Highlights of Budget 2020: Part I
Tax Espresso (Special Edition)
12 October 2019
Foreword

Budget 2020 themed “Driving Growth and Equitable Outcomes Towards Shared Prosperity” was unveiled by our Finance Minister YB Lim Guan Eng on 11 October 2019. Budget 2020 is anchored on four thrusts - Driving Economic Growth in the New Economy and Digital Era, Investing in Malaysians: Levelling Up Human Capital, Creating a United, Inclusive and Equitable Society and Revitalisation of Public Institutions and Finances. The 15 strategies outlined under Budget 2020 seeks to future proof the economy and bridge wealth and income disparities in line with the aspirations of Shared Prosperity Vision 2030.

Budget 2020 proposed to allocate RM297 billion representing a drop of 5.6% compared to Budget 2019. The Government intends to achieve overall growth rate of 4.8% with a fiscal deficit of 3.2% of Gross Domestic Product (GDP) in 2020. Tax collection is expected to increase by 8% to RM189.78 billion.

Some of the key allocations are:

- RM1.1 billion to support projects in specific corridors including development of Chuping Valley Industrial Area, Kuantan Port related projects, infrastructure development in Samalaju Industrial Park, construction of Sungai Segget Centralised Sewerage Treatment Plant and Sabah Agro-Industrial Precinct.

- Implementation of the National Fiberisation & Connectivity Plan (NFCP) over the next 5 years totalling RM21.6 billion.

- Introduction of a 5G Ecosystem Development Grant worth RM50 million.

- Smart Automation matching grant of RM550 million to 1,000 manufacturing and 1,000 services companies to automate business processes.

- Lowering of the threshold on high rise property prices in urban areas for foreign ownership from RM1 million to RM600,000.

- RM64.1 billion for the education sector.

- RM100 million to Penang for the development of a cable car up Penang Hill.

- Liberalisation of the electricity market by shifting from the current power purchase system to an open market system. Renewable energy players will be able to compete directly in the retail market.

- RM1.1 billion for the tourism sector in connection with Visit Malaysia Year 2020.

Despite budget constraints, the government stood its ground by not introducing any form of new taxes. Instead, the existing tax base is widened by taxing the rich where the personal income tax rate is proposed to be increased by 2% to 30% for those earning chargeable income of more than RM2 million per year. Non-resident individuals will be taxed at a flat rate of 30%, an increase of 2% from 28%. It remains to be seen as to how much tax collection can be generated from this measure as it only impacts approximately 2,000 individuals.
The proposal to provide customised investment packages of RM1 billion a year for 5 years to attract Fortune 500 companies and global unicorns in hi-tech, manufacturing, creative and economic sectors is a good one as it is targeted towards high value investments and generate growth for the SMEs. Coupled with the initiative by Ministry of Finance (MOF) and Ministry of International Trade and Industry (MITI) in establishing a joint-ministerial committee to speed up incentive approval process and improve the ease of registering business would increase investors’ confidence in doing business in Malaysia. The Special Channel to attract investments from China established under InvestKL demonstrates government’s focus to rake in more investments from our largest trading partner and take advantage from the shift in global supply chains arising from the US-China trade tension. The special investment tax allowance given to companies in the E & E sector that have exhausted the reinvestment allowance incentive would encourage companies in this sector to reinvest. This is a welcome proposal although we were hopeful that this would be given to companies in all sectors that continues to reinvest in digital transformation.

Overall, Budget 2020 is a comprehensive Budget with focus on initiatives to embrace inclusivity, steer the country towards digital transformation, and enhance Malaysia’s competitiveness as the preferred destination for foreign investments while at the same time supports the well-being of the B40 group and maintains fiscal discipline.

Against the above background, we bring you some of the salient tax-centric proposals of Budget 2020.

Sim Kwang Gek
Country Tax Leader
2020 Budget Allocation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal deficit</td>
<td>3.4% of GDP</td>
<td>3.2% of GDP</td>
</tr>
<tr>
<td>Federal government revenue</td>
<td>RM263.3 billion</td>
<td>RM244.5 billion</td>
</tr>
<tr>
<td>Operating expenditure</td>
<td>RM262.3 billion</td>
<td>RM241 billion</td>
</tr>
<tr>
<td>Development expenditure</td>
<td>RM53.7 billion</td>
<td>RM56 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2020 Budget Allocation</th>
<th>Income tax</th>
<th>Indirect tax</th>
<th>Borrowings</th>
<th>Non-tax revenue</th>
<th>Other direct tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM297 billion</td>
<td>45.1%</td>
<td>15.9%</td>
<td>17.7%</td>
<td>18.4%</td>
<td>2.9%</td>
</tr>
<tr>
<td></td>
<td>7.5% General administration</td>
<td>16.2% Economic</td>
<td>11.3% Security</td>
<td>Social sector programmes and projects</td>
<td>37.9%</td>
</tr>
</tbody>
</table>
Corporate Tax

“As SMEs contribute significantly to the Malaysian economy, it is not surprising that this segment continues to be recognised by the government. To further support the growth of SMEs, certain tax goodies have been proposed”

Tan Hooi Beng
Deputy Tax Leader

Review of corporate income tax treatment for small and medium enterprises (SME)

Currently, a resident company with paid-up capital of up to RM2.5 million or a limited liability partnership (LLP) with total contribution of capital of up to RM2.5 million which is categorised as SME, is subject to income tax at the rate of 17% on the first RM500,000 of chargeable income. The remaining chargeable income is taxed at 24%.

It is proposed that:

a) the first chargeable income which is subject to 17% concessionary income tax rate be increased from RM500,000 to RM600,000; and
b) the abovementioned concessionary tax rate be given only to a company or LLP having an annual sales of not more than RM50 million (in addition to the ordinary share capital / capital contribution requirement).

Effective: Year of assessment 2020

Our commentary:
It is unclear at this juncture on whether the annual sales ceiling of RM50 million applies only to the SME or also to any "related company” or "company” with more than 50% ordinary shareholding relationship / capital contribution relationship with the SME. Additionally, we hope that the authorities will provide guidance on the determination of “annual sales” (e.g. gross sales or net of returns/discounts, etc).

Review of capital allowances for small value assets

Currently, a person who incurs qualifying expenditure on assets with individual value not exceeding RM1,300 (small value assets) in a basis period of a year of assessment qualifies for 100% capital allowance on that qualifying expenditure. The total qualifying expenditure in respect of such small value assets is limited to RM13,000 in a year of assessment. However, such limitation does not apply to SMEs.

It is proposed that:

a) the qualifying expenditure of small value assets be increased from RM1,300 to RM2,000; and
b) the maximum limit of total qualifying expenditure in respect of such small value assets be increased from RM13,000 to RM20,000 for each year of assessment.
Effective: Year of assessment 2020

Review of tax treatment for expenses incurred on secretarial fee and tax filing fee

Currently, expenses incurred on secretarial fee and tax filing fee by taxpayers are allowed tax deduction for each year of assessment as follow:

(i) secretarial fee up to RM5,000; and
(ii) tax filing fee up to RM10,000.

It is proposed that the limit for tax deduction on expenses incurred on secretarial fee and tax filing fee by taxpayers be combined and allowed up to RM15,000 each year of assessment.

