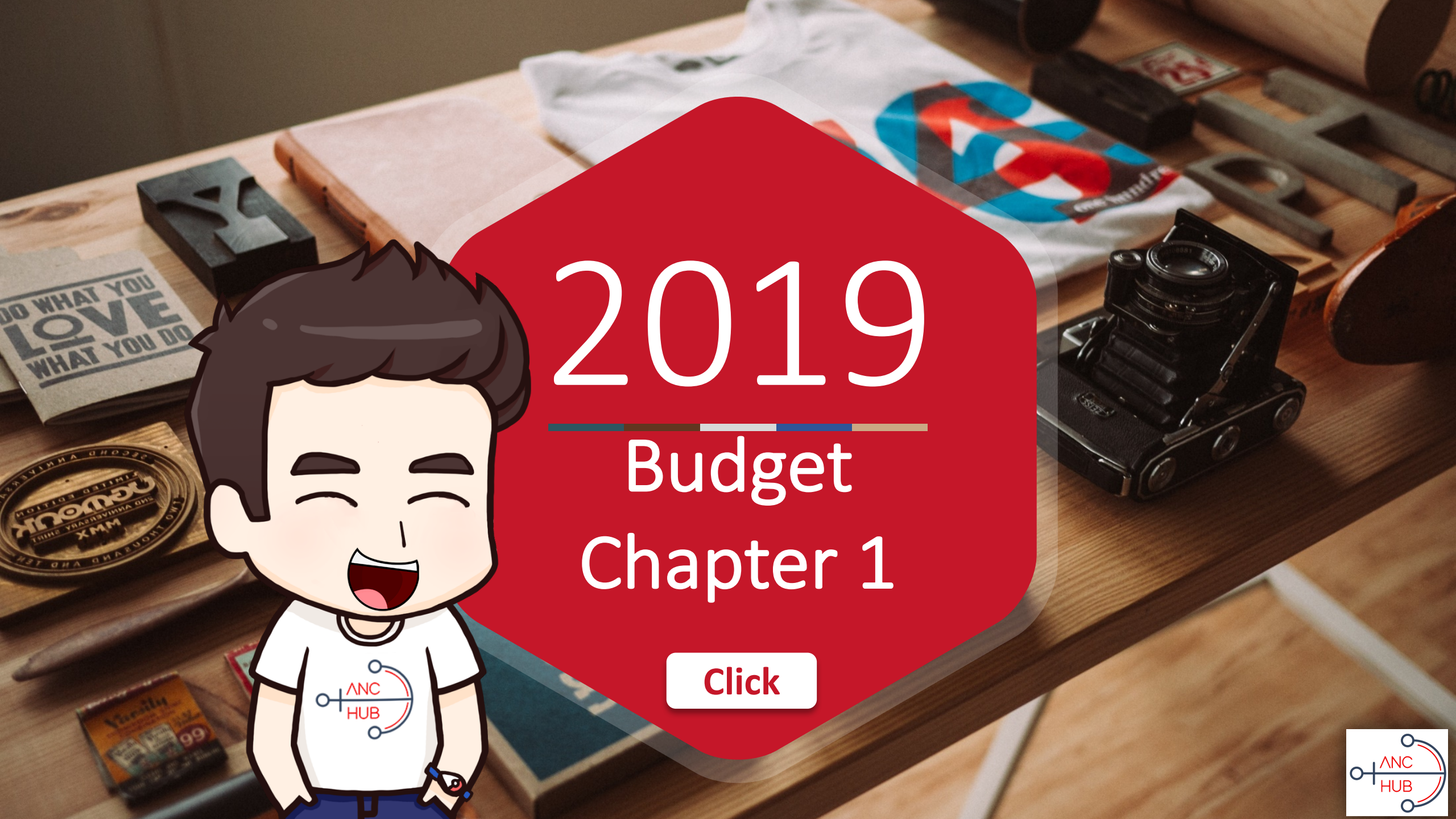

2019
Budget
Chapter 1
Click
ANC
HUB

Master Trainer

Song Liew
GST Consultant/ Tax Consultant

Mr Song Liew, is a GST Tax Agent approved by Ministry of Finance under Section 170 of Goods and Service Tax Act 2014, certified MYGCAP reviewer, a Chartered Accountant (CA) of the Malaysia Institute of Accountants (MIA), a Member of Chartered Tax Institute of Malaysia (ACTIM), a Member of the Association of Chartered Certified Accountants (ACCA), UK and a certified trainer with HRDF.

He was attached to one of the international tax consultant firm in Malaysia. He has been involved in wide range of Malaysian Taxation matters including matters involving corporate and individual tax compliance, Malaysian Goods and Service Tax (“GST) compliance, consultancy assignments, tax audit, GST audit and transfer pricing assignments. He also handles advisory matters relating to employer’s statutory obligations.

Master Trainer

Song Liew
GST Consultant/ Tax Consultant

Song manages individual's tax compliance and advisory matters including resolving expatriates' tax and payroll issues. He is a trainer of Malaysian Employer Federation ("MEF") and trainings to multinational companies, small and medium enterprises, software providers and finance magazine, through classroom and webinar. He conducted his training throughout Malaysia and also made his appearance in radio station.

He has also participated in writing tax related books for Commerce Clearing House ("CCH"), writing of monthly newsletters and author of Employer Obligation and Tax Planning Year 2018.

