph 4 in Schedule 7A to Act 53 shall only be given to that person for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that person at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

22. *Clause 28* seeks to provide for a special provision relating to paragraph 4B in Schedule 7A to Act 53. The proposed provision provides that any reinvestment allowances which has not been made to a person for any year of assessment prior to the year of assessment 2018 shall only be made to that person for a period of seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been made to that person in that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

23. *Clause 29* seeks to amend Schedule 7B to Act 53. With the proposed amendment, any investment allowance for service sector which has not been given to a person under paragraph 5 in Schedule 7B to Act 53 shall only be given to that person for a period of seven consecutive years of assessment immediately following the basis period for the year of assessment in which the period of approval for the allowance ends. The amount which has not been given to that person at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

24. *Clause 30* seeks to provide for a special provision relating to paragraph 5A in Schedule 7B to Act 53. The proposed provision provides that any allowance for service sector, which has not been given to a person for any year of assessment prior to the year of assessment 2018 shall only be given to that person for a period of seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that person in that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

#### AMENDMENTS TO THE PROMOTION OF INVESTMENTS ACT 1986

Chapter III of this Bill seeks to amend the Promotion of Investments Act 1986.

25. *Clause 32* seeks to amend section 2 of Act 327 to introduce the definition of “research and development”. The amendment corresponds with the introduction of the same definition into section 2 of Act 53 in *clause 4*.

This amendment comes into operation on the coming into operation of this Act.

26. *Clause 33* seeks to amend subsection 6(1AC) of Act 327 to clarify that a company which applies for a pioneer certificate needs to comply with the conditions under the pioneer status approval and has an adequate number of full time employees and has incurred adequate operating expenditure for activities relating to research and development.

This amendment comes into operation on 1 January 2019.



27. *Clause 34* seeks to provide for a special provision relating to the application of subsection 6(1AC) as amended by *clause 33* of this Bill. The special provision provides that a contract research and development company which has been granted with a pioneer status on or before 16 October 2017 need not comply with the new conditions under subsection 6(1AC) until 30 June 2021, and a company which has been granted with a pioneer status after 16 October 2017 need not comply with the new conditions until 31 December 2018.

This amendment comes into operation on 1 January 2019.

28. *Clause 35* seeks to introduce new subsections 21E(2A), (2B) and (2C) into Act 327. The proposed provisions seek to clarify that for the purpose of Act 327, the income of a pioneer status company shall not include an income derived from an intellectual property right. Any income derived from intellectual property right shall be taxed under Act 53.

This amendment comes into operation on 1 January 2019.

29. *Clause 36* seeks to introduce a new subsection 25(5) into Act 327. With the amendment, any loss incurred by a pioneer company which has not been deducted from its statutory income for a year of assessment under subsection (4), shall only be made to that company in accordance with subsection (4) for a period of seven consecutive years of assessment and that period commences immediately following the year of assessment that relates to the basis period in which the day the post pioneer business falls, and any amount of deduction at the end of that period which has not been so made to that person, by reason of insufficiency or absence of statutory income for that period, shall be disregarded for the purposes of this section.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

30. *Clause 37* seeks to provide for a special provision relating to section 25 of Act 327. The proposed provision provides that any deduction for any loss incurred by a pioneer company which cannot be made under subsection 25(4) for the year of assessment prior to the year of assessment 2018 shall only be made to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been made in that period to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

31. *Clause 38* seeks to introduce a new subsection 29(5A) into Act 327. With the proposed amendment, the investment tax allowance which has not been given to a company under subsection 29(5) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

32. *Clause 39* seeks to provide for a special provision relating to section 29 of Act 327. With the proposed amendment, the investment tax allowance which cannot be given to a company for any year of assessment prior to the year of assessment 2018 shall not be given to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

33. *Clause 40* seeks to amend section 29A of Act 327. With the proposed amendment, the investment tax allowance pursuant to an application received on or after 1 November 1991 which has not been given to a company under subsection 29A(6) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

34. *Clause 41* seeks to provide for a special provision relating to section 29A of Act 327. The proposed provision provides that any investment tax allowance pursuant to an application received on or after 1 November 1991 which cannot be given to a company for any year of assessment prior to the year of assessment 2018 shall not be given to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

35. *Clause 42* seeks to amend section 29AA of Act 327. With the proposed amendment, the investment tax allowance for application under subsection 26(1) which has been approved under subsection 27(1A) for a small company, which has not been given to a company under subsection 29AA(5) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