Effective: Year of assessment 2020

Tax deduction on cost of listing in Bursa Malaysia

Currently, expenses incurred for listing of a company in Primary Market (Main Board), Access, Certainty, Efficiency (ACE) Market and Leading Entrepreneur Accelerator Platform (LEAP) Market in Bursa Malaysia are not eligible for tax deduction.

It is proposed that a tax deduction of up to RM1.5 million be given to technology-based companies and SMEs seeking to raise additional capital through listing in the ACE Market or the LEAP market. The tax deduction is on the following listing costs:

(a) fees to authorities;
(b) professional fees; and
(c) underwriting, placement and brokerage fees.

Effective: Years of assessment 2020 to 2022

Expansion of tax incentive for structured internship programme

Currently, double deduction is given on qualifying expenditure incurred by companies that implement the Structured Internship Programme (SIP) approved by Talent Corporation Malaysia Berhad (TalentCorp) to recruit students pursuing full-time courses in Bachelor’s Degree, Diploma and Vocational (minimum SKM Level 3), in engineering and technology fields only. This incentive is applicable until year of assessment 2021. However, the relevant gazette order has not been issued as of to-date.

In conjunction with the launch of the Malaysians@Work initiative, the government aims to increase the employability of local graduates through early exposure to the working environment. It is therefore proposed that the above incentive be expanded to include students from all academic fields, instead of just engineering and technology fields. The above incentive is subject to satisfaction of the following conditions:

• students are Malaysian citizens;
• students must complete the approved internship programme before the end of their final semester;
• minimum internship period of at least 10 weeks; and
• monthly allowance of at least RM500 for each student.

Effective: Years of assessment 2020 to 2021
Extension of period of tax incentive for company participating in national dual training scheme

It was proposed in Budget 2019 that double deductions be given on expenses incurred by companies that participate in National Dual Training Scheme for Industry4WRD programmes approved by the Ministry of Human Resources (MOHR). This incentive was meant for Industry4WRD programmes approved by the MOHF, and implemented from 1 January 2019 to 31 December 2019 but has yet to be gazetted by way of statutory order.

It is now proposed that the above tax incentive be extended to programmes approved by the MOHF for two additional years from 1 January 2020 to 31 December 2021.

**Effective: For programmes approved by MOHR from 1 January 2020 until 31 December 2021**

Extension of income tax deduction for employers on loan amount paid to Perbadanan Tabung Pendidikan Tinggi Nasional on behalf of their employees

Currently, an employer with sources of income from a registered business is eligible to claim a tax deduction on the amount paid on behalf of his Malaysian employee who received an educational loan from Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN). The payments should be made from 1 January 2019 to 31 December 2019.

The deduction is subject to the following conditions:
(a) the employer shall not impose any payment on the employee as a consideration for the payment of educational loan made by the employer to the PTPTN;
(b) the employer and the employee are not the same person;
(c) the employee is employed on a full-time basis; and
(d) the employee is not a relative of the employer, that is:
   (i) a spouse;
   (ii) a parent, including a step parent or a parent in law;
   (iii) a child, including a step child or a child adopted in accordance with any law;
   (iv) a brother or a sister, including a step brother or a step sister; or
   (v) a grandparent or a grandchild, including a step grandparent or a step grandchild.

It is proposed that the above deduction be extended for repayment made by the employer from 1 January 2020 until 31 December 2021.

**Effective: 1 January 2020 to 31 December 2021.**

Tax Deduction on contribution for Digital Social Responsibility

It is proposed that a tax deduction be given to companies which make contributions for Digital Social Responsibility.

The contribution should be for digital economic development, while improving the digital skills of the future workforce with initiatives such as the following:

(a) technology scholarships
(b) training
(c) upskilling for digital skills

**Effective: To be confirmed**
Tax Incentives

"It is heartening to see the government recognise that digitalisation of the economy is essential to spur productivity and economic growth with incentives to attract FDI and DDI, including special incentives to attract targeted Fortune 500 companies and global unicorns. It is also timely for the government to enhance incentives to encourage development of more intellectual property as countries that prioritise IP are more likely to transform their economy with technology advancements. We are confident that these initiatives will elevate our country to greater heights."

Tham Lih Jiun
Government Grants & Incentives Tax Leader

Tax Incentive for Development of Intellectual Property

Current

The Malaysian companies are currently availing the tax incentives provided for research and development (R&D) activities. The tax incentives among others are as follows:

(i) double deduction on in-house R&D expenditure approved by the Inland Revenue Board of Malaysia;

(ii) double deduction on R&D contributions to approved research institutions or expenditures for R&D services obtained from approved institutions or research companies;

(iii) tax deduction for cost of acquisition of proprietary rights;

(iv) income tax exemption for companies that commercialise resource based and non-resource based R&D findings; and

(v) income tax exemption for R&D contract companies that provide R&D services.

Proposal

It is proposed that income tax exemption of 100% up to 10 years be given on qualifying Intellectual Property (IP) income derived from patent and copyright software of qualifying activities. For the purpose of computation of the income tax exemption, the Modified Nexus Approach (MNA), as recommended by OECD (see below), will be adopted.

Effective date: For applications received by Malaysian Investment Development Authority from 1 January 2020 until 31 December 2022

Modified Nexus Approach

Organisation for Economic Cooperation and Development (OECD) through Base Erosion and Profit Shifting Action Plan 5 intends to target potentially or actually harmful tax regimes that provide for a tax preference on income relating to IP. A regime is considered preferential, if it offers some form of tax preference in comparison with the general principles of taxation in the relevant country. A preference offered by a regime may take a wide range of forms, including a reduction in the tax rate or tax base or preferential terms for the payment or repayment of taxes. As per the recommendations of OECD, any
preferential regime should meet substantial activity requirements to be able to avail the benefit of preferential regime including non-IP regime.

The government had already intended to adopt these recommendations during the release of Principal Hub and other similar incentives revised Guidelines in January 2019. Through Budget 2020, the government has proposed to incentivise income derived from the IP applying modified nexus approach to foster growth and development of the advanced knowledge based economy.

The following key terms, arising from the Action Plan 5, may likely be considered by the government:

- **MNA**: MNA has been endorsed by the OECD/G20 countries and is proposed to be adopted by Malaysia. Under this approach, benefit of an IP regime is made conditional on the level of R&D activities carried out by the taxpayer. Expenditure incurred by the taxpayer in-house may reflect the substantial activities.

- **IP income receiving tax benefits**: The MNA determines the level of income that is entitled for tax benefits by applying the following formula laid out in OECD BEPS Action Plan 5:

\[
\frac{\text{Qualifying expenditure incurred to develop IP asset}}{\text{Overall expenditure incurred to develop the IP asset}} \times \text{Overall income from IP asset} = \text{Income receiving tax benefits}
\]

Action Plan 5 and related recommendations from the OECD have defined each of the abovementioned terms such as qualifying expenditure, IP asset, overall expenditure incurred to develop the IP asset and overall income derived from the IP asset.

- **Qualifying taxpayer**: The report on Action 5 defines qualifying taxpayer to include resident companies, domestic permanent establishments (PEs) of foreign companies, and foreign PEs of resident companies that are subject to tax in the jurisdiction providing benefits.

- **IP assets**: The IP assets that could qualify for tax benefits under an IP regime are patents and other IP assets that are functionally equivalent to patents if those IP assets are both legally protected and subject to similar approval and registration processes, where such processes are relevant.