PAKATAN

HARAPAN

FIRST BUDGET

ANC HUB

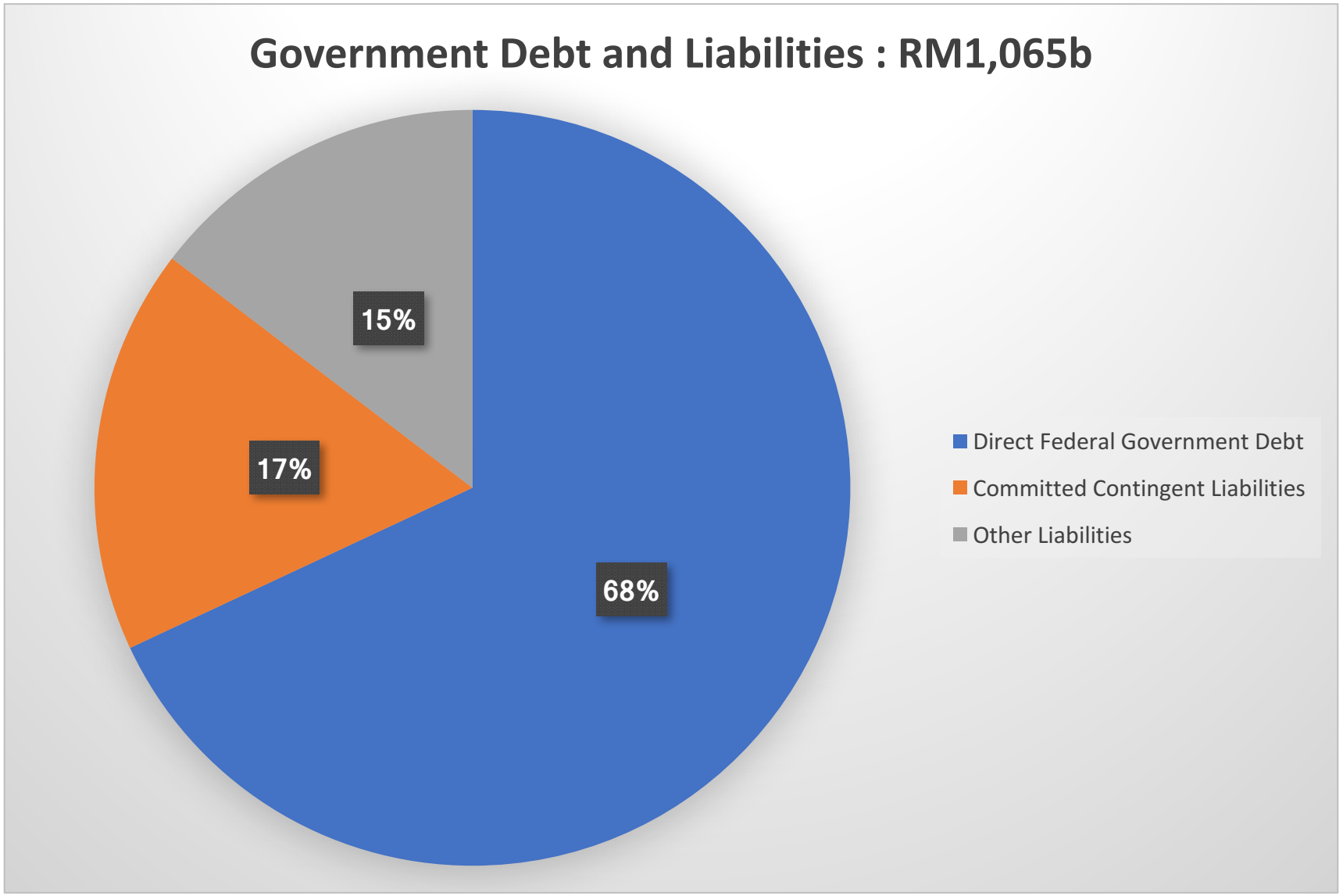
THEME FOR 2019 BUDGET

A Resurgent Malaysia

A Dynamic Economy

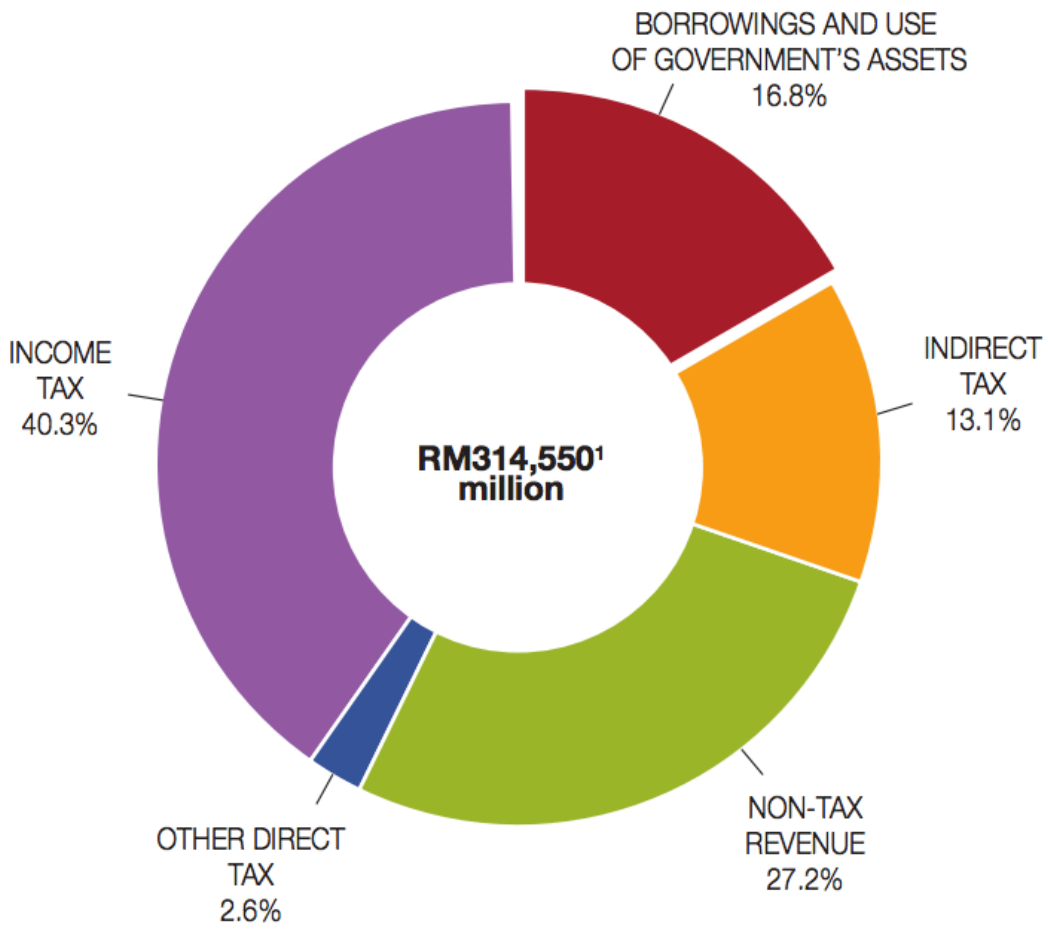
A Prosperous Society

ASIAN TIGER


Government Debt and Liabilities : RM1,065b
15%
17%
68%
Direct Federal Government Debt
Committed Contingent Liabilities
Other Liabilities

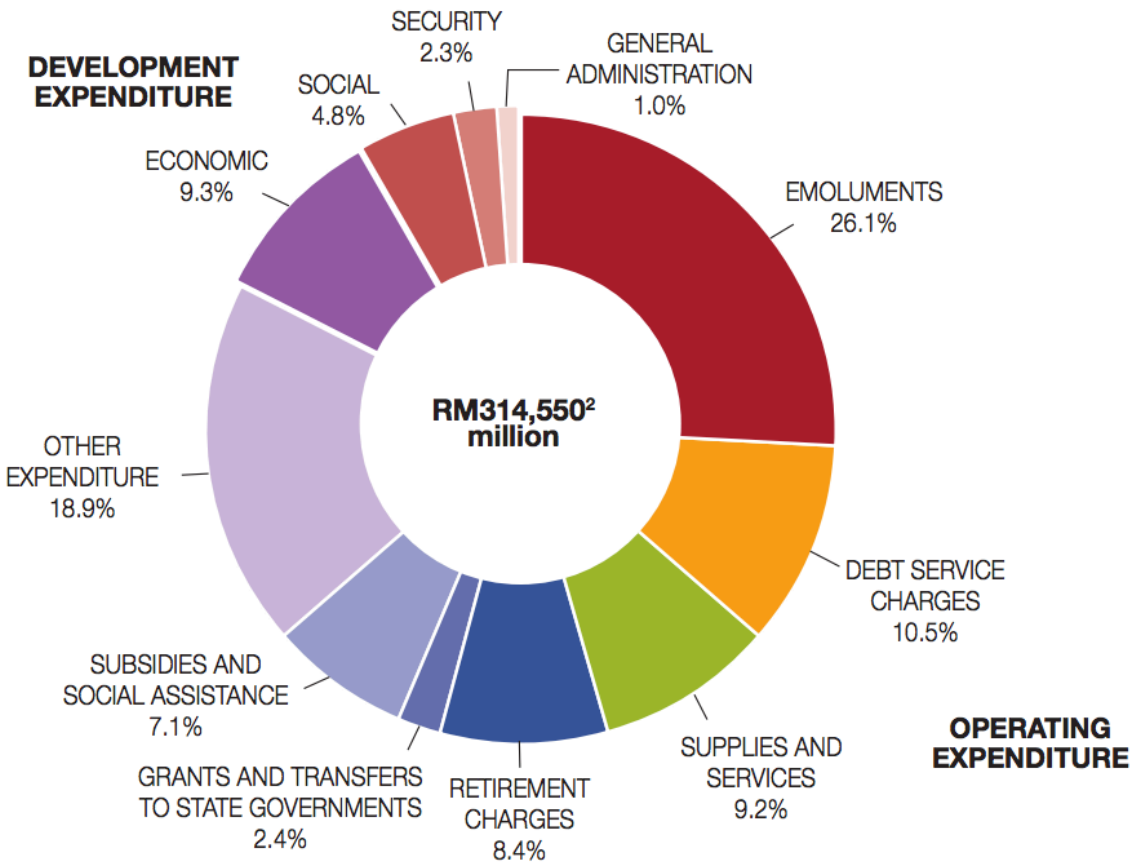
THE 2019 FEDERAL GOVERNMENT BUDGET

WHERE IT COMES FROM



THE 2019 FEDERAL GOVERNMENT BUDGET

WHERE IT GOES



[1] Consists of revenue, borrowings and use of Government's assets.
[2] Excludes contingency reserves.

Source: Ministry of Finance, Malaysia.

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Ensure Spending Justified by Objectives

Cash Basis Accounting → Accrual Accounting by 2021

Track and Publish Direct Federal Government Debt Ratios, but also provide transparency

Review Alternative Scenarios to achieve Same Objectives

Tax Reform Committee in Sept 2018

Debt Management Office to review and manage government and agencies' current and future debt and liabilities

Table Fiscal Responsibility Act by 2021 to avoid reckless mega spending that entails mega debts

New Procurement Act ensure Transparency, Competition, Punish Abuse of Power, Negligence and Corruption