36. *Clause 43* seeks to provide for a special provision relating to section 29<sup>AA</sup> of Act 327. The proposed provision provides that any investment tax allowance for application under subsection 26(1) which has been approved under subsection 27(1A) for a small company, which cannot be given to a company the year of assessment 2018 and preceding years of assessment shall not be given to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

37. *Clause 44* seeks to amend section 29<sup>B</sup> of Act 327. With the proposed amendment, the investment tax allowance for application under section 26<sup>A</sup> which has been approved under section 27<sup>A</sup> which has not been given to a company under subsection 29<sup>B</sup>(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

38. *Clause 45* seeks to provide for a special provision relating to section 29<sup>B</sup> of Act 327. The proposed provision provides that any investment tax allowance for application under section 26<sup>A</sup> which has been approved under section 27<sup>A</sup> which cannot be given to a company for the year of assessment 2018 and preceding years of assessment shall not be given to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

39. *Clause 46* seeks to amend section 29<sup>D</sup> of Act 327. With the proposed amendment, the investment tax allowance for application under section 26<sup>C</sup> which has been approved under section 27<sup>C</sup> which has not been given to a company under subsection 29<sup>D</sup>(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

40. *Clause 47* seeks to provide for a special provision relating to section 29D of Act 327. The proposed provision provides that any investment tax allowance for application under section 26c which has been approved under section 27c, which cannot be given to a company for the year of assessment 2018 and preceding years of assessment shall not be given to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

41. *Clause 48* seeks to amend section 29E of Act 327. With the proposed amendment, the investment tax allowance for application under section 26D which has been approved under section 27D which has not been given to a company under subsection 29E(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

42. *Clause 49* seeks to provide for a special provision relating to section 29E of Act 327. The proposed provision provides that any investment tax allowance for application under section 26D which has been approved under section 27D, which cannot be given to a company for the year of assessment 2018 and preceding years of assessment shall not be given to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

43. *Clause 50* seeks to amend section 29F of Act 327. With the proposed amendment, the investment tax allowance for application under section 26E which has been approved under section 27E, which has not been given to a company under subsection 29F(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

44. *Clause 51* seeks to provide for a special provision relating to section 29F of Act 327. The proposed provision provides that any investment tax allowance for application under section 26E which has been approved under section 27E, which cannot be given to a company the year of assessment 2018 and preceding years of assessment shall not be given to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

45. *Clause 52* seeks to amend section 29G of Act 327. With the proposed amendment, the investment tax allowance for application under section 26F which has been approved under section 27F which has not been given to a company under subsection 29G(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

46. *Clause 53* seeks to provide for a special provision relating to subsection 29G of Act 327. The proposed provision provides that any investment tax allowance for application under section 26F which has been approved under section 27F, which cannot be given to a company for to the year of assessment 2018 and preceding years of assessment shall not be given to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

47. *Clause 54* seeks to amend section 29H of Act 327. With the proposed amendment, the investment tax allowance for application under section 26G which has been approved under section 27G which has not been given to a company under subsection 29H(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

48. *Clause 55* seeks to provide for a special provision relating to section 29H of Act 327. The proposed provision provides that any investment tax allowance for application under section 26G which has been approved under section 27G which cannot be given to a company for to the year of assessment 2018 and preceding years of assessment shall not be given to that company for a period of more than seven consecutive years of assessment immediately following the year of assessment 2018. The amount which has not been given to that company shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

49. *Clause 56* seeks to amend section 29J of Act. With the proposed amendment, the investment tax allowance for application under section 26I which has been approved under section 27I which has not been given to a company under subsection 29J(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

50. *Clause 57* seeks to amend section 29K of Act 327 With the proposed amendment, the investment tax allowance for application under section 26J which has been approved under section 27J, which has not been given to a company under subsection 29K(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

51. *Clause 58* seeks to amend section 29L of Act 327. With the proposed amendment, the investment tax allowance for application under section 26K which has been approved under section 27K which has not been given to a company under subsection 29L(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

52. *Clause 59* seeks to amend section 29<sub>N</sub> of Act 327. With the proposed amendment, the investment tax allowance for application under section 26<sub>M</sub> which has been approved under section 27<sub>M</sub>, which has not been given to a company under subsection 29<sub>N</sub>(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