As per the Action 5, the IP assets that are functionally equivalent to patents are:

- Patents defined broadly (includes utility models, IP assets that grant protection to plants and genetic material, orphan drug designations, and extensions of patent protection);
- Copyrighted software;
- Other IP assets that are nonobvious, useful, and novel and are certified as such in a transparent certification process by a competent government agency that is independent from the tax administration.

Interestingly, the Budget 2020 document appears to restrict tax incentives for IP income related to patents and copyrighted software. However, we expect guidelines to clarify on this to be issued soon.

- **Tracking and record keeping**: As nexus is required between expenditures and income, it becomes imperative for taxpayers that want to avail the benefits from an IP regime to track expenditures, IP assets, and income to ensure that the income receiving benefits do in fact arise from the expenditures that qualified for those
benefits. However, this is a tedious task leading to compliance burden and additional cost for the taxpayers.

Considering that existing incentives regimes continues to be availed, the government has introduced the grandfathering for companies to transition into MNA under the proposed regime.

**Special investment incentive for electrical and electronic sector**

Currently, electrical and electronic (E&E) companies engaged in manufacturing activities are eligible for tax incentives under the Promotion of Investment Act, 1986 and reinvestment allowance (RA) for 15 consecutive years of assessment for qualifying capital expenditure incurred on modernisation, expansion and diversification.

**Proposal**

To encourage continuous investment in Malaysia and to further promote high value-added activities in the E&E industry to transition into 5G digital economy and Industry 4.0, the following incentives are proposed:

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Income tax exemption of up to 10 years for E&amp;E companies investing in selected knowledge-based services</td>
<td>Details of the knowledge-based services are not provided at this stage.</td>
</tr>
<tr>
<td>2) Investment tax allowance of 50% on qualifying capital expenditure incurred within a period of 5 years to be set-off against 50% of statutory income.</td>
<td>This is for E&amp;E companies that have exhausted the eligibility period of 15 consecutive years to claim RA.</td>
</tr>
</tbody>
</table>

**Effective:**

1) **Incentive 1 – To be confirmed**

2) **Incentive 2 – For applications received by the Malaysian Investment Development Authority from 1 January 2020 until 31 December 2021.**

**Income tax exemption to religious institution or organisation registered as a company limited by guarantee**

Currently, income tax exemption is given for all income received by a religious institution or organisation established for the purpose of religious worship or the advancement of religion and registered under the Registrar of Societies Malaysia or under any written law governing the institution or organisation. However, the exemption does not apply to an institution or organisation registered under the Companies Commission of Malaysia [Suruhanjaya Syarikat Malaysia (SSM)].

It is proposed that this income tax exemption be extended to a religious institution or organisation registered as a Company Limited By Guarantee (CLBG) with the SSM.
This exemption is subject to the CLBG’s income received, and real property acquired by the CLBG is used solely for the purpose of religious worship and advancement of religion and the CLBG is not operated primarily for the purpose of profit.

**Effective:** For CLBG approved by the IRB from year of assessment 2020.

**Our commentary:**
The income tax exemption order for religious institution / organisation under the Income Tax (Exemption) Order 2017 [P.U.(A) 52/2017] may be amended to include CLBG.

---

**Review of Green Technology Incentive**

It is proposed that:

**(a) Green Investment Tax Allowance (GITA)**

Investment Tax Allowance (ITA) of 100% on capital expenditure incurred on qualifying green activities to be set-off against 70% of statutory income is extended for 3 years until 31 December 2023.

**(b) Green Income Tax Exemption (GITE)**

i) A reduced income tax exemption of 70% on statutory income for qualifying green services activities is extended for 3 years until year of assessment 2023.

ii) Income tax exemption of 70% on statutory income for 10 years of assessment for solar leasing activities. The companies must be certified by the Sustainable Energy Development Authority (SEDA).

**Effective:**

**GITA:** Applications received by Malaysian Investment Development Authority (MIDA) until 31 December 2023

**GITE:** Applications received by MIDA from 1 January 2020 until 31 December 2023

---

**Tax incentive for the purchase of tourism vehicles**

It is proposed that licensed tour operators be given Accelerated Capital Allowance (ACA) with an initial allowance of 20%, and an annual allowance of 40% on the purchase of new locally-assembled excursion bus.

**Effective:**

Years of assessment 2020 to 2021

---

**Tax incentive for organising conferences in Malaysia**

Currently, 100% exemption on statutory income is granted to resident conference promoters who brings in at least 500 foreign participants annually to attend conferences held in Malaysia.

It is proposed that the 100% exemption on statutory income be extended to include entities which meet the above criteria but whose main activities are other than promoting and organising conferences.

**Effective:** Years of assessment 2020 to 2025
**Tax incentive for organising, arts, cultural, sports and recreational activities in Malaysia**

From years of assessment 1999 to 2000, income tax exemption of 50% of statutory income was given for organising arts and cultural activities as well as international sports and recreational competitions approved by the Ministry of Tourism, Arts and Culture or Ministry of Youth and Sports (approved activities and competitions). The income derived by a foreigner from participating in the approved activities and competitions was also exempted from income tax.

It is proposed that 50% income tax exemption on statutory income derived from organising the approved activities and competitions be reintroduced.

**Effective: Year of assessment 2020 until year of assessment 2022**

**Review of tax deduction limit for sponsorship of arts and cultural and heritage activities in Malaysia**

The deduction limit for expenditure incurred by a company in a basis period to sponsor arts, cultural or heritage activities approved by the Ministry of Tourism, Arts and Culture is to be increased from RM700,000 to RM1million. The deduction limit for sponsorship of foreign arts, cultural or heritage activities remains unchanged (i.e. capped at RM300,000).

**Effective: Year of assessment 2020**

**Expansion of scope of tax deduction on contribution to charity and community projects**

Currently, tax deduction is given to a person on expenditure incurred on the provision of services, public amenities and contribution to a charity or community project pertaining to education, health, housing, conservation or preservation of environment, enhancement of income of the poor, infrastructure and information and communication technology approved by the Minister of Finance.

It is proposed that the above tax deduction be enacted to include the expenditure incurred on maintenance and conservation projects for heritage buildings designated by the National Heritage Department under the National Heritage Act 2005. It is also announced that the environment preservation and conservation projects include forest, island, beach and national park.

**Effective: Year of assessment 2020**

**Expansion of scope of tax incentives for tourism project**

Currently, a company that undertakes new investment and reinvestment on expansion and modernisation of tourism project (including theme park, holiday camp, recreational project and convention centre) is eligible for either one of the following tax incentives:

<table>
<thead>
<tr>
<th>Tax incentives</th>
<th>Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pioneer status</td>
<td>Tax exemption of 70% of statutory income for 5 years.</td>
</tr>
<tr>
<td>Investment tax allowance</td>
<td>60% of the qualifying capital expenditure incurred within 5 years, which can be set-off against up to 70% of statutory income for each year of assessment.</td>
</tr>
</tbody>
</table>
It is proposed that the above tax incentives be expanded to include integrated tourism and sports tourism project.