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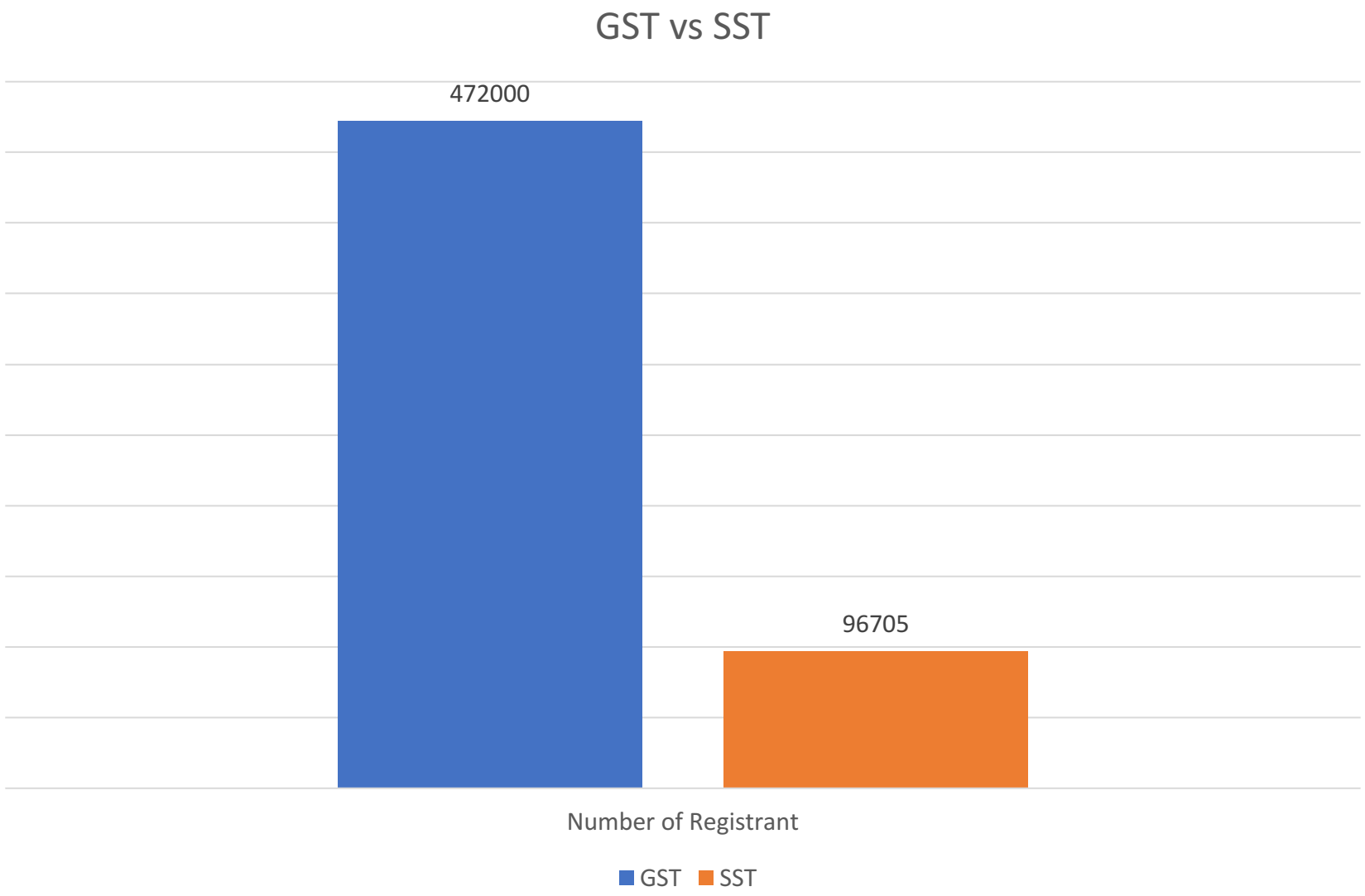
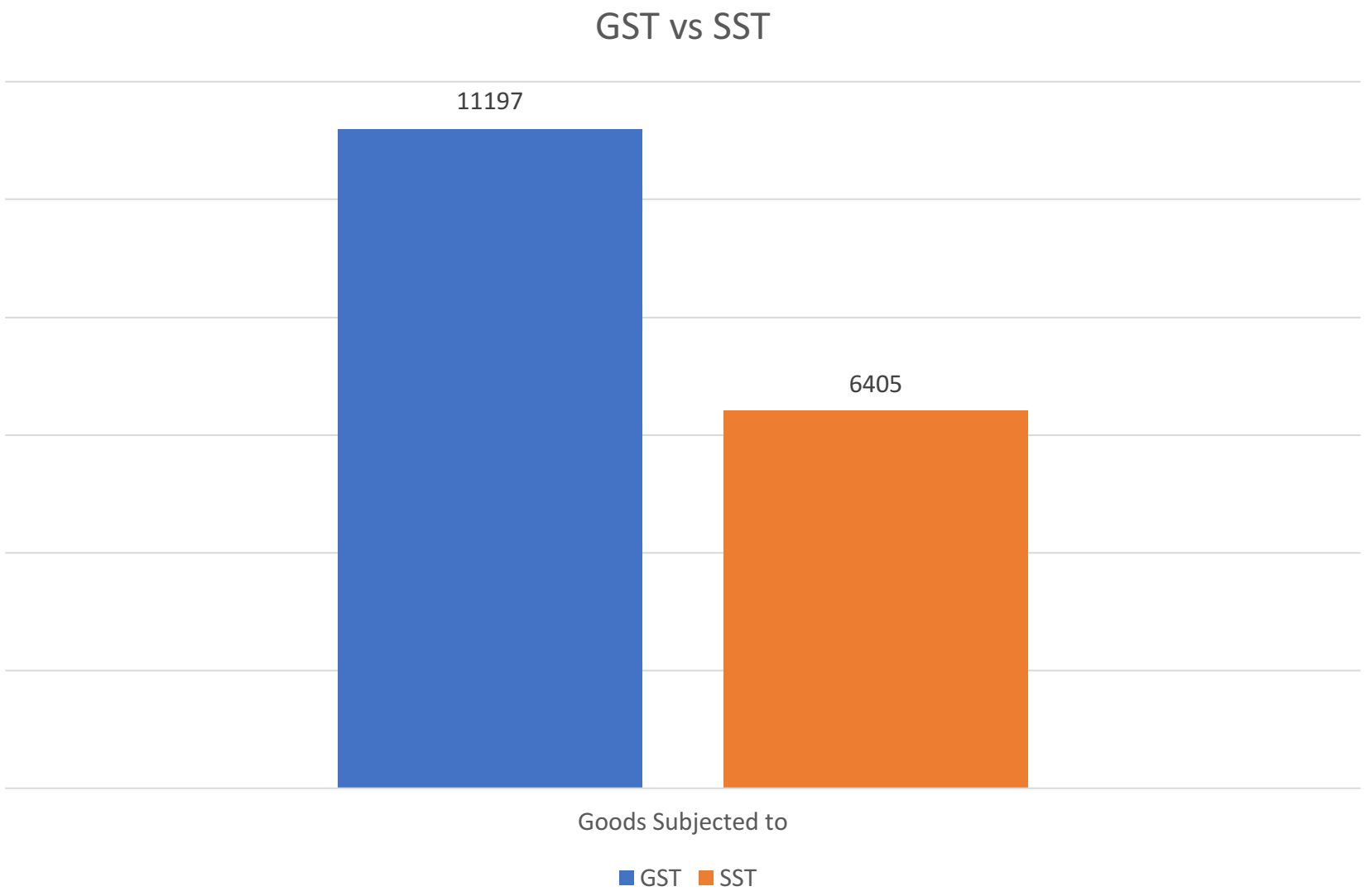
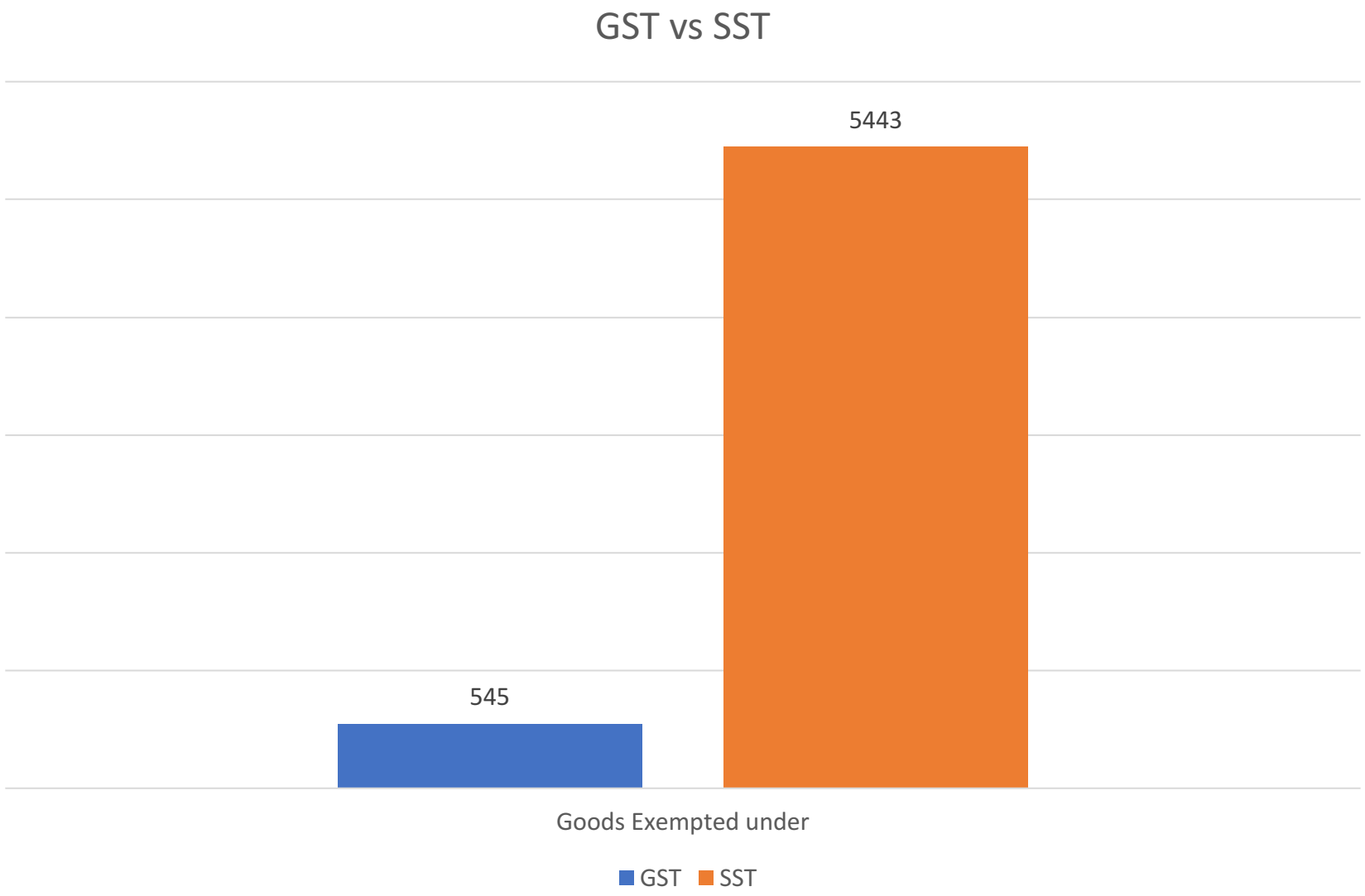
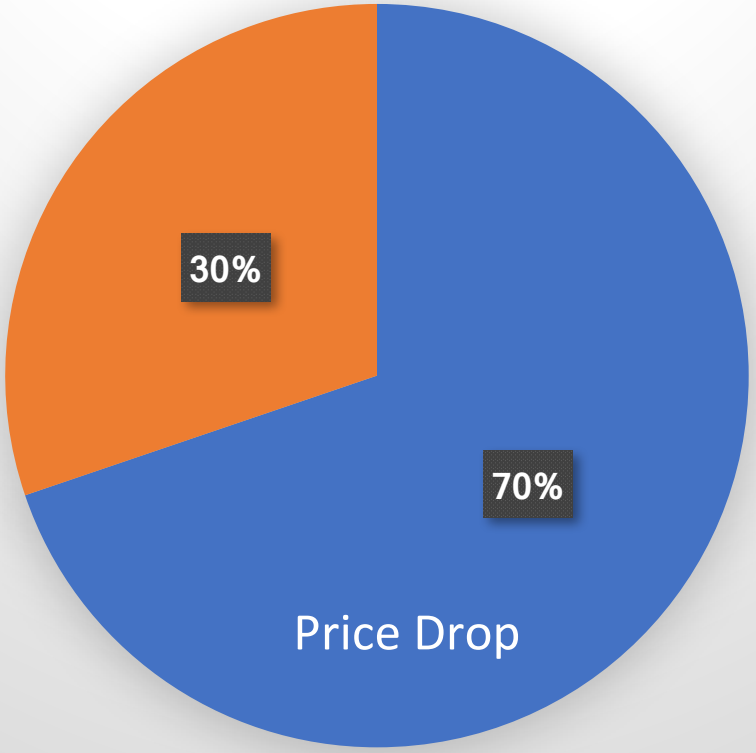
SALES & SERVICES TAX


