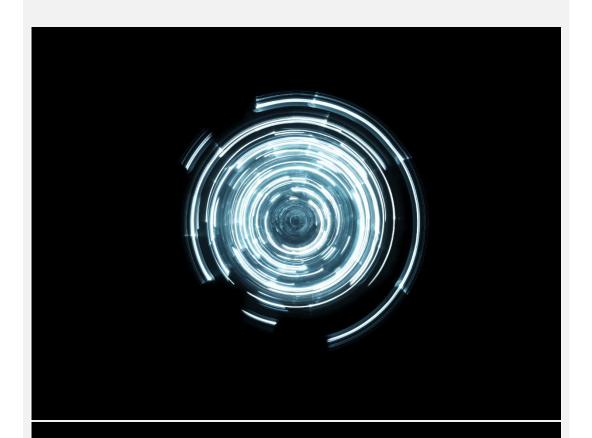
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Malaysia | Tax | 31 December 2021



Tax Espresso – Special Alert

Policy Changes on the Taxation of Foreign-Sourced Income and Remission of Stamp Duty on Contract Notes for Shares Listed on Bursa Malaysia The Ministry of Finance (MOF) has issued a media release dated 30 December 2021 (in Bahasa Malaysia only) on the following:

1. Tax Treatment on Foreign Sourced Income (FSI)

During the tabling of Budget 2022, the Government of Malaysia has announced the proposed measure to impose tax on the income of residents derived from sources outside Malaysia effective from 1 January 2022. The proposed measure to impose tax on FSI is implemented through the Finance Bill 2021 which was passed in the House of Representatives on 15 December 2021 and in the Senate on 23 December 2021.

Further to the joint discussion between the Government and various stakeholders including industry representatives and tax practitioners, the Government has agreed to exempt Malaysian tax residents from the imposition of tax (subject to conditions) effective from 1 January 2022 to 31 December 2026 on the following FSI:

- Dividend income received by companies and limited liability partnerships; and
- All types of FSI received by individuals, except for those carrying on a partnership business in Malaysia.

All non-residents in Malaysia (individuals, companies and others) will continue to be exempted from the imposition of tax on all FSI received in line with Paragraph 28, Schedule 6 of the Income Tax Act, 1967.

Please be informed that FSI received in Malaysia in the year of assessment 2022 will be excluded from the tax calculation for the purpose of Cukai Makmur.

2. Stamp Duty Remittance on Contract Notes for Shares Listed on Bursa Malaysia

During the tabling of Budget 2022, the Government has proposed to increase the stamp duty rate on the contract notes for trading of shares/stocks listed on Bursa Malaysia to 0.15% (i.e. RM1.50 per every RM1,000 of the value of shares transacted) and the stamp duty limit of RM200 for each relevant contract note is abolished with effect from 1 January 2022.

The Government has agreed to impose a limit on stamp duty charged for each contract note of up to RM1,000 and any amount in excess of RM1,000

on each contract note for trading of shares/stocks listed on the Bursa Malaysia will be remitted effective from 1 January 2022 to 31 December 2026.

Assistance required

For any queries or assistance, please speak to your usual Deloitte contact.





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Get in touch









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