In addition, it is proposed that new investment for international theme park be given with either one of the following tax incentives:

<table>
<thead>
<tr>
<th>Tax incentives</th>
<th>Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pioneer status</td>
<td>Tax exemption of 100% of statutory income for 5 years.</td>
</tr>
<tr>
<td>Investment tax allowance</td>
<td>100% of the qualifying capital expenditure incurred within 5 years, which can be set-off against up to 70% of statutory income for each year of assessment.</td>
</tr>
</tbody>
</table>

**Effective: For applications received by the Malaysia Investment Development Authority from 1 January 2020.**

**Review of tax incentives for automation**

Currently, a manufacturing company which incurs qualifying capital expenditure (QCE) on automation equipment for modernising or automating its existing manufacturing activity is given tax incentive as follows:

<table>
<thead>
<tr>
<th>Industries</th>
<th>Incentives</th>
</tr>
</thead>
</table>
| **Category 1:** Labour-intensive industry (rubber, plastic, wood and textile products) | ▪ Accelerated capital allowance (ACA) for automation equipment of 100% on the first RM4 million for QCE incurred from year of assessment (YA) 2015 to YA 2020
  ▪ Income tax exemption equivalent to 100% of the ACA on automation equipment |
| **Category 2:** Industries other than Category 1 | ▪ ACA for automation equipment of 100% on the first RM2 million for QCE incurred from YA 2015 to YA 2020
  ▪ Income tax exemption equivalent to 100% of the ACA on automation equipment |
| Applications submitted to MIDA from 1 January 2015 until 31 December 2020 |

To further promote automation and enhance productivity and efficiency in the labour-intensive industry, it is proposed that:

(i) the incentive period be extended for another 3 years until YA 2023; and
(ii) the scope of incentive for Category 2 be expanded to the services sector.
Effective: For item (i): Applications received by MIDA until 31 December 2023.
For item (ii): Applications received by MIDA from 1 January 2020 until 31 December 2023.

Extension of tax incentives for Angel Investors

At present, angel investors who invest in investee companies in the form of ordinary shares are entitled for tax exemption equivalent to the amount of investment made in the investee companies for applications submitted to the Ministry of Finance by 31 December 2020. It is proposed that the application period for tax incentive for angel investors be extended for another 3 years (i.e applications submitted by 31 December 2023).

Effective: For applications submitted to the Ministry of Finance from 1 January 2021 to 31 December 2023

Extension of period for application on Venture Capital tax incentive

It is proposed that the application period be extended for another 4 years and the qualifying investment period be extended until 31 December 2026.

Effective: For applications received by the SC from 1 January 2020 to 31 December 2023

Extension of period of tax incentive for issuance of Sukuk Wakalah

Effective from years of assessment 2019 to 2020, expenses incurred in issuing Sukuk under the principles of Ijarah and Wakalah are eligible for income tax deduction. A further deduction is also eligible to be claimed on the following additional costs incurred on the issuance of Sukuk under the principles of Ijarah and Wakalah:

(i) Professional fees relating to due diligence, drafting and preparation of prospectus;
(ii) Securities Commission prospectus registration fee;
(iii) Bursa Malaysia processing fee and initial listing fee;
(iv) Bursa Malaysia new issue crediting fee;
(v) Primary distribution fee;
(vi) Printing costs of prospectus; and
(vii) Advertisement cost of prospectus.

It is proposed that the above tax incentives on the issuance of Sukuk under the principle of Wakalah be extended for another 5 years. No extension of incentives is accorded on the issuance of Sukuk under the principle of Ijarah.

Effective: Years of assessment 2021 to 2025

Extension of period of tax incentive on issuance of Sustainable and Responsible Investments Sukuk

Effective from years of assessment 2016 to 2020, a tax deduction is given on the issuance cost of Sustainable and Responsible Investments (SRI) Sukuk* either approved by, authorised by, or lodged with the Securities Commission of Malaysia.

It is proposed that the above tax incentive be extended for another 3 years.
**Effective: Years of assessment 2021 to 2023**

*SRI Sukuk refers to the financing of projects with the objectives to preserve and protect the environment and natural resources; conserve the use of energy; promote the use of renewable energy; reduce greenhouse gas emission; or improve the quality of life of society.*

**Extension of period of tax exemption on management fee income for Sustainable and Responsible Investment (SRI) Funds**

Presently, statutory income of a company that is derived from a business of providing fund management services to local investors, foreign investors and business trust investors or REITs in Malaysia which is approved by the Securities Commission of Malaysia for conventional SRI and Shariah-compliant SRI funds are exempted from tax from years of assessment 2018 to 2020.

It is proposed that the above income tax exemption be extended for another 3 years.

**Effective: Years of assessment 2021 to 2023**

**Extension of period of tax exemption on management fee income for Shariah-Compliant Fund**

Presently, companies that derive income from the provision of management services of Shariah-compliant funds approved by the Securities Commission of Malaysia are exempted from tax until year of assessment 2020 on the following:

(i) Statutory income derived from business of providing fund management services to foreign investors in Malaysia;
(ii) Statutory income derived from business of providing fund management services to local investors in Malaysia; and
(iii) Statutory income derived from business of providing fund management services to business trusts or real estate investment trusts in Malaysia.

It is proposed that the above income tax exemption be extended for another 3 years.

**Effective: Years of assessment 2021 to 2023**

**Extension of tax treatment for investors in Real Estate Investment Trusts**

The tax rates applicable to the investors in Real Estate Investment Trusts (REITs) receiving profit distribution from REITs listed on Bursa Malaysia are as follows:

<table>
<thead>
<tr>
<th>Types of investors</th>
<th>Existing Tax Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident corporate investors</td>
<td>Subject to income tax at the prevailing corporate income tax rate (i.e. 24%).</td>
</tr>
<tr>
<td>Non-resident corporate investors</td>
<td>Final withholding tax at the prevailing corporate income tax rate (i.e. 24%) from year of assessment 2016 onwards.</td>
</tr>
<tr>
<td>Foreign institutional investors, particularly pension funds and collective investment funds</td>
<td>Final 10% withholding tax from the year of assessment 2009 until year of assessment 2019</td>
</tr>
<tr>
<td>Non-corporate investors including resident and non-resident individuals and other local entities</td>
<td>Final 10% withholding tax from the year of assessment 2009 until year of assessment 2019</td>
</tr>
</tbody>
</table>
It is proposed that the existing tax treatment be extended for a period of 6 years.

**Effective: Years of assessment 2020 to 2025**

### Review of tax treatment on donation for charitable and sports activities and projects of national interest

Currently, there is no specific tax treatment on cash *wakaf* and endowment contributions under the Income Tax Act, 1967 (ITA). Taxpayers are only eligible to claim tax deduction of up to 7% (for taxpayers other than company) and up to 10% (for company) of aggregate income on cash donation or cost of contribution in kind, where applicable, made to the following:

- a) Institutions, organisations or funds approved under subsection 44(6) of the ITA;
- b) Sports activity approved under subsection 44(11B) of the ITA; and/or
- c) Projects of national interest approved under subsection 44(11C) of the ITA.

It is proposed that the tax deduction of up to 10% of aggregate income is also given to taxpayers other than company on donation for charitable and sports activities and projects of national interest.

The tax deduction is also expanded to include contribution as follows:

- a) Cash *wakaf* contribution to a state religious authority or body established by the state religious authority to administer *wakaf*;
- b) Cash *wakaf* contribution to a public university approved by the state religious authority to receive *wakaf*; and
- c) Cash endowment contribution to a public university.