GST vs SST
472000
96705
Number of Registrant
GST
SST

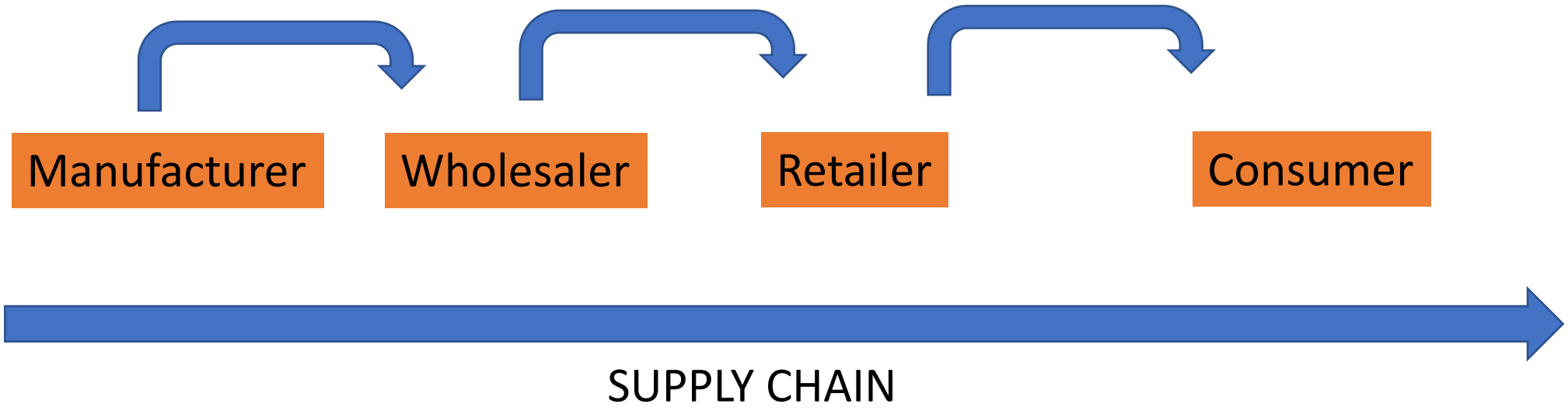

GST vs SST
11197
6405
Goods Subjected to
GST
SST


GST vs SST
5443
545
Goods Exempted under
GST
SST

Inspected Goods and Services



Imputation of GST Refund into Selling Price



GST Refund 19.4b

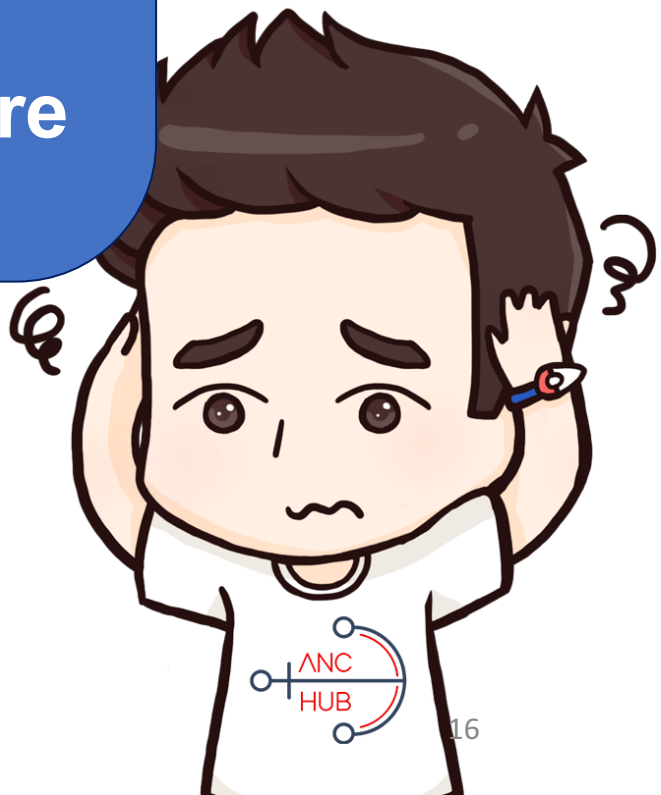
Income Tax Refund 16b

30b Special Dividend by Petronas

We are in Taxable Service Industries. In many cases, our professional expenses incurred are with 6%. Assuming RM100+6

Subsequently, we charge back client RM200+12.

The Service Tax is charged on 106 whereby there is a double tax issue



SST 01
Exemptions for Specific Business to Business Service Tax

(for ST Registered Entities)
Starting 01.01.2019

Question : What kind of Services?

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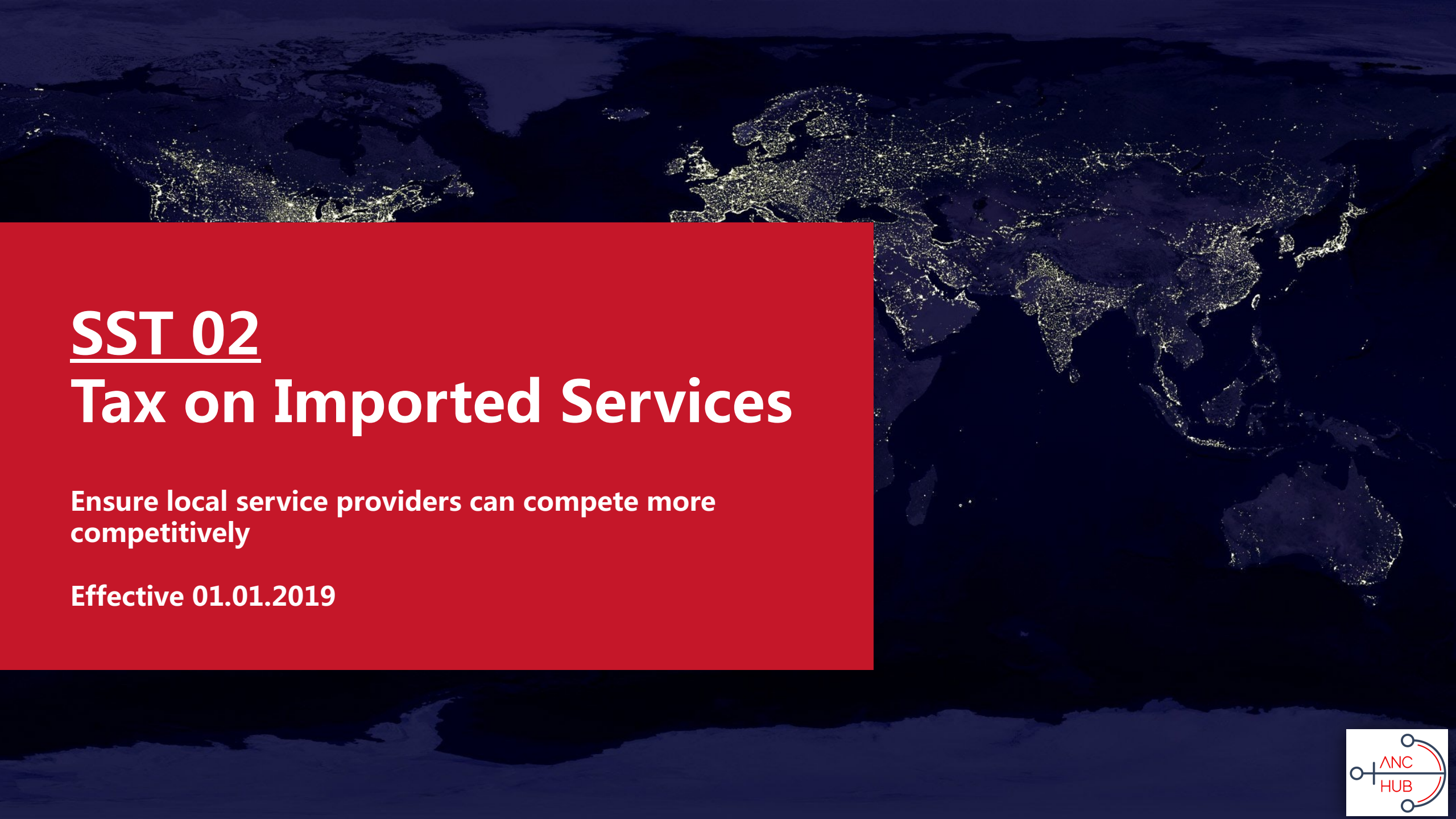
Unlike GST, Service Tax is not on imported Service. No Tax. Ho Ho Ho…

