

A BILL

*i n t i t u l e d*

An Act to amend the Income Tax Act 1967.

[ ]

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

**Short title and commencement**

**1.** (1) This Act may be cited as the Income Tax (Amendment) Act 2024.

(2) Sections 2, 3, 4, 8 and 9 come into operation on the coming into operation of this Act.

(3) Sections 5 and 6 are deemed to have come into operation on 1 January 2024.

(4) Section 7 has effect for the year of assessment 2024 and subsequent years of assessment.

**Amendment of section 2**

2. The Income Tax Act 1967 [Act 53], which is referred to as the “principal Act” in this Act, is amended in subsection 2(1) by substituting for the definition of “capital asset” the following definition:

‘ “capital asset” means—

- (a) movable or immovable property situated outside Malaysia including any rights or interests thereof; or
- (b) movable property situated in Malaysia which is a share of a company incorporated in Malaysia not listed on the stock exchange (including any rights or interests thereof) owned by a company, limited liability partnership, trust body or co-operative society;’.

**Amendment of section 15c**

3. Section 15c of the principal Act is amended—

- (a) in subsection (1), by substituting for the word “person” the words “company, limited liability partnership, trust body or co-operative society”; and
- (b) in subsection (5), in the definition of “defined value”, by substituting for the words “subsection (2)” the words “subsection (4)”.

**Amendment of section 65c**

4. Section 65c of the principal Act is amended—

- (a) in the definition of “disposal”, by substituting for the semi colon at the end of the definition a full stop; and
- (b) by deleting the definition of “shares”.

**Amendment of section 82**

5. Subsection 82(2B) of the principal Act is amended by deleting the word “printed”.

**Amendment of section 82c**

6. Section 82c of the principal Act is amended by substituting for subsection (6) the following subsection:

“(6) Subject to the conditions as may be determined by the Director General, where for any year of assessment a person—

(a) acquires any goods sold or enjoys any services performed; or

(b) provides electronic commerce platform in respect of any goods sold or services performed by any other person,

that person shall for that year of assessment issue a self-billed invoice in accordance with the conditions as may be imposed by the Director General and the invoice shall be treated as an electronic invoice.”.

**Amendment of section 107c**

7. Subsection 107c(12) of the principal Act is amended by substituting for the definition of “revised estimate” the following definition:

‘ “revised estimate” means a revised estimate made in the eleventh month of the basis period or if there is no revised estimate made in the eleventh month of the basis period, the revised estimate made in the ninth month of the basis period or if there is no revised estimate made in the ninth month of the basis period, the revised estimate made in the sixth month of the basis period.’.

**Amendment of Schedule 1**

8. Part XXI of Schedule 1 to the principal Act is amended—

(a) by substituting for paragraph (a) the following paragraph:

“(a) in relation to a disposal of movable property referred to in paragraph (b) in the definition of “capital asset” in subsection 2(1) or disposal of shares referred to in section 15c, which was acquired before 1 January 2024—

(i) at the rate of 10 per cent on every ringgit of the chargeable income from such disposal;  
or

(ii) at the rate of 2 per cent of gross on the disposal price of such movable property or shares;” and

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

“(b) in relation to a disposal of movable property referred to in paragraph (b) in the definition of “capital asset” in subsection 2(1) or disposal of shares referred to in section 15c, which was acquired on or after 1 January 2024 at the rate of 10 per cent on every ringgit of the chargeable income from such disposal;”.

**Amendment of Schedule 6**

9. Schedule 6 to the principal Act is amended by deleting paragraph 38.

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**EXPLANATORY STATEMENT**

This Bill (“the proposed Act”) seeks to amend the Income Tax Act 1967 (“Act 53”).

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

2. *Clause 2* seeks to substitute the definition of “capital asset” in subsection 2(1) of Act 53.

*Clause 2* seeks to provide that the definition of “capital asset” under Act 53 refers to movable or immovable property situated outside Malaysia.

*Clause 2* further seeks to provide that the definition of “capital asset” under Act 53 refers to movable property situated in Malaysia which is a share of a company incorporated in Malaysia not listed on the stock exchange which is owned by a company, limited liability partnership, trust body or co-operative society.

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

3. *Clause 3* seeks to amend section 15c of Act 53.

*Paragraph 3(a)* seeks to clarify that the disposal of shares of a controlled company under section 15c refers to such disposal made by a company, limited liability partnership, trust body or co-operative society.

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

*Paragraph 3(b)* seeks to amend the definition of “defined value” in subsection 15c(5) of Act 53 to clarify that defined value means the market value of real property or the acquisition price of shares of another controlled company as determined under subsection 15c(4) of Act 53.

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

4. *Clause 4* seeks to delete the definition of “shares” in section 65c of Act 53 to clarify that the definition of “shares” under subsection 2(1) of Act 53 is applicable for the purposes of Chapter 9 of Part III of Act 53.

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

5. *Clause 5* seeks to amend subsection 82(2B) of Act 53 to provide that the issuance of receipt may be made in any manner and is not limited to printed receipt.

This amendment is deemed to have come into operation on 1 January 2024.

6. *Clause 6* seeks to amend subsection 82c(6) of Act 53 to require an electronic commerce platform provider to issue a self-billed invoice in accordance with the conditions and specifications as determined by the Director General.

This amendment is deemed to have come into operation on 1 January 2024.

7. *Clause 7* seeks to substitute the definition of “revised estimate” in subsection 107c(12) of Act 53 to provide that the definition of “revised estimate” includes the revised estimate made in the eleventh month.

This amendment has effect for the year of assessment 2024 and subsequent years of assessment.

8. *Clause 8* seeks to amend Part XXI of Schedule 1 to Act 53.

*Paragraph 8(a)* seeks to clarify that only capital asset being a movable property situated in Malaysia which is a share of a company incorporated in Malaysia and not listed on the stock exchange and shares referred to in section 15c of Act 53, which was acquired before 1 January 2024, are eligible for the tax rate under paragraph (a) of Part XXI of Schedule 1 to Act 53.

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

*Paragraph 8(b)* seeks to clarify that only capital asset being a movable property situated in Malaysia which is a share of a company incorporated in Malaysia not listed on the stock exchange and shares referred to in section 15c of Act 53, which was acquired on or after 1 January 2024, are eligible for the tax rate under paragraph (b) of Part XXI of Schedule 1 to Act 53.

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

9. *Clause 9* seeks to delete paragraph 38 of Schedule 6 to Act 53 in consequence to the amendment of the definition of “capital asset” under subsection 2(1) of Act 53 made under *clause 2* of the proposed Act.

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

#### *FINANCIAL IMPLICATIONS*

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

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