**Effective: Year of Assessment 2020**
## Individual Tax

"Financial and wage incentives were announced for woman entrepreneurs, women returning to the workforce and even for the housewives! I applaud the Government’s advocacy in supporting women returning to the labour force.

A true #BudgetforWomen."

**Ang Weina**  
Global Employer Services Leader

### Review of income tax rates for individual

#### Resident individual

It is proposed that the tax rate for a resident individual with chargeable income band exceeding RM 2,000,000 be increased by 2% as follows:

<table>
<thead>
<tr>
<th>Chargeable income (RM)</th>
<th>New tax rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 5,000</td>
<td>0</td>
</tr>
<tr>
<td>5,001 – 20,000</td>
<td>1</td>
</tr>
<tr>
<td>20,001 – 35,000</td>
<td>3</td>
</tr>
<tr>
<td>35,001 - 50,000</td>
<td>8</td>
</tr>
<tr>
<td>50,001 -70,000</td>
<td>14</td>
</tr>
<tr>
<td>70,001 – 100,000</td>
<td>21</td>
</tr>
<tr>
<td>100,001 – 250,000</td>
<td>24</td>
</tr>
<tr>
<td>250,001 – 400,000</td>
<td>24.5</td>
</tr>
<tr>
<td>400,001 – 600,000</td>
<td>25</td>
</tr>
<tr>
<td>600,001 – 1,000,000</td>
<td>26</td>
</tr>
<tr>
<td>1,000,000 – 2,000,000</td>
<td>28</td>
</tr>
<tr>
<td><strong>Exceeding 2,000,000</strong></td>
<td><strong>30</strong></td>
</tr>
</tbody>
</table>

#### Non-resident individual

It is proposed that the tax rate for a non-resident individual be increased by 2% from 28% to 30%.

**Effective: Year of assessment 2020**
**Expansion of the scope of income tax relief for medical expenses**

Currently, income tax relief of up to RM6,000 is given to resident individual on medical expenses for serious diseases in respect of self, spouse and child. This tax relief includes expenses of up to RM500 for complete medical check-up.

It is proposed that the scope of income tax relief on medical treatment expenses be expanded to cover the cost of fertility treatment for married couples.

**Effective: Year of assessment 2020**

**Increase in the limit of tax relief for fees paid to childcare centres and kindergartens**

Effective year of assessment 2017, tax relief of up to RM1,000 is given to resident individual who enrolls his/her children aged up to 6 years old in childcare centres or kindergartens registered with the Department of Social Welfare or the Ministry of Education. This relief is only claimable by either parent of the child.

It is proposed that the income tax relief on the said relief be increased from RM1,000 to RM2,000.

**Effective: Year of assessment 2020**

**Incentive for women**

**Extension of tax exemption for women returning to work**

Currently, income tax exemption on employment income for a maximum of 12 consecutive months is available for women who return to work after a career break. The exemption is eligible as a claim in the year of assessment 2018 to 2020. This incentive is meant for applications received by TalentCorp from 1 January 2018 to 31 December 2019.

It is proposed that the existing tax exemption be extended for a period of 4 years.

**Effective: For applications received by TalentCorp from 1 January 2020 to 31 December 2023**

**Initiative under Malaysians@Work for women returning to work**

Women returning to work is one of the focus programmes under the Malaysians@Work initiative – Women@Work.

Under this programme, women who have stopped working for a year or more and are aged between 30 to 50 years old; and their employer would receive the following incentive.

<table>
<thead>
<tr>
<th></th>
<th>RM500 per month for 2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td>RM300 per month for 2 years.</td>
</tr>
</tbody>
</table>

Based on the budget speech, the above arrangement will be managed through EPF and will be subsequently integrated with the Employment Insurance System (EIS) and other active labour market programmes.

**Effective: To be confirmed**

**Our commentary:**

*Women are an important part of the workforce, the tax exemption and the incentive mentioned above would certainly encourage more women to return to work. As the eligible*
women under this initiative would be exempted from tax on employment income, the wage incentive to be received should also not be taxable. We would expect more clarity on the details of this initiative from the relevant authorities in due course.

Streamline of Private Retirement Scheme (PRS) withdrawals

Currently, any pre-retirement withdrawals from PRS are subject to a withdrawal tax penalty of 8%.

It is proposed that pre-retirement withdrawals from PRS for healthcare and housing purposes with the same terms and conditions as EPF would not be subject to penalty for early withdrawal.

**Effective: To be confirmed**

Tax rebate for departure levy imposed on outbound air passengers performing umrah and pilgrimage to holy places

Currently, the departure levy for outbound air passengers performing Hajj is borne by Lembaga Tabung Haji. However, the departure levy for performing umrah and pilgrimage to holy places are borne by the passengers.

It is proposed that the individual income tax rebate equivalent to the amount of levy paid be given and can be claimed twice in a lifetime. The rebate is to be claimed with proof of boarding pass and subject to either one of the following:

i. Umrah visa; or

ii. Confirmation letter on pilgrimage to holy place from religious body recognised by the Committee for the Promotion of Inter Religious Understanding and Harmony Among Adherents, Department of National Unity and Integration, Prime Minister’s Department.

**Effective: Year of assessment 2019**
Real Property Gains Tax

“...We welcome Government’s measures to promote access to affordable homes. Under the proposed Rent To Own financing scheme that matched with stamp duty exemption, first time home buyer (for property value up to RM500,000) who is unable to afford the 10% deposit could rent the house for up to 5 years and, is given the option to purchase the house based on the pre-determined price.

We are also positive on the initiative to reduce supply overhang of high rise properties in urban area by reducing the threshold on high rise property prices for foreign ownership from RM1 million to RM600,000.”

Chia Swee How
Real Estate Tax Leader

Review of real property gains tax treatment

Currently, for real properties acquired prior to year 2000, the market price on 1 January 2000 is used as the acquisition price for the disposal of real properties by Malaysian citizens and permanent residents.

Proposal

As a measure to improve the treatment of real property gains tax (RPGT) on disposal of real properties by Malaysian citizens and permanent residents after 5 years from the date of acquisition, it is proposed that the determination of market value as of 1 January 2000 for real properties acquired before year 2000 be amended to market value as of 1 January 2013 as the acquisition price for the disposal of real properties acquired prior to year 2013 for the purpose of RPGT computation.

Effective: For the disposal of real properties made from 12 October 2019.
Stamp Duty

**Stamp duty exemption on Rent to Own (RTO) Scheme**

The following is proposed to assist Malaysians in obtaining financing facilities from financial institutions for the purpose of first home ownership under the RTO scheme* managed by the National Housing Department (NHD), Ministry of Housing and Local Government [Kementerian Perumahan dan Kerajaan Tempatan (KPKT)]:

<table>
<thead>
<tr>
<th>Type of transfer</th>
<th>Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer of residential home from housing developer to financial institution</td>
<td>Full stamp duty exemption be given on the instrument of transfer of first residential home priced up to RM500,000, subject to:</td>
</tr>
<tr>
<td></td>
<td>i. Financial institutions regulated by Bank Negara Malaysia (BNM) that provide home financing under this RTO scheme must obtain approval from BNM; and</td>
</tr>
<tr>
<td></td>
<td>ii. Housing developers collaborating with financial institutions that provide RTO schemes must be registered with NHD, KPKT.</td>
</tr>
</tbody>
</table>

*Note: RTO is an alternative financing scheme to assist home ownership where financial institution will initially rent out the house and the tenant is given the option to purchase the house based on the Shariah compliant principle of Ijarah Muntahia Bi Tamlik. Under this scheme, the applicant will rent the property for up to 5 years and after the first year, the tenant will have the option to purchase the house based on the price fixed at the time the tenancy agreement is signed.