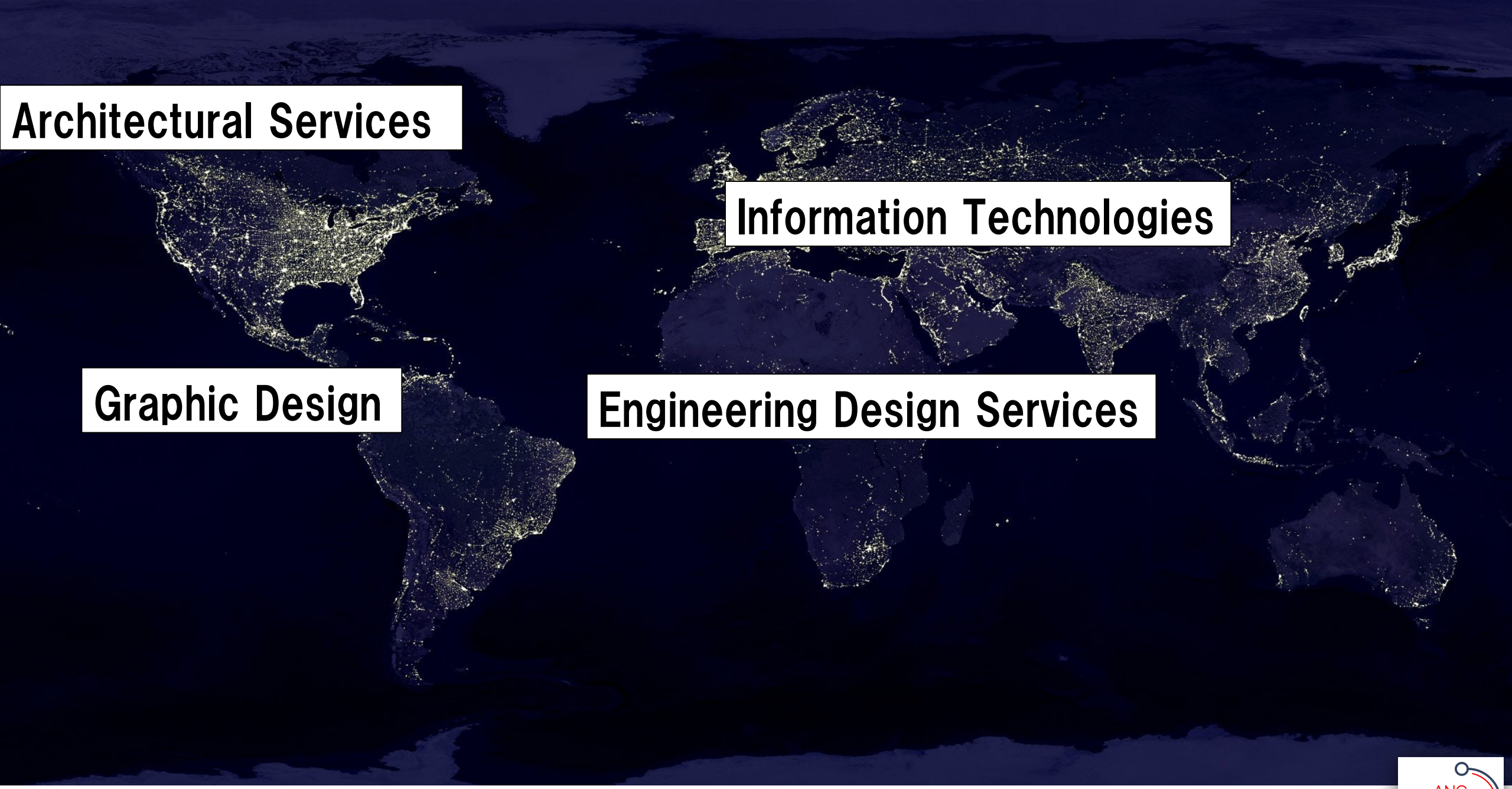
Not any more…..
WHAT !!!



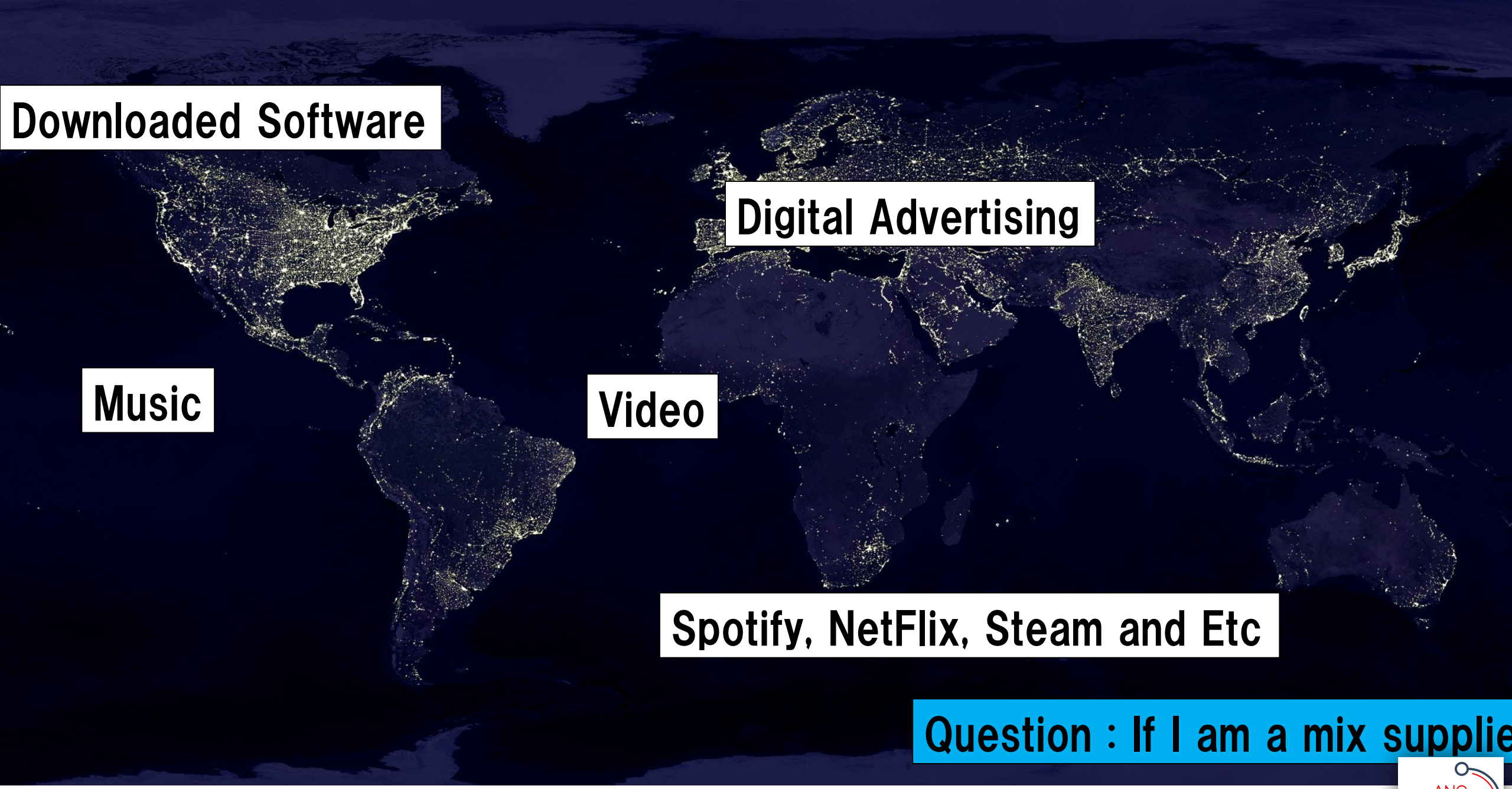
SST 02
Tax on Imported Services

Ensure local service providers can compete more competitively

Effective 01.01.2019



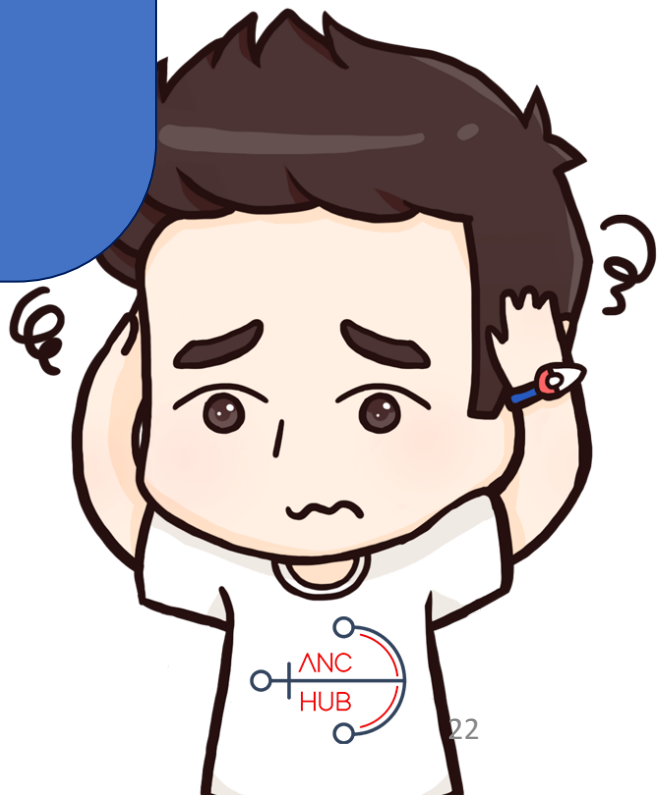
Imported Services by Business to Business (Effective 01.01.2019)



Imported Services by Business to Consumer (Effective 01.01.2020)

We are small manufacturers who purchase products from importers. We may or many not registered with Sales Tax.

