TAXLETTER 55

Recent Gazette Orders, Stamp Duties and Other Updates

15 July 2026

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Part 1: Recent Gazette Orders

Gazette Orders	Description
P.U. (A) 211	**Income Tax (Accelerated Capital Allowance) (Tun Razak Exchange Marquee Status Company) (Amendment) Rules 2026** Date of Publication : 4 June 2026 Effective from 1 January 2026, the qualifying period for the Accelerated Capital Allowance ("ACA") incentive has been further extended from 31 December 2025 to 31 December 2030.

Gazette Orders	Description
P.U. (A) 224	**Income Tax (Industrial Building Allowance) (Tun Razak Exchange Marquee Status Company) (Amendment) Rules 2026** Date of Publication : 4 June 2026 Effective from 1 January 2014, the qualifying period for the qualifying building expenditure has been further extended from 31 December 2025 to 31 December 2030.

Gazette Orders	Description
P.U. (A) 231	**Income Tax (Deduction for Payment of Care Allowance of Parents and Grandparents) Rules 2026** Date of Publication : 26 June 2026 Effective from the YA 2025, employers who are resident in Malaysia are granted an additional tax deduction on expenses incurred in providing care allowance to their employees for the care of the employees' parents, adoptive parents or grandparents. For the purposes of claiming the deduction, where two basis periods overlap, the common period is deemed to fall within the first basis period only. In addition, the Director General of Inland Revenue may disallow any portion of the qualifying expenditure that, in his opinion, exceeds the amount reasonably expected to be incurred in the ordinary course of business. For full details, reference should be made to the P.U. (A) 231.

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<table>
<tr><th>Gazette Orders</th><th>Description</th></tr>
<tr><td>P.U. (A) 215</td><td>Income Tax (Income of Approved Individual) (Women Returning to Work after Ceasing from Employment Temporarily) (Exemption) Order 2026

Date of Publication : 9 June 2026

Effective from Year of Assessment (“YA”) 2024 to YA 2028, an approved Malaysian woman who returns to work after a temporary cessation may enjoy an income tax exemption on her employment income for no exceeding 12 consecutive months, starting from the YA she chooses to apply, provided that the application is made either in the same YA she returns to work or in the following YA.

The exemption is subject to the following conditions:

a) The approved individual must apply through Talent Corporation Malaysia Berhad (“TalentCorp”) from 1 January 2024 to 31 December 2027;

b) Comply with all prescribed conditions, subject to verification by Talent Corporation Malaysia Berhad;

c) The approved individual must be a citizen and resident in Malaysia who has ceased employment for at least 24 consecutive months on or after 28 October 2017, with at least 3 years of prior full-time work experience;

d) At the time of application, the approved individual must be below 58 years of age;

e) must have entered into a full-time employment contract in Malaysia for at least 24 months within the period from 1 January 2023 to 31 December 2028; and

f) The approved individual must have worked at least 12 consecutive months under the employment contract and must have received at least RM5,000 gross monthly income.

For full details, reference should be made to the P.U. (A) 215.</td></tr>
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Gazette Orders	Description
P.U. (A) 222	**Income Tax (Deduction for Expenditure in relation to Purchase of Handicraft Product) Rules 2026** Date of Publication : 15 June 2026 Effective from 1 January 2023, taxpayers carrying on a hotel business may claim a **deduction of up to RM150,000** per Year of Assessment ("YA") on expenditure incurred for the purchase of Malaysian-made handicraft products from persons registered with Perbadanan Kemajuan Kraftangan Malaysia under the Perbadanan Kemajuan Kraftangan Malaysia Act 1979, provided the products are used within the hotel premises and purchased during the period from 1 January 2023 to 31 December 2025. The deduction is available to companies incorporated under the Companies Act 2016 and resident in Malaysia that carry on a hotel business and operate a hotel registered under the Tourism Industry Act 1992 with a one-star to five-star rating. However, such deduction shall not apply where the same expenditure has been granted a deduction under subsection 33(1) of the Income Tax Act 1967 ("Act 1967") or has been claimed for capital allowances under Schedule 3 of the Act 1967. Additionally, any excess amount shall not be carried forward to the subsequent YA and expenditure incurred for designer fees, professional fees and the purchase of collectible antiques is excluded.