**Effective:**

<table>
<thead>
<tr>
<th>Type of transfer</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer of residential home from housing developer to financial institution</td>
<td>For sale and purchase agreement executed from 1 January 2020 to 31 December 2022</td>
</tr>
<tr>
<td>Transfer of residential home from financial institution to buyer</td>
<td>For sale and purchase agreement executed from 1 January 2020 to 31 December 2022</td>
</tr>
</tbody>
</table>

**Stamp duty remission for transfer of property by way of love and affection**

Currently, the stamp duty remission of 50% is applicable on the instrument of transfer of real property from parents to children and vice versa by way of love and affection. The stamp duty remission is given to both Malaysian citizens and non-citizens. It is proposed that the existing stamp duty remission of 50% on the instrument of transfer of real property between parents and children and vice versa by way of love and affection be restricted to Malaysian citizens only.

**Effective: For instrument of transfer of real property executed from 1 January 2020.**
Review of stamp duty on foreign currency loan agreement

Currently, the conventional and Shariah-compliant loan agreements in foreign currency are subject to stamp duty at *ad valorem* rate of 0.5% of the loan amount. However, the total duty payable shall not exceed RM500.

It is proposed that the maximum amount of stamp duty on foreign currency loan agreements be increased from RM500 to RM2,000.

**Effective: For loan agreements executed from 1 January 2020.**
Indirect Tax

“The Finance Minister presented a very clear message that the Government will not be reintroducing the GST and the focus should now be towards improving and enhancing the SST system to make it a more efficient and easier to administer tax. The Minister made an important point that the percentage of Tax revenue collected relative to GDP was comparatively lower than countries such as Vietnam and South Korea. As there is limited scope to increase corporate income taxes, the expansion of the SST regime to include more goods and services appears the most logical move to increase this percentage and improve our fiscal position.”

Tan Eng Yew
Indirect Tax Leader

Deferred payment facility for clearance of goods from Customs Control

It is proposed that a deferred payment facility (for indirect taxes) be introduced by Royal Malaysian Customs Department (RMCD) to expedite the customs clearance process in the cross-border movement of goods.

The proposal is intended to better facilitate trade movement through Malaysian ports and to reduce the time and cost for cross-border trade significantly.

Effective: TBC

Our commentary:
Currently, there is already a deferred payment facility granted by RMCD to certain businesses, such as companies with Authorised Economic Operator (AEO) status.

Hence, the proposal seems to be an expansion of the existing (limited) deferred payment facility, and should allow a wider range of businesses to benefit from the deferred payment of indirect taxes. This would reduce the clearance time for goods and ease the cash flow impact on businesses, subsequently lowering the cost of doing business in Malaysia.

Further details is required on the conditions of the facility, including how long the payment can be deferred after the goods have been cleared.

Merger of Special Commissioners of Income Tax (SCIT) and Customs Appeal Tribunal (CAT)

The SCIT and CAT are proposed to be merged into a Tax Appeal Tribunal. By virtue of this proposed merger, any taxpayer who is aggrieved by a decision of the Director General of Inland Revenue (DGIR) or Director General of Customs (DGC), may submit an appeal to the Tax Appeal Tribunal under the applicable tax laws.

Effective: 2021
Our commentary:
The proposal is intended to improve the efficiency in the management of taxpayer appeals. However, the current constitution, procedure and processes of the SCIT and CAT are quite different. The Special Commissioners are appointed by the Yang di-Pertuan Agong while CAT members are appointed by the Minister of Finance.

Unlike the SCIT, the CAT procedure is modelled on the (relatively) simpler procedure of administrative tribunals formed under the various ministries, such as the Consumer Claims Tribunal and the Tribunal for Home Buyers.

Therefore, it remains to be seen as to which model – SCIT model or CAT model (or another hybrid model?) - would be adopted for the Tax Appeal Tribunal.

Allocation for Customs to acquire more scanners for containerised cargo

It is proposed that an allocation of RM235 million be given for additional cargo scanners, to be placed at all strategic Customs ports of entry for containerised cargo.

Effective: N/A

Our commentary:
This proposal would enhance the ability of RMCD to deter the smuggling and incorrect customs declaration of goods in containerised cargo.

50% excise duty exemption for tourism vehicles

Currently, 50% excise duty exemption is given to tour operators for the purchase of locally assembled four-wheel drive (4WD) vehicles.

It is proposed that 50% excise duty exemption be given to licenced tour operators for the purchase of new locally assembled vehicles, to be used as tourism vehicles.

Effective: The application for exemption must be made to the Ministry of Finance from 1 January 2020 until 31 December 2021.

Our commentary:
In line with Visit Malaysia 2020 and the government’s initiative to promote the Malaysian tourism industry, the excise duty exemption will be expanded to include the purchase of other new locally assembled vehicles (besides the current 4WD vehicles). This is a welcome move for the tourism industry.

However, it is unclear at this stage whether such exemption will be continued after the period specified above.

Exemption of entertainments duty for stage performance

Currently, full entertainments duty exemption is given for the following:

(a) Stage shows and performances for charity purposes;
(b) Stage shows and performances by foreign artistes of international standing and certified by Ministry of Communications and Multimedia Malaysia (MCM)
(c) International performances, exhibitions, fairs and sports competitions held at the National Sports Complex, Istana Budaya, Balai Seni Lukis Negara and Petronas Philharmonic Hall;
(d) Performances by local artistes held at the Bukit Jalil National Sports Complex and Bukit Kiara Sports Complex;
(e) Stage performances by theatre groups held at the Federal Territory of Kuala Lumpur, Labuan and Putrajaya; and

(f) Cultural and arts performance by local artistes held at the Federal Territory of Kuala Lumpur, Labuan and Putrajaya.

On the other hand, entertainments duty exemption of 20% is granted, under the Entertainments Duty (Exemption) (No. 24) Order 2006, on stage performances held by local and international artistes that have not been certified by the MCMM i.e. the effective duty rate is then 5%.

It is proposed that full entertainments duty exemption be given (subject to the approval by the relevant local authorities), on admission tickets for stage performances, that include concerts, singing, music, dances and theatres (including cultural and artistic performances by local and international artists), held at any venue in the Federal Territory of Kuala Lumpur, Labuan and Putrajaya.

**Effective: 1 January 2020 to 31 December 2020**

**Our commentary:**
*The duty exemption will promote more stage performances in the Federal Territories of Kuala Lumpur, Labuan and Putrajaya, in line with the objectives of Visit Malaysia Year 2020.*

### Review of export duty on crude palm oil

The table below shows the current export duty rate of Crude Palm Oil (CPO) against the new (effectively reduced) rates proposed in Budget 2020, after taking into account partial export duty exemption.