Our cost has significantly increased after implementation of Sales Tax



SST 03
CREDIT SYSTEM FOR SALES TAX DEDUCTION

Avoid double taxation and lower business cost

Effective 01.01.2019

Individual Income Tax (IIT)

IIT 01
Encouragement of Higher Insurance Take Up Rate

PAKATAN HARAPAN

National B40 Health Protection Fund

Free Protection against Top 4 Critical Illness up to RM8,000

14 Days Hospitalisation Income Cover at RM50 per Day / RM700 per annum

Effective 01.01.2019

ANC HUB

Great Eastern
Life is Great!

RM6,000

RM4,000

RM3,000

Relief Loss for those who do not buy Life Insur

IIT 02

PTPTN National Education Savings Scheme (SSPN) increase from RM6,000 to RM8,000

MAXIMUM TAX RELIEF CLAIM UP TO RM12,000 (YA 2018)

SSPN
SKIM SIMPANAN PENDIDIKAN NASIONAL

RM6,000

+

SSPN-i Plus
SKIM SIMPANAN PENDIDIKAN NASIONAL
with Takaful Protection

KUMPULAN WANG SIMPANAN PEKERJA

RM6,000

ANC HUB

MAXIMUM TAX RELIEF CLAIM UP TO RM15,000 (YA 2019 & YA 2020)

SSPN
SKIM SIMPANAN PENDIDIKAN NASIONAL

RM8,000

+

SSPN-*i* Plus
SKIM SIMPANAN PENDIDIKAN NASIONAL
with Takaful Protection

KUMPULAN WANG SIMPANAN PEKERJA

RM7,000

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IIT 03

Tax Exemption of Interest Earned on Wholesale Money Market Funds will cease beginning 01.01.2019

Corporate Income Tax (CIT)

CIT 01
Review of Corporate Income Tax Rate for SME

Resident Company incorporated in Malaysia with Paid Up Capital of RM2.5 million and below	Current	YA 2019 (NEW)
First RM500,000	18%	17%
Subsequent Chargeable Income	24%	24%

Resident Company incorporated in Malaysia with Paid Up Capital above RM2.5 million	YA 2019
Chargeable Income	24%

CIT 02
Review Existing Reliefs and Incentive & Time Limit

REVIEW TAX INCENTIVE

Unabsorbed Losses

Unabsorbed Reinvestment Allowance

Unabsorbed Capital Allowances

Unabsorbed Pioneer Losses

Unabsorbed Investment Tax Allowance

Can only carried forward for maximum 7 consecutive years of assessments

CIT 03
Power of IRB

Power to scrutinise and investigate unexplained extraordinary wealth displayed by possession of luxury goods, jewellery, handbags or property.

CIT 04 & IIT 04
Special Voluntary Disclosure Programme

MEDIA RELEASE

For Immediate Release

SPECIAL VOLUNTARY DISCLOSURE PROGRAMME

In a move to ease the burden of the people, the government has announced a Special Voluntary Disclosure Programme (Voluntary Disclosure) in the 2019 Budget speech. The programme is also part of the government's tax reform initiative in encouraging taxpayers to voluntarily declare income, which subsequently will increase tax revenue needed for the nation's development.

Voluntary disclosure may be made at any of Inland Revenue Board of Malaysia's offices nationwide beginning 3 November 2018 until 30 June 2019. This programme is offered to all categories of taxpayers where the rate of penalty will be reduced according to the voluntary disclosure and tax payment period.

Through this offer the taxpayer will be subjected to a lower penalty rate of between 10% and 15% of the tax payable compared to the penalty rate of between 80% and 300% after the voluntary disclosure period expires.

Category of tax payers	Voluntary Disclosure Period and Penalty Rate	
	3/11/2018 - 31/3/2019	1/4/2019 - 30/6/2019
Taxpayers who are not registered with the IRBM and have not submitted the Income Tax Return Forms (ITRF) / Petroleum Tax Returns (PTR) / Real Property Gains Tax Returns (RPGTR) for any year of assessment	10% (full tax payment must be made by or on 1/4/2019)	15% (full tax payment must be made by or on 30/6/2019)
Registered taxpayers but have not submitted ITRF / PTR / RPGTR for any year of assessment		
Taxpayers who have submitted ITRF/PTR/RPGTR but did not make the right declaration		
Stamp duty payers who failed to present stampable instruments within a stipulated period of time	10% or minimum RM50	15% or minimum RM100

CIT 5
Labuan Tax

Corporate Tax on:

3% or ~~RM20,000~~

CIT 6 & IIT 5
Tax Deduction for contribution to Social Enterprise

Approved Donation?

Maximum 10% Aggregate Income for Company or 7% for Individual

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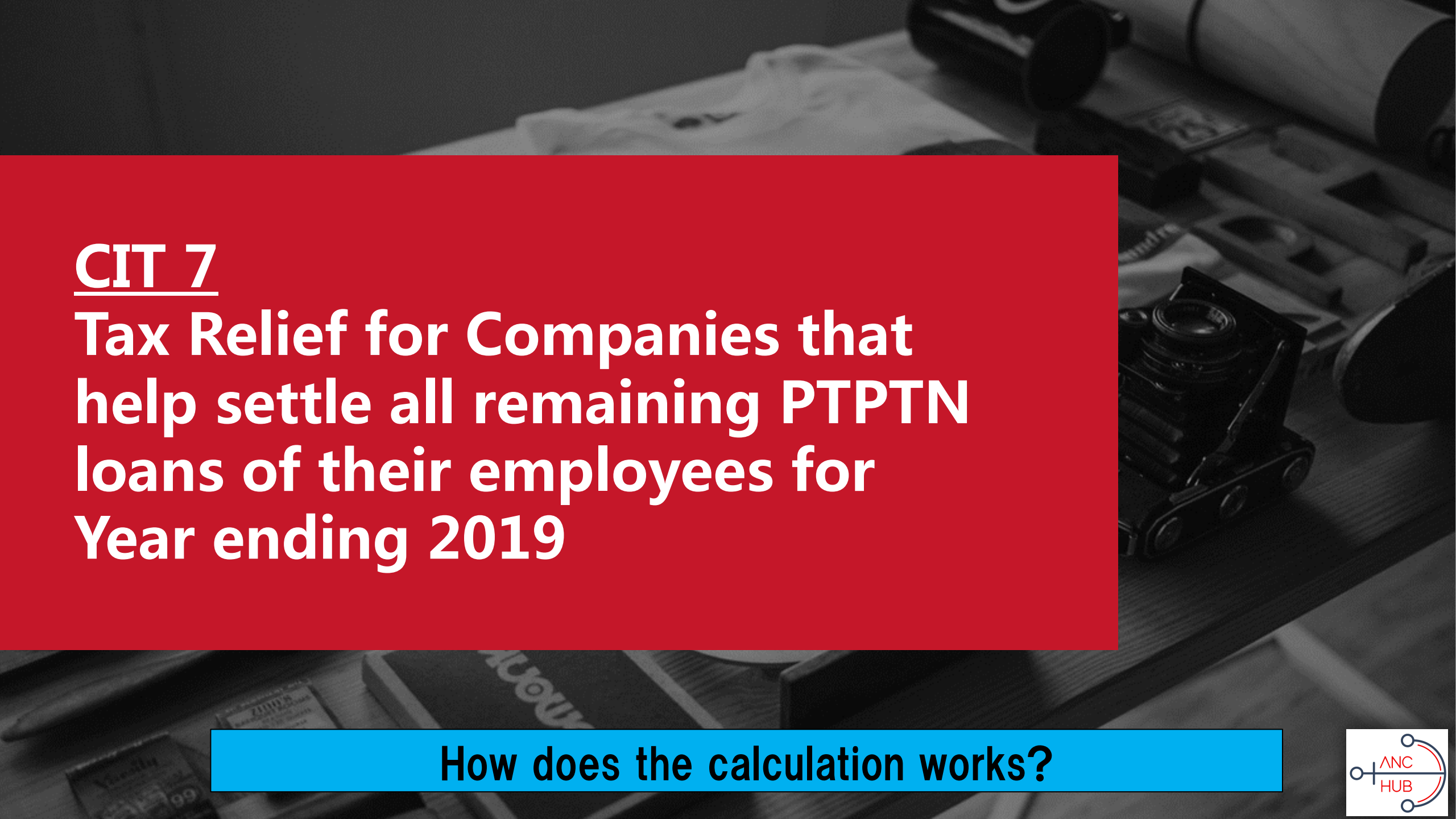