53. *Clause 60* seeks to amend section 29<sub>O</sub> of Act 327. With the proposed amendment, the investment tax allowance for application under section 26<sub>N</sub> which has been approved under section 27<sub>N</sub>, which has not been given to a company under subsection 29<sub>O</sub>(4) shall only be given to that company for a period of seven consecutive years of assessment immediately following the first year of assessment. The amount which has not been given to that company at the end of that period shall be disregarded for subsequent years of assessment.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

54. *Clause 61* seeks to provide for a special provision relating to sections 29<sub>J</sub>, 29<sub>K</sub>, 29<sub>L</sub>, 29<sub>N</sub> and 29<sub>O</sub> of Act 327. The proposed provision provides that any tax allowance that has not been made to a company in the year of assessment 2018 under those provisions prior to the commencement of the amendments under this Act shall only be given to the company for a period of seven consecutive years of assessment commencing from the year of assessment immediately following the year of assessment 2018.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

55. *Clause 62* seeks to amend section 30A of Act 327 to withdraw the investment tax allowance on assets which are disposed within the period of five years from the date the asset was acquired.

This amendment has effect from the year of assessment 2019 and subsequent years of assessment.

#### AMENDMENTS TO THE STAMP ACT 1949

Chapter IV of this Bill seeks to amend the Stamp Act 1949.

56. *Clause 64* seeks to amend section 2 of Act 378 to amend the existing definition of “banker” and “small and medium enterprise”.

This amendment comes into operation on the coming into operation of this Act.

57. *Clause 65* seeks to amend section 9 of Act 378 to empower the Collector to authorize any person, by notification in the *Gazette*, to compound for the payment of duty on specified instruments in accordance with the conditions laid down under this section.

This amendment comes into operation on the coming into operation of this Act.

58. *Clause 66* seeks to amend section 15 of Act 378 by extending the period in which the companies have to remain as the beneficial owner of the shares, from two years to three years in order to obtain exemption under this section. Each company which was a party to the instrument is also required to inform the Collector of any change in the circumstances within thirty days of its occurrence. The duty payer must fulfil all the conditions as provided for under that section before relief is granted.

This amendment comes into operation on the coming into operation of this Act.

59. *Clause 67* seeks to amend section 15A of Act 378 to provide that a company cannot dispose of the asset that it has acquired within three years of the date of conveyance or transfer and shall remain associated for a period of three years. The proposed amendment also stipulates that stamp duty and interest will be charged if it is found that the declaration or evidence furnished in support of the claim for exemption under this section is not true. The duty payer must fulfil all the conditions as provided for under that section before relief is granted.

This amendment comes into operation on the coming into operation of this Act.

60. *Clause 68* seeks to amend the First Schedule to Act 378. *Subclauses (a)* and *(e)* seek to delete items 10 and 53 as a consequence of the enactment of the Companies Act 2016 [Act 777].

*Subsubclause (b)(i)* seeks to amend subitem 22(1) to clarify the treatment of duty on security for a definite period and security for a term of life or indefinite period.

*Subsubclause (b)(ii)* seeks to amend subitem 22(6) to clarify that subitem 22(6) covers conventional hire purchase agreement and hire purchase agreement in accordance with Shariah principles.

These amendments come into operation on the coming into operation of this Act.

*Subclause (c)* seeks to introduce a new item 29A to provide for stamping of the Constitution of a Company as a consequence of the introduction of Act 777.

This amendment comes into operation on the coming into operation of this Act.



*Subclause (d)* seeks to amend subitem 32(a) to introduce a new rate of duty of four percent on a conveyance, assignment, transfer or absolute bill of sale of any property with a market value exceeding one million ringgit.

This amendment comes into operation on 1 January 2019.

#### AMENDMENTS TO THE REAL PROPERTY GAINS TAX ACT 1976

Chapter V of this Bill seeks to amend the Real Property Gains Tax Act 1976. This Chapter comes into operation on 1 January 2019.

61. *Clause 70* seeks to amend Schedule 5 of Act 169 to provide for a new rate of tax on the disposal of a chargeable asset made by an individual who is a citizen and a permanent resident of Malaysia, a company and an individual who is not a citizen and not a permanent resident of Malaysia.

#### AMENDMENTS TO THE LABUAN BUSINESS ACTIVITY TAX ACT 1990

Chapter VI of this Bill seeks to amend the Labuan Business Activity Tax Act 1990. This Chapter comes into operation on 1 January 2019.