<table>
<thead>
<tr>
<th>CPO Market Price (FOB RM/ tonne)</th>
<th>Current Export Duty Rate (%)</th>
<th>New Export Duty Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;2,250</td>
<td>NIL</td>
<td>NIL</td>
</tr>
<tr>
<td>2,250 - 2,400</td>
<td>4.5</td>
<td>3.0</td>
</tr>
<tr>
<td>2,401 - 2,550</td>
<td>5.0</td>
<td>4.5</td>
</tr>
<tr>
<td>2,551 - 2,700</td>
<td>5.5</td>
<td>5.0</td>
</tr>
<tr>
<td>2,701 - 2,850</td>
<td>6.0</td>
<td>5.5</td>
</tr>
<tr>
<td>2,851 - 3,000</td>
<td>6.5</td>
<td>6.0</td>
</tr>
<tr>
<td>3,001 - 3,150</td>
<td>7.0</td>
<td>6.5</td>
</tr>
<tr>
<td>3,151 - 3,300</td>
<td>7.5</td>
<td>7.0</td>
</tr>
<tr>
<td>3,301 - 3,450</td>
<td>8.0</td>
<td>7.5</td>
</tr>
<tr>
<td>&gt; 3,450</td>
<td>8.5</td>
<td>8.0</td>
</tr>
</tbody>
</table>

**Effective: 1 January 2020**

**Our commentary:**
The effective reduction of export duty on CPO is in view of the current sluggish global demand for the commodity.

**Approved Major Exporter Scheme for sales tax**

The proposed Approved Major Exporter Scheme would grant sales tax exemption on the purchase/importation of goods, raw materials, components and packaging material, by traders and manufacturers of exempted goods. Applicants are also not required to determine the quantity of goods to be purchased/imported when applying for the exemption.

Only traders or manufacturers of exempted goods whose annual sales consist of no less than 80% export (of such goods), are eligible to participate in the scheme.

Sales tax will need to be paid on:
(a) Trading goods or manufactured exempted goods which are not exported or sold locally, based on a prescribed formula; and
(b) Waste or refuse of raw materials, components and packaging materials used for the manufacturing of exempted goods which are disposed or sold locally.

**Effective: 1 July 2020**

**Our commentary:**

Currently, (a) traders are allowed to claim a drawback on the sales tax paid on taxable goods when these are subsequently exported, (b) manufacturers of exempted goods are eligible for sales tax exemption on the purchase of raw materials, components and packaging materials for the manufacturing of exempted goods for export, subject to prescribed conditions. For such exemption, manufacturers will need to determine (in advance) the quantities of imported or locally purchased raw materials etc and the manufactured exempted goods for export.

The introduction of this scheme represents a positive development for the export industry in Malaysia. Previously, traders needed to pay the sales tax upfront and apply for the drawback. They need to go through the process for approval and payment of the drawback (refund). The new scheme will remove the need to go through this process as well as remove the cash flow cost.

The elimination of the need to determine (in advance) quantities of goods also provides further administrative relief.

**Improvement on group relief facility under service tax**

It is proposed that (qualifying*) services provided by a company to a third party who is not within the "same group of companies" (as per the existing "control" test), would be given group relief, on condition that the value of such services does not exceed 5% of the total value of services provided by that company within 12 months.

**Effective: 1 January 2020**

**Our commentary:**

Currently, the qualifying services are not to be provided to any person outside of the same group of companies, otherwise the group relief would be lost. This proposal should also preserve group relief for the group companies, where the 5% ‘de minimis’ threshold is not breached for the same services provided to third parties outside the group.
Although it appears this is a relaxation of the existing group relief, the proposal could potentially entail the continuous tracking and monitoring of the value of services provided to third parties outside the same group of companies. Therefore, it can potentially create practical difficulties in determining whether the 5% ‘de minimis’ threshold is breached.

* Qualifying services are broadly the ‘professional’ services prescribed under Group G of the First Schedule to the Service Tax Regulations 2018 (ie. excluding employment services and security services).

Service tax exemption on provision of training and coaching services for disabled persons

Currently, provision of training and coaching services is prescribed as a taxable service, except for training and coaching services provided by:

(a) Approved companies with status or definition as research and development company as well as contract research and development company under Section 2, Promotion of Investment Act 1986; and approved research institutes under Section 34B of the Income Tax Act 1967; or
(b) Federal or State Government, local authorities or statutory bodies.

It is proposed that a service tax exemption be given on the training and coaching services provided to disabled persons (with hearing, visual, physical, speech, mental, and learning disabilities), by the following service providers:

(a) Training and coaching centres registered with the Ministry of Health Malaysia or the Department of Social Welfare; or
(b) Training and coaching centres endorsed by any national association for disabled persons registered with the Registrar of Societies Malaysia.

Effective: 1 January 2020

Our commentary:
Training and coaching service providers will be required to be registered or endorsed by the relevant bodies, in order for the service tax exemption to be applicable to their training and coaching services to disabled persons.

It is expected that the exemption will be granted by the Minister of Finance in exercise of his powers of exemption under the Service Tax Act 2018.

In such a case, there will still be compliance requirements for the training or coaching service providers, such as declaring the exempted value of taxable service in their service tax returns to be filed with Customs.
Contact us

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Email</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Tax Compliance &amp; Advisory</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sim Kwang Gek</td>
<td>Managing Director</td>
<td><a href="mailto:kgsim@deloitte.com">kgsim@deloitte.com</a></td>
<td>+603 7610 8849</td>
</tr>
<tr>
<td>Tan Hooi Beng</td>
<td>Deputy Managing Director</td>
<td><a href="mailto:hooitan@deloitte.com">hooitan@deloitte.com</a></td>
<td>+603 7610 8843</td>
</tr>
<tr>
<td><strong>Business Process Solutions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Julie Tan</td>
<td>Executive Director</td>
<td><a href="mailto:jultan@deloitte.com">jultan@deloitte.com</a></td>
<td>+603 7610 8847</td>
</tr>
<tr>
<td><strong>Capital Allowances Study</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chia Swee How</td>
<td>Executive Director</td>
<td><a href="mailto:swchia@deloitte.com">swchia@deloitte.com</a></td>
<td>+603 7610 7371</td>
</tr>
<tr>
<td><strong>Global Employer Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ang Weina</td>
<td>Executive Director</td>
<td><a href="mailto:angweina@deloitte.com">angweina@deloitte.com</a></td>
<td>+603 7610 8841</td>
</tr>
<tr>
<td>Chee Ying Cheng</td>
<td>Executive Director</td>
<td><a href="mailto:yichee@deloitte.com">yichee@deloitte.com</a></td>
<td>+603 7610 8827</td>
</tr>
<tr>
<td><strong>Government Grants &amp; Incentives</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tham Lih Jiun</td>
<td>Executive Director</td>
<td><a href="mailto:ljtham@deloitte.com">ljtham@deloitte.com</a></td>
<td>+603 7610 8875</td>
</tr>
<tr>
<td>Thin Siew Chi</td>
<td>Executive Director</td>
<td><a href="mailto:sthin@deloitte.com">sthin@deloitte.com</a></td>
<td>+603 7610 8878</td>
</tr>
<tr>
<td><strong>Indirect Tax</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tan Eng Yew</td>
<td>Executive Director</td>
<td><a href="mailto:etan@deloitte.com">etan@deloitte.com</a></td>
<td>+603 7610 8870</td>
</tr>
<tr>
<td>Senthruran Elalingam</td>
<td>Executive Director</td>
<td><a href="mailto:selalingam@deloitte.com">selalingam@deloitte.com</a></td>
<td>+603 7610 8879</td>
</tr>
<tr>
<td><strong>International Tax &amp; Value Chain Alignment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tan Hooi Beng</td>
<td>Deputy Managing Director</td>
<td><a href="mailto:hooitan@deloitte.com">hooitan@deloitte.com</a></td>
<td>+603 7610 8843</td>
</tr>
<tr>
<td><strong>Mergers &amp; Acquisitions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sim Kwang Gek</td>
<td>Managing Director</td>
<td><a href="mailto:kgsim@deloitte.com">kgsim@deloitte.com</a></td>
<td>+603 7610 8849</td>
</tr>
<tr>
<td><strong>Private Wealth Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chee Pei Pei</td>
<td>Executive Director</td>
<td><a href="mailto:pechee@deloitte.com">pechee@deloitte.com</a></td>
<td>+603 7610 8862</td>
</tr>
<tr>
<td>Gooi Yong Wei</td>
<td>Executive Director</td>
<td><a href="mailto:ygooi@deloitte.com">ygooi@deloitte.com</a></td>
<td>+603 7610 8981</td>
</tr>
<tr>
<td><strong>Tax Audit &amp; Investigation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chow Kuo Seng</td>
<td>Executive Director</td>
<td><a href="mailto:kuchow@deloitte.com">kuchow@deloitte.com</a></td>
<td>+603 7610 8836</td>
</tr>
<tr>
<td>Stefanie Low</td>
<td>Executive Director</td>
<td><a href="mailto:gelow@deloitte.com">gelow@deloitte.com</a></td>
<td>+603 7610 8891</td>
</tr>
<tr>
<td><strong>Transfer Pricing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Theresa Goh</td>
<td>Executive Director</td>
<td><a href="mailto:tgoh@deloitte.com">tgoh@deloitte.com</a></td>
<td>+603 7610 8837</td>
</tr>
<tr>
<td>Subhabrata Dasgupta</td>
<td>Executive Director</td>
<td><a href="mailto:sudasgupta@deloitte.com">sudasgupta@deloitte.com</a></td>
<td>+603 7610 8376</td>
</tr>
<tr>
<td>Philip Yeoh</td>
<td>Executive Director</td>
<td><a href="mailto:phyeoh@deloitte.com">phyeoh@deloitte.com</a></td>
<td>+603 7610 7375</td>
</tr>
</tbody>
</table>
### Sectors