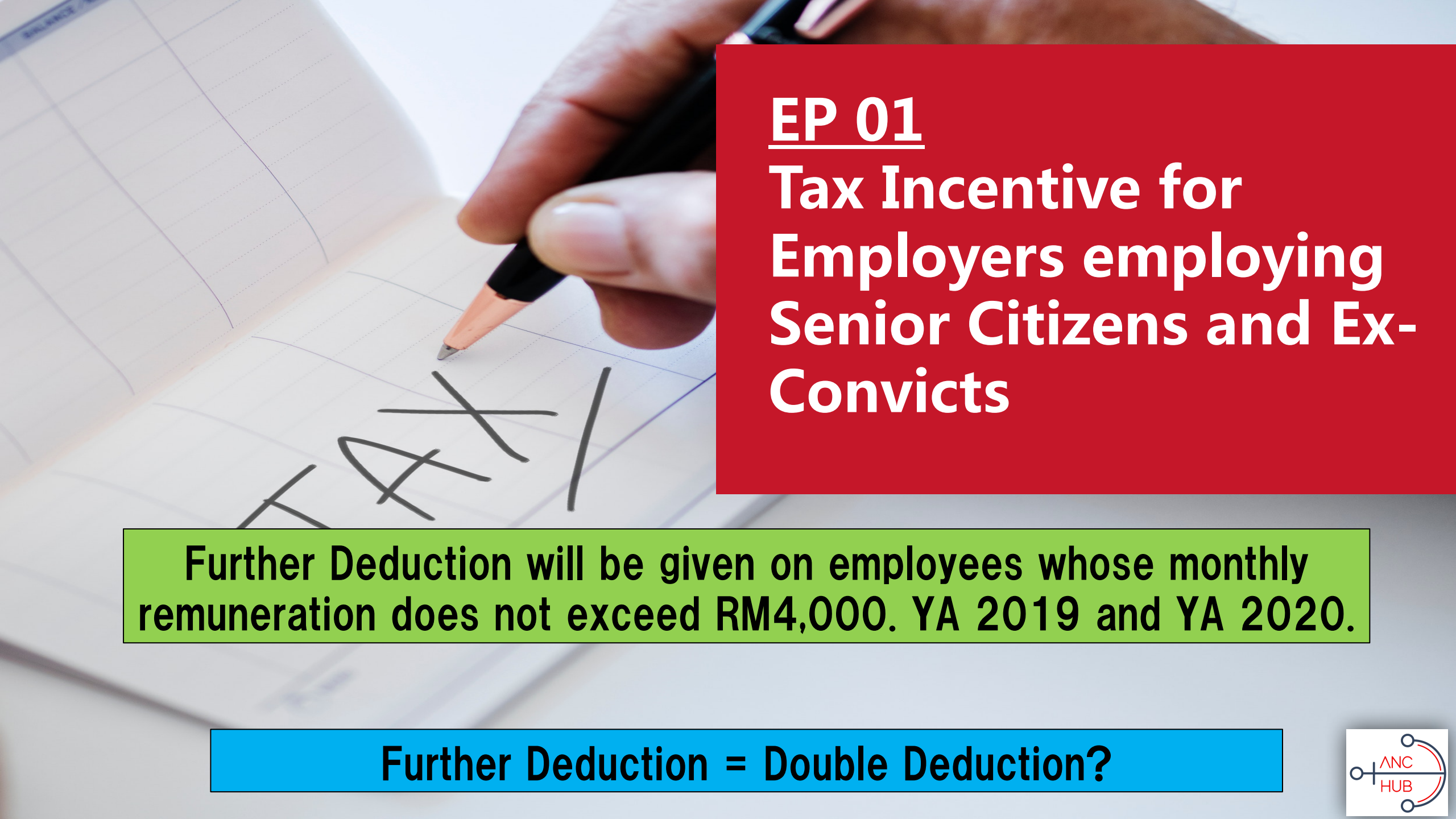
CIT 7

Tax Relief for Companies that help settle all remaining PTPTN loans of their employees for Year ending 2019

How does the calculation works?

Morris Charts
Line Chart
Area Chart
Bar Chart
Donut Chart
25 %
Donut Chart
Pie Chart
75 %
spoko

Employer (EP)



EP 01
Tax Incentive for Employers employing Senior Citizens and Ex-Convicts

Further Deduction will be given on employees whose monthly remuneration does not exceed RM4,000. YA 2019 and YA 2020.

Further Deduction = Double Deduction?

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EP 02
HRDF launch Apprentice and Graduate Enhancement Programme (GENERATE) for Employability

For School-Leavers

EP 03
Mandatory EPF Hiring Senior Citizens

EPF Contribution :
Employer : 6% → 4% | Employee : No contribution

Some High Income Earners may not Happy

EP 04
Minimum Wage
increase to RM1,100 Nationwide

Effective 01.01.2019

Applicable to Entire Malaysia including East Malaysia

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EP 05
Unrecorded Leave for Religious Pilgrimage and Functions extend to non muslims

Eg. Existing Muslim Umrah 7 days

Fairer System?

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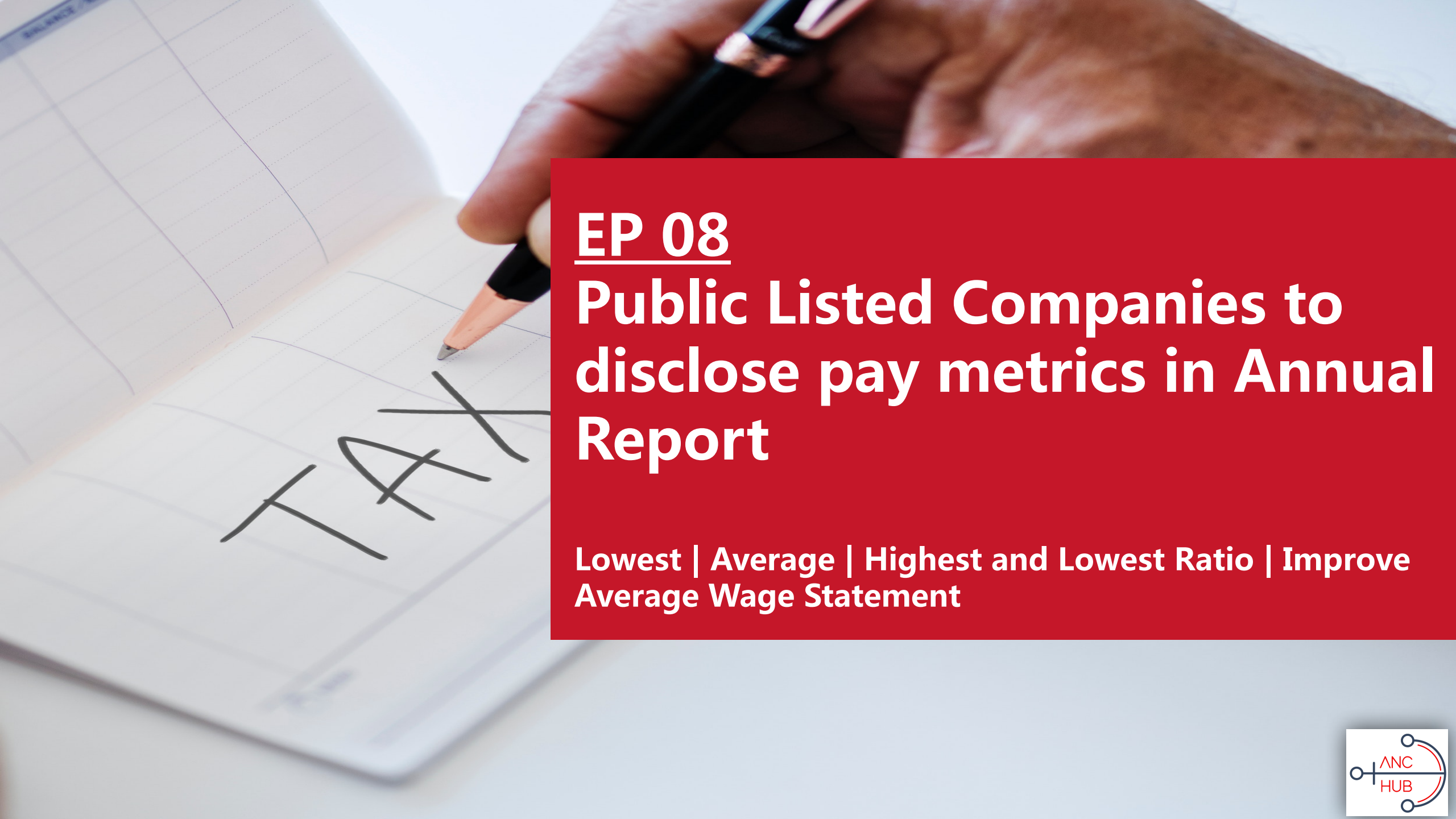
EP 06
New Tiered Levy System

Levies will be higher for employers with higher percentage of foreign workers

EP 07
Agricultural and Plantation Industries Levy

Reduction of extention levy for foreign worker who served for 10 years or more. RM10,000 to RM3,500 per worker per annum



EP 08

Public Listed Companies to disclose pay metrics in Annual Report

Lowest | Average | Highest and Lowest Ratio | Improve Average Wage Statement

Real Property Gain Tax (RPGT)

RPGT 01
Review RPGT Rate

Current RPGT Rate

	Citizen / PR	Non Citizen / Non PR	Company
	%	%	%
Within 2 years	30	30	30
Disposal in 3rd year	30	30	30
Disposal in 4th year	20	30	20
Disposal in 5th year	15	30	15
Disposal in 6th year	Nil	5	5

Proposed RPGT Rate (01.01.2019)

	Citizen / PR	Non Citizen / Non PR	Company
	%	%	%
Within 2 years	30	30	30
Disposal in 3rd year	30	30	30
Disposal in 4th year	20	30	20
Disposal in 5th year	15	30	15
Disposal in 6th year	5	10	10

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RPGT 02

Special RPGT Exemption for disposal of low cost, medium cost residential homes

Affordable Residential Homes Priced RM200,000 and below in 6th and subsequent years.