62. *Clause 72* seeks to amend subsection 2(1) of Act 445 to amend the definition of “Labuan business activity” to provide that Labuan business activity means a Labuan trading or a Labuan non-trading activity which is carried on in, from or through Labuan. The proposed amendment is to allow the Labuan entity to deal with resident and in ringgit.

63. *Clause 73* seeks to amend section 2A of Act 445. The proposed amendment deletes the provision with regards to the Minister’s power to approve transactions between a Labuan entity and a resident in ringgit.

64. *Clause 74* seeks to amend section 2B of Act 445 to provide that a Labuan entity must not only be an entity specified in the Schedule but must also fulfill the requirements in relation to the number of full time employees and the annual operational expenses in Malaysia.

65. *Clause 75* seeks to amend section 4 of Act 445 to clarify that the net profit chargeable to tax under Act 445 shall not include income derive from intellectual property right, and that any income derived from intellectual property right is subject to tax under the Income Tax Act 1967.

66. *Clause 76* seeks to delete section 7 of Act 445 the proposed amendment, the Labuan entity no longer has the option to elect to pay tax of twenty thousand ringgit.

67. *Clause 77* seeks to substitute section 8 of Act 445 to clarify that the Director General may give direction on the basis period for a year of assessment in cases where a Labuan trading activity does not have a basis period for the year of assessment.

68. *Clause 79* seeks to substitute section 11 of Act 445 in consequence to the deletion of section 7 and amendment of section 8 of Act 445.

#### AMENDMENTS TO THE SERVICE TAX ACT 2018

Chapter VII of this Bill seeks to amend the Service Tax Act 2018. This Chapter comes into operation on 1 January 2019.

69. *Clause 84* seeks to introduce a definition of “imported taxable service” into section 2 of Act 807.

70. *Clause 85* seeks to amend section 7 of Act 807 to impose service tax on imported taxable service.

71. *Clause 86* seeks to amend section 9 of Act 807 to empower the Minister to prescribe the value of imported taxable service.

72. *Clause 87* seeks to substitute subsection 11(1) of Act 807 to provide for the time when service tax is due and payable on imported taxable service.

73. *Clause 88* seeks to amend section 24 of Act 807 to require a taxable person and a person other than a taxable person who, in carrying on his business, acquires any imported taxable service, to keep records relating to imported taxable service.

74. *Clause 89* seeks to introduce a new section 26A into Act 807 to require person other than taxable person to furnish to the Director General a declaration in relation to imported taxable service acquired by him in carrying on his business and pay to the Director General the service tax due and payable by him.

75. *Clause 90* seeks to amend section 27 Act 807 to empower the Director General to assess any tax due and payable, and penalty payable in consequence to the introduction of a new section 26A into Act 807. The proposed amendment also expands the power of the Director General to make such assessment against any person, in contrast to the existing provision that only applies to taxable person.

#### AMENDMENTS TO THE SALES TAX ACT 2018

Chapter VIII of this Bill seeks to amend the Sales Tax Act 2018. This Chapter comes into operation on 1 January 2019.

76. *Clause 92* seeks to amend subsection 9(3) to expand application of the subsection to all manufacturers.

77. *Clause 93* seeks to amend section 27 of Act 806 to empower the Director General to assess any tax due and payable, and penalty payable by any person, in contrast with the existing provision that applies only to taxable person.

78. *Clause 95* seeks to introduce a new section 41A into Act 806. The proposed amendment seeks to empower the Minister to determine the amount of sales tax to be deducted in respect of taxable goods which are raw material, component or packaging material purchased by any registered manufacturer from any person who are not registered, and the goods are solely used in the manufacturing of taxable goods. This *clause* further seeks to empower the Minister to prescribe the form, manner and conditions of the deduction of sales tax. This *clause* also provides that if any registered manufacturer fails to comply any conditions imposed by the Minister, the sales tax deducted shall be due and payable at the time the condition was not complied with.

79. *Clause 97* seeks to introduce a new section 88A into Act 806 to make it an offence on any person who improperly obtains a deduction of sales tax under the new section 41A of Act 806 as introduced under *clause 95* of this Act.

#### GENERAL

80. Other amendments not specifically dealt with in this Statement are minor or consequential in nature.

#### FINANCIAL IMPLICATIONS

This Bill will not involve the Government in any extra financial expenditure.

[PN(U2)3129]