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Name</th>
<th>Designation</th>
<th>Email</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automotive</strong></td>
<td>Stefanie Low</td>
<td>Executive Director</td>
<td><a href="mailto:gelow@deloitte.com">gelow@deloitte.com</a></td>
<td>+603 7610 8891</td>
</tr>
<tr>
<td><strong>Consumer Products</strong></td>
<td>Sim Kwang Gek</td>
<td>Managing Director</td>
<td><a href="mailto:kgsim@deloitte.com">kgsim@deloitte.com</a></td>
<td>+603 7610 8849</td>
</tr>
<tr>
<td><strong>Financial Services</strong></td>
<td>Chee Pei Pei</td>
<td>Executive Director</td>
<td><a href="mailto:pechee@deloitte.com">pechee@deloitte.com</a></td>
<td>+603 7610 8862</td>
</tr>
<tr>
<td></td>
<td>Gooi Yong Wei</td>
<td>Executive Director</td>
<td><a href="mailto:ygooi@deloitte.com">ygooi@deloitte.com</a></td>
<td>+603 7610 8981</td>
</tr>
<tr>
<td></td>
<td>Mark Chan</td>
<td>Executive Director</td>
<td><a href="mailto:marchan@deloitte.com">marchan@deloitte.com</a></td>
<td>+603 7610 8966</td>
</tr>
<tr>
<td><strong>Oil &amp; Gas</strong></td>
<td>Toh Hong Peir</td>
<td>Executive Director</td>
<td><a href="mailto:htoh@deloitte.com">htoh@deloitte.com</a></td>
<td>+603 7610 8808</td>
</tr>
<tr>
<td><strong>Real Estate</strong></td>
<td>Chia Swee How</td>
<td>Executive Director</td>
<td><a href="mailto:swchia@deloitte.com">swchia@deloitte.com</a></td>
<td>+603 7610 7371</td>
</tr>
<tr>
<td></td>
<td>Tham Lih Jiun</td>
<td>Executive Director</td>
<td><a href="mailto:ljtham@deloitte.com">ljtham@deloitte.com</a></td>
<td>+603 7610 8875</td>
</tr>
<tr>
<td><strong>Telecommunications</strong></td>
<td>Thin Siew Chi</td>
<td>Executive Director</td>
<td><a href="mailto:sthin@deloitte.com">sthin@deloitte.com</a></td>
<td>+603 7610 8878</td>
</tr>
</tbody>
</table>

### Specialist Groups

<table>
<thead>
<tr>
<th>Chinese Services Group</th>
<th>Name</th>
<th>Designation</th>
<th>Email</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tham Lih Jiun</td>
<td>Executive Director</td>
<td><a href="mailto:ljtham@deloitte.com">ljtham@deloitte.com</a></td>
<td>+603 7610 8875</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Japanese Services Group</th>
<th>Name</th>
<th>Designation</th>
<th>Email</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mark Chan</td>
<td>Executive Director</td>
<td><a href="mailto:marchan@deloitte.com">marchan@deloitte.com</a></td>
<td>+603 7610 8966</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Korean Services Group</th>
<th>Name</th>
<th>Designation</th>
<th>Email</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chee Pei Pei</td>
<td>Executive Director</td>
<td><a href="mailto:pechee@deloitte.com">pechee@deloitte.com</a></td>
<td>+603 7610 8862</td>
</tr>
</tbody>
</table>

### Branches

<table>
<thead>
<tr>
<th>Branches</th>
<th>Name</th>
<th>Designation</th>
<th>Email</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Penang</strong></td>
<td>Ng Lan Kheng</td>
<td>Executive Director</td>
<td><a href="mailto:lkng@deloitte.com">lkng@deloitte.com</a></td>
<td>+604 218 9268</td>
</tr>
<tr>
<td></td>
<td>Mark Chan</td>
<td>Executive Director</td>
<td><a href="mailto:marchan@deloitte.com">marchan@deloitte.com</a></td>
<td>+603 7610 8966</td>
</tr>
<tr>
<td><strong>Ipoh</strong></td>
<td>Julie Tan</td>
<td>Executive Director</td>
<td><a href="mailto:jultan@deloitte.com">jultan@deloitte.com</a></td>
<td>+603 7610 8847</td>
</tr>
<tr>
<td><strong>Melaka</strong></td>
<td>Chee Pei Pei</td>
<td>Executive Director</td>
<td><a href="mailto:pechee@deloitte.com">pechee@deloitte.com</a></td>
<td>+603 7610 8862</td>
</tr>
<tr>
<td><strong>Johor Bahru</strong></td>
<td>Tham Lih Jiun</td>
<td>Executive Director</td>
<td><a href="mailto:ljtham@deloitte.com">ljtham@deloitte.com</a></td>
<td>+603 7610 8875</td>
</tr>
<tr>
<td><strong>Kuching</strong></td>
<td>Chia Swee How</td>
<td>Executive Director</td>
<td><a href="mailto:swchia@deloitte.com">swchia@deloitte.com</a></td>
<td>+603 7610 7371</td>
</tr>
</tbody>
</table>