Effective 01.01.2019

Stamp Duty (SD)

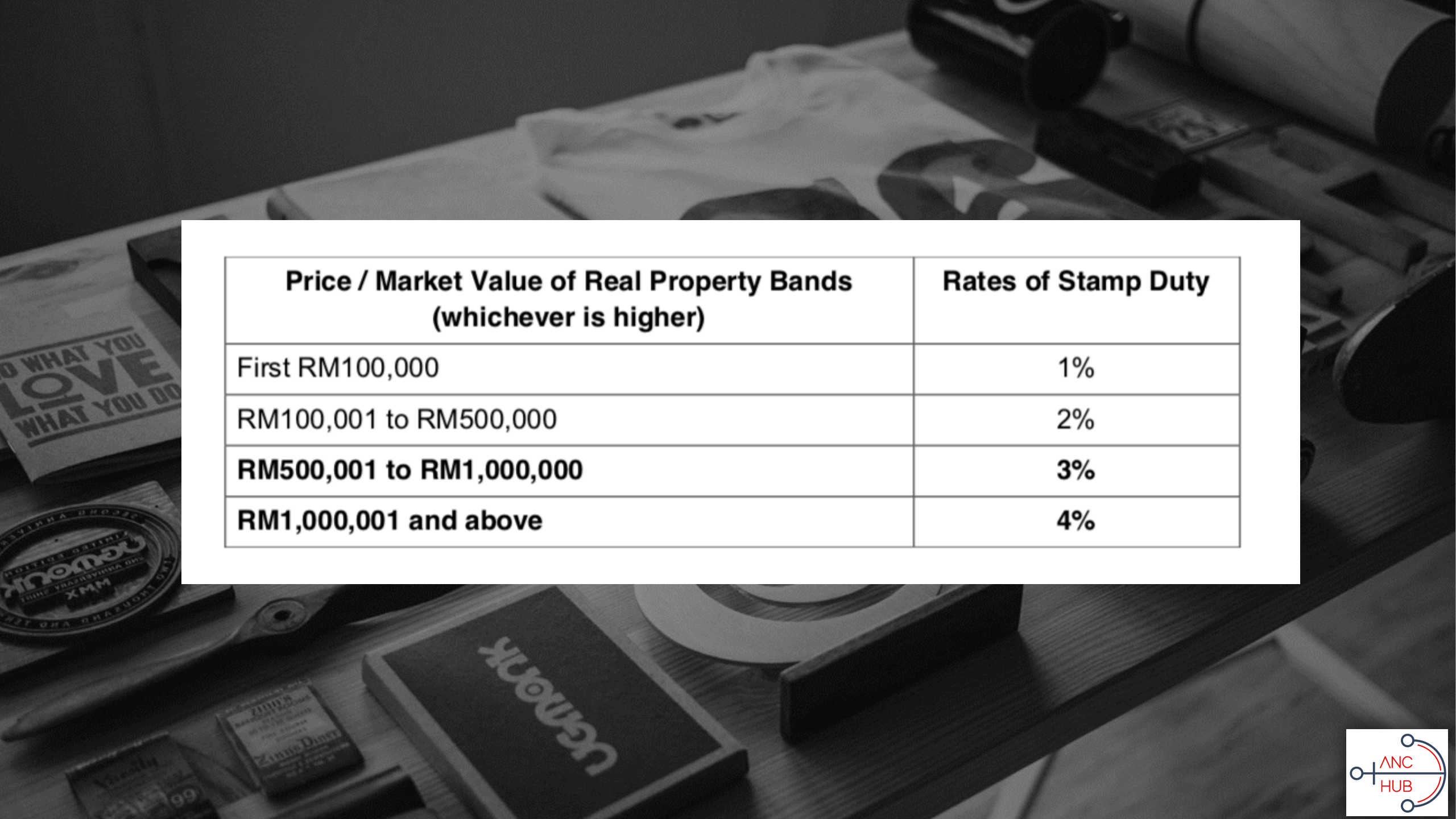
SD 01
Stamp Duty Exemption on Perlindungan Tenang Products

Insurance policy and takaful certificates are subject to stamp duty of RM10 for each policy / certificate. Stamp Duty is exempted for policies with sum insured not exceeding RM5,000

Proposed Stamp Duty Exemption with yearly premium / contribution not exceeding RM100. Exemption 2 years

Aims to ensure Malaysian have insurance protection

SD 02
Stamp Duty on Property worth RM1m



Price / Market Value of Real Property Bands (whichever is higher)	Rates of Stamp Duty
First RM100,000	1%
RM100,001 to RM500,000	2%
RM500,001 to RM1,000,000	**3%**
RM1,000,001 and above	**4%**

SD 03
Stamp Duty Exemption for First Home Buyer

First Home Buyer	Stamp Duty Exemption
Instrument of Transfer and Loan Agreement for purchase of a first residential home priced up to RM300,000	100% 01.01.2019~ 31.12.2020
Instrument of Transfer for purchase of first residential home priced between RM300,001 and RM1 million from any housing developer for a period of 6 months	100% 01.01.2019~ 30.06.2019
Stamp Duty exemption on instrument of transfer and loan agreement for purchase of a first residential home priced RM300,001 to RM500,000.	100% on first RM300,000 01.07.2019~ 31.12.2020

#2 : from which period?

Departure Levy

ASEAN Countries : RM20
Other Countries : RM40

Effective 01.06.2019

Genting Levy / Gaming Levy

Genting Berhad

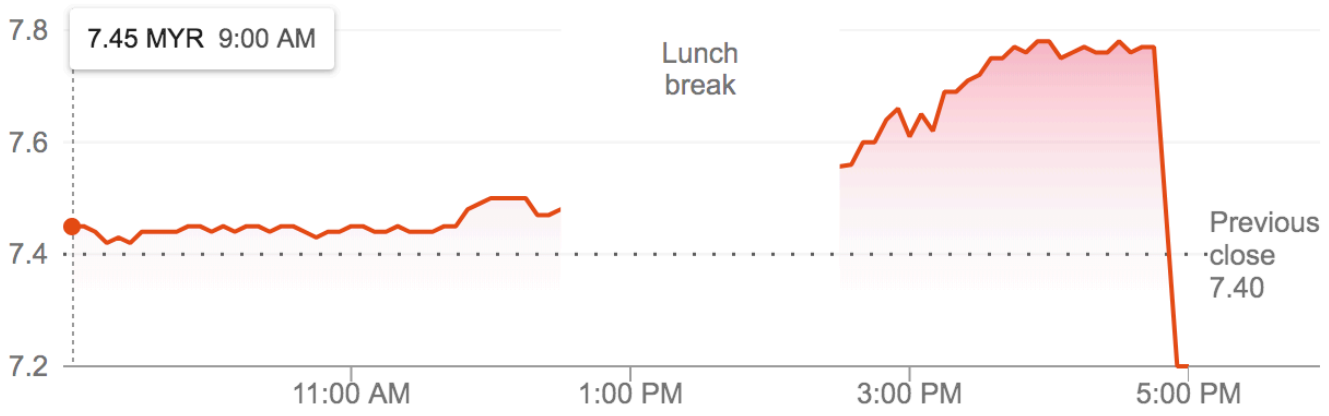
KLSE: GENTING

+ Follow

7.20 MYR −0.20 (2.70%) ↓

2 Nov, 5:00 PM MYT · Disclaimer

1 day | 5 days | 1 month | 6 months | YTD | 1 year | 5 years | Max



Open	7.45	Div yield	2.01%
High	7.78	Prev close	7.40
Low	7.20	52-wk high	9.82
Mkt cap	27.91B	52-wk low	7.10
P/E ratio	20.41		

	Current	Proposed
Casino Licence	RM120 million	RM150 million
Casino Duties on Gross Collection	25%	35%
Machine Dealer Licence	RM10,000	RM50,000
Gaming Machine Duties	20%	30%

www.mohdzaki.com

BSHR

Bantuan Sara Hidup Rakyat

Cara Semakan Status Bantuan Sara Hidup Rakyat 2018

BSH Starting January 2019	BSH Amount
Household monthly income RM2,000 and below	RM1,000
Household monthly income RM2,001 to RM3,000	RM750
Household monthly income RM3,001 to RM4,000	RM500
Child 18 years and below / disabled (no age limit)	Additional RM120 per child (max 4 children)

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Excise Duty on Sugar Sweetend Beverages

RM0.40 per litre starting 1 April 2019.
Non Alcoholic : added sugar >5gm per 100ml
Fruit / Vegetable Juice : added sugar >12gm per 100ml

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PTPTN

Introduction of Progressive Loan Repayment Schedule ranging 2% to 15% of borrower's monthly income. Only Applicable for RM1,000 and above in monthly income
Discount on loan will be given to students from B40 households who have successfully obtained first class honour
Write off debt of those who are 60 years old, income less than RM4,000

CONGRATULATIONS !!!

Our Services 我们的服务

Transfer Pricing
转让定价

Accounting and GST Compliance
会计和
消费税合规

Training and Webinar
培训与网上课程

Tax Audit
税务审计

Tax Compliance
税务合规

Outsource Payroll
薪资外包服务

GST and Tax Advisory
税务和消费税
咨询服务

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