Gazette Orders	Description
P.U. (A) 229	**Income Tax (Deduction for Employment of Approved Individual) Rules 2026** Date of Publication : 23 June 2026 Effective from **YA 2025 to YA 2027**, a qualifying employer is granted an **additional tax deduction** equal to 50% of the employment remuneration (as defined under section 33 of the Income Tax Act 1967) paid to an approved individual for up to 12 consecutive months. The employer must comply with conditions set by the Minister and compliance will be verified by TalentCorp. An "approved individual" refers to a woman returning to employment after a temporary career cessation, as defined under the P.U. (A) 215 discussed earlier. For full details, reference should be made to the P.U. (A) 229.

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Gazette Orders	Description
P.U. (A) 225	**Income Tax (Deduction for the Costs of Implementation of Flexible Work Arrangements) Rules 2026** Date of Publication : 16 June 2026 Effective from the YA 2025, employers are granted **an additional tax deduction** equivalent to 50% of qualifying expenditure incurred for implementing flexible work arrangements ("FWA"), subject to a **maximum qualifying expenditure of RM500,000**, provided that the application is submitted to Talent Corporation Malaysia Berhad between 1 January 2025 and 31 December 2027. The additional deduction is claimable **only once** and covers qualifying expenditure incurred for the implementation of FWA, comprising capacity development costs (including training-related expenses and prescribed travelling, accommodation and meal expenses incurred by employees and trainers) as well as the acquisition of software. However, the Director General of Inland Revenue may disallow any portion of the qualifying expenditure that, in his opinion, exceeds the amount reasonably expected to be incurred in the ordinary course of business. For the purposes of these Rules, FWA refer to flexible arrangements relating to the place of work, scheduling of working hours, or the number of hours worked. For full details, reference should be made to the P.U. (A) 225.

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Gazette Orders	Description
P.U. (A) 232	**Income Tax (Deduction for Rental Payments) (Electric Motor Vehicles) Rules 2026** Date of Publication : 26 June 2026 Effective from the **YA 2023 to YA 2027**, companies are granted tax deduction on qualifying expenditure incurred in relation to the rental of new electric non-commercial motor vehicles. Qualifying expenditure includes rental payments, as well as insurance payments and processing fees relating to the rental of the electric motor vehicles. The total deduction allowable is **capped at RM300,000** in aggregate over the qualifying period. However, the Director General of Inland Revenue may disallow any portion of the qualifying expenditure that, in his opinion, exceeds the amount reasonably expected to be incurred in the ordinary course of business. For full details, reference should be made to the P.U. (A) 225.

Gazette Orders	Description
P.U. (A) 212	**Income Tax (Exemption)(No.3) 2023 (Amendment) Order 2026** Date of Publication : 4 June 2026 Effective from the YA 2025, this Order has been amended, whereby Schedule 2 has been updated to remove the words “New company under subsubparagraph 3(b)(i)” and “New company under subsubparagraph 3(b)(ii)” from Categories 1 and 2 respectively. This amendment serves to streamline the drafting of Schedule 2, as the qualifying conditions of a principal hub [including the requirement of a new company and the relevant criteria under paragraph 3(b)] are already provided under the principal Order. As such, there is no change to the substantive eligibility criteria or tax incentive conditions.

Part 2: Stamp Duty

Media Release	Description
HASiL/2026/06/ 26 – 35	**Extension of the Special Voluntary Disclosure Program ("SVDP") for Stamp Duty** **Date of Publication : 26 June 2026** The implementation period of the 2026 SVDP for Stamp Duty has been extended by 6 months, from 1 July 2026 **to 31 December 2026**. This extension provides taxpayers with additional time to voluntarily regularise unstamped or late-stamped instruments executed between 1 January 2023 and 31 December 2025, while supporting the transition to the Stamp Duty Self-Assessment System. Under the extended program, eligible instruments can be stamped without incurring late stamping penalties, provided that the stamp duty is assessed and paid by 31 December 2026. The penalty waiver will be granted automatically upon payment of the stamp duty and no separate application is required. However, the program does not apply to cases involving fraud. In addition, instruments regularised under the 2026 SVDP will not be selected for stamp duty audit. This concession does not apply to instruments that are not stamped under the program. Taxpayers are therefore encouraged to complete the stamping process and settle the applicable stamp duty as early as possible to ensure they benefit from the penalty waiver and audit relief available under the extended program.

