

A BILL

*i n t i t u l e d*

An Act to amend the Inland Revenue Board of Malaysia Act 1995.

[ ]

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

**Short title and commencement**

**1.** (1) This Act may be cited as the Inland Revenue Board of Malaysia (Amendment) Act 2023.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

**Amendment of section 6**

**2.** The Inland Revenue Board of Malaysia Act 1995 [*Act 533*], which is referred to as the “principal Act” in this Act, is amended in section 6—

(a) in subsection (1)—

(i) in paragraph (d), by deleting the word “and” at the end of that paragraph; and

- (ii) by inserting after paragraph *(d)* the following paragraphs:

“(da) a person representing the State of Sabah who shall be appointed by the Minister;

(db) a person representing the State of Sarawak who shall be appointed by the Minister; and”;

(b) in subsection (2)—

- (i) by substituting for the words “paragraph (1)(e)” the words “paragraphs (1)(da), (db) and (e)”;

- (ii) in the national language text, by substituting for the words “berkedudukan atau berpengalaman” the words “berkedudukan dan berpengalaman”.

### **Amendment of section 7**

3. Section 7 of the principal Act is amended by substituting for the words “paragraph 6(1)(d)” the words “paragraph 6(1)(d), (da), (db)”.

### **Amendment of section 9**

4. Section 9 of the principal Act is amended by substituting for the words “paragraph 6(1)(d)” wherever appearing the words “paragraph 6(1)(d), (da), (db)”.

### **Amendment of section 28**

5. Paragraph 28(a) of the principal Act is amended—

- (a) in subparagraph (ii), by deleting the word “or” at the end of that subparagraph; and

(b) by inserting after subparagraph (iii) the following subparagraphs:

- “(iv) an Islamic bank duly licensed under the Islamic Financial Services Act 2013 [Act 759];
- (v) any other financial institution duly licensed under the Islamic Financial Services Act 2013;
- (vi) a development financial institution duly regulated under the Development Financial Institutions Act 2002 [Act 618]; or
- (vii) a co-operative society duly registered under the Co-operative Societies Act 1993 [Act 502];”.

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#### EXPLANATORY STATEMENT

This Bill seeks to amend the Inland Revenue Board of Malaysia Act 1995 (“Act 533”).

2. *Clause 1* contains the short title and the provision on the commencement of the proposed Act.

3. *Clause 2* seeks to amend section 6 of Act 533 by inserting new paragraphs (1)(*da*) and (*db*) to expand the membership of the Board by adding a person representing the State of Sabah and a person representing the State of Sarawak who shall be appointed by the Minister. This *clause* also seeks to provide that the persons representing the State of Sabah and the State of Sarawak shall be from among persons of standing and experience in financial, commercial, tax or legal matters.

4. *Clause 3* seeks to amend section 7 of Act 533 to provide that the member appointed under paragraph 6(1)(*da*) or (*db*) shall also hold office, subject to such terms as the Minister may determine, for a term not exceeding three years and shall be eligible for reappointment.

5. *Clause 4* seeks to amend section 9 of Act 533 to provide that the appointment of a member appointed under paragraph 6(1)(*da*) or (*db*) may also, at any time, be revoked by the Minister without giving any reason therefore. Besides that, the member appointed under paragraph 6(1)(*da*) or (*db*) may also, at any time, resign from his office by giving notice in writing to the Minister.

6. *Clause 5* seeks to amend paragraph 28(a) of Act 533 to expand the investment power of the Board by depositing the funds of the Board which are available for investment in an Islamic bank duly licensed under the Islamic Financial Services Act 2013, any other financial institution duly licensed under the Islamic Financial Services Act 2013, a development financial institution duly regulated under the Development Financial Institutions Act 2002 or a co-operative society duly registered under the Co-operative Societies Act 1993.

*FINANCIAL IMPLICATIONS*

This Bill will involve the Government in extra financial expenditure the amount of which cannot at present be ascertained.

[PN(U2)3325]