Part 3: Service Tax Updates

Service Tax	Description
Employment Services V4	**Guide on Employment Services** Date of Publication : 6 June 2026 This Version 4 Guideline supersedes Version 3 dated 14 May 2024 and introduces clarifications to the application of service tax provision on employment services. One of the most impactful changes under the expanded Service Tax framework is that the reimbursement of salary, emoluments, and incidental employee-related expenses (including levy, work permit fees, and employee insurance), which were previously excluded from service tax provided there was no mark-up, are now treated as taxable services, even where they are recovered at cost. For full details, reference should be made to the Employment Services (v4).

Part 4: Other Updates

Media Release	Description
HASiL/2026/06/01 – 32	**Tax Assessment Appeals Through the MyTax Portal** **Date of Publication : 1 June 2026** The Inland Revenue Board of Malaysia ("IRBM") has introduced the e-Tax Assessment Appeal service on the MyTax Portal, enabling taxpayers to submit tax assessment appeals and applications for an extension of time to file an appeal online for tax assessments raised under the Income Tax Act 1967. This digital service eliminates the need for physical submission or visits to HASiL offices. However, the service does not apply to matters involving Capital Gains Tax, Withholding Tax or tax assessments arising from investigation activities. Through this service, taxpayers can submit applications in real time, track the status of their appeals and receive electronic notifications throughout the process. Access to the service is based on the taxpayer's role in the MyTax Portal, including Individuals, Company Directors, appointed Company Officers and Organisation Administrators representing relevant entities. The implementation of this initiative reflects IRBM's continued efforts to strengthen the digitalisation of tax services by enhancing efficiency, transparency and customer-friendly service delivery. For full details, reference should be made to the HASiL/2026/06/01 – 32.

Circular	Description
KSM.100-2/1/1 JLD.6 (10)	**Updates on 24-Hour Protection Scheme for Employee** **Date of Publication : 9 July 2026** It has been announced by the Government that participation in the 24-Hour Protection Scheme has been made voluntary for local employees, while it continues to be mandatory for foreign employees in accordance with the existing provisions of the Employees' Social Security Act 1969. The change is effective from 9 July 2026. A revised guideline is expected to be issued in due course to provide further clarification on the implementation of the new arrangement. In the interim, contributions should not be automatically deducted from local employees unless participation in the scheme has been elected by the employee and the relevant implementation procedures have been issued by the Social Security Organisation (PERKESO). For full details, reference should be made to the KSM.100-2/1/1 JLD.6 (10).

Part 4: Other Updates

Media Release	Description
HASiL/2026/06/12 – 33	**Enhancing Digital Tax Services for Subsection 44(6) Applications** **Date of Publication : 15 June 2026** The IRBM has enhanced its digital tax services by introducing the e-Derma platform through the MyTax portal for applications relating to tax exemption under subsection 44(6) of the Act 1967. The platform is intended to simplify the application process and reduce the need for physical submissions. Effective from 15 June 2026, all new tax exemption applications under subsection 44(6) by eligible institutions and organizations are required to be submitted via e-Derma. The online platform allows applicants to lodge applications and supporting information electronically, resulting in a more streamlined and efficient review process. For funds or institutions that have appointed a tax representative or tax agent, new applications will continue to be submitted using the existing manual forms together with the required supporting documents through the designated online submission channel until e-Derma is expanded to cover this category. The platform also facilitates other post-approval matters, including applications to renew the approval period, submission of audited financial statements and self-review forms, as well as updates to the organization's particulars. For full details, reference should be made to the HASiL/2026/06/12 – 33.

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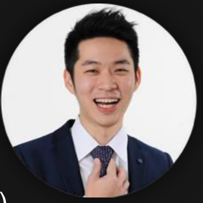
Media Release	Description
LHDN Announcement	**Validation of Taxpayers' Tax Identification Number (TIN) and Business Registration Number (BRN) for API effective from 1 August 2026** Effective 1 August 2026, validation of a taxpayer's Business Registration Number (BRN) will become mandatory for e-Invoice purposes. Businesses are advised to verify that their BRN information is accurate and up to date via the MyTax Portal. If any amendments are required, taxpayers should submit their Tax Identification Number (TIN) together with a copy of the business registration certificate through either of the following channels: 1. HASiL Customer Feedback Form, or 2. Email: myinvois@hasil.gov.my

Our Offices



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