

# MEASURES FOR THE COLLECTION, ADMINISTRATION AND ENFORCEMENT OF TAX BILL 2024

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*Clause*

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*Measures for the Collection, Administration  
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*Clause*

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A BILL

*i n t i t u l e d*

An Act to provide for measures relating to the implementation of the collection, administration and enforcement of tax by amending the Income Tax Act 1967, the Real Property Gains Tax Act 1976, the Stamp Act 1949, the Petroleum (Income Tax) Act 1967, the Windfall Profit Levy Act 1998, the Sales Tax Act 2018 and the Service Tax Act 2018.

[ ]

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

PART I

PRELIMINARY

**Short title**

**1.** This Act may be cited as the Measures for the Collection, Administration and Enforcement of Tax Act 2024.

**Amendment of Acts**

**2.** The Income Tax Act 1967 [*Act 53*], the Real Property Gains Tax Act 1976 [*Act 169*], the Stamp Act 1949 [*Act 378*], the Petroleum (Income Tax) Act 1967 [*Act 543*], the Windfall

Profit Levy Act 1998 [*Act 592*], the Sales Tax Act 2018 [*Act 806*] and the Service Tax Act 2018 [*Act 807*] are amended in the manner specified in Parts II, III, IV, V, VI, VII and VIII respectively.

## PART II

### AMENDMENTS TO THE INCOME TAX ACT 1967

#### **Commencement of amendments to the Income Tax Act 1967**

**3.** (1) Sections 4, 6, 7, 8 and 9 come into operation on 1 January 2025.

(2) Section 5 has effect for the year of assessment 2025 and subsequent years of assessment.

#### **Amendment of section 66A**

**4.** The Income Tax Act 1967, which is referred to as the “principal Act” in this Part, is amended by inserting after subsection 66A(3) the following subsections:

“(4) The tax identification number referred to in subsection (1) which has been assigned under this section and made accessible by the Director General to any person shall not be construed as classified material defined in subsection 138(5).

(5) Where for any year of assessment a tax identification number is made accessible by the Director General to any person, the Director General shall not be liable for any loss or damage suffered by any person due to any error or omission arising in the service of providing access to the tax identification number, provided that the error or omission was made in good faith and in the ordinary course of the discharge of the duties of the Director General or occurred or arose as a result of any defect or breakdown in the service or in the equipment used for the provision of the service.

(6) A person who, for any reason, has access to a tax identification number of any other person shall not use or cause or allow to be used the tax identification number for any purpose other than for the purposes of this Act.

(7) Any person who contravenes subsection (6), shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding four thousand ringgit or to imprisonment for a term not exceeding one year or to both.”.

**Amendment of section 77B**

5. Subsection 77B(1A) of the principal Act is amended by substituting for the words “a person who is a company, limited liability partnership, trust body and co-operative society” the words “the person referred to in subsection (1)”.

**Amendment of section 82C**

6. Subsection 82C(8) of the principal Act is amended by substituting for the words “three days from the date” the words “seventy-two hours from the time”.

**Amendment of section 113A**

7. Section 113A of the principal Act is amended—

(a) by renumbering the existing section as subsection (1);  
and

(b) by inserting after the renumbered subsection (1) the following subsection:

“(2) Where a person—

(a) makes an incorrect return, information return or report by omitting the information required to be provided in accordance with any rules made under paragraph 154(1)(c)

to implement or facilitate the operation of an arrangement having effect under sections 132, 132A and 132B, where such arrangement relates to the automatic exchange of information or the furnishing of a country-by-country report, on behalf of himself or another person; or

- (b) gives any incorrect information in relation to any information required to be provided in accordance with any rules made under paragraph 154(1)(c) to implement or facilitate the operation of an arrangement having effect under sections 132, 132A and 132B, where such arrangement relates to the automatic exchange of information or the furnishing of a country-by-country report, on behalf of himself or another person,

then, if no prosecution under subsection (1) has been instituted in respect of the incorrect return, information return or report, or incorrect information, the Director General may by notice in writing require that person to pay a penalty of not less than twenty thousand ringgit and not more than one hundred thousand ringgit and, if that person pays that penalty, or where the penalty is abated or remitted under subsection 124(3), so much, if any, of the penalty as has not been abated or remitted, he shall not be liable to be charged on the same facts with an offence under subsection (1).”.

### **Amendment of section 125**

**8.** Subsection 125(2) of the principal Act is amended by substituting for the words “or 113(2)” the words “, 113(2), 113A(2) or 113B(4)”.

**Amendment of Schedule 5**

9. Paragraph 12 of Schedule 5 to the principal Act is amended by substituting for the proviso the following proviso:

“Provided that the appellant shall give a written notice to the Special Commissioners and the Director General within a period of six months from the date the appellant receives a written notice from the Director General under subsection 102(1).”.

PART III

AMENDMENTS TO THE REAL PROPERTY GAINS TAX ACT 1976

**Commencement of amendments to the Real Property Gains Tax Act 1976**

10. This Part comes into operation on 1 January 2025.

**Amendment of section 13**

11. The Real Property Gains Tax Act 1976, which is referred to as the “principal Act” in this Part, is amended in section 13—

(a) by substituting for subsection (4) the following subsection:

“(4) Where a person makes a return under this Act, the return shall be furnished to the Director General in the prescribed form in an electronic medium or by way of electronic transmission in accordance with section 57A.”;

(b) by inserting after subsection (6) the following subsection:

“(6A) The notification referred to in subsection (6) shall be furnished to the Director General in an electronic medium or by way of electronic transmission in accordance with section 57A.”; and

(c) by substituting for subsection (7) the following subsection:

“(7) For the purposes of section 21B, a person who disposes of a chargeable asset shall serve the notification referred to in subsection (6) on the acquirer within sixty days from the date of the disposal and such notification shall be deemed to have been served on the acquirer on the day on which the notification is furnished to the Director General in accordance with subsection (6A).”.

#### **Amendment of section 14**

12. Subsection 14(5) of the principal Act is amended—

(a) by substituting for the words “furnished to” the words “served on”; and

(b) by substituting for the words “furnished such” the words “served such”.

#### **Amendment of section 15**

13. Subsection 15(4) of the principal Act is amended—

(a) by substituting for the words “furnished to” the words “served on”; and

(b) by substituting for the words “furnished such” the words “served such”.

#### **Substitution of section 21A**

14. The principal Act is amended by substituting for section 21A the following section:

##### **“Certificate of non-chargeability**

**21A.** (1) The Director General shall notify the disposer in a certificate of non-chargeability in the prescribed form in an electronic medium or by way of an electronic transmission in accordance with section 57A where he is satisfied that no chargeable gain has arisen.

(2) The certificate of non-chargeability referred to in subsection (1) shall be deemed to have been notified to the disposer in accordance with subsection (1) on the day the return under section 13 is furnished to the Director General.”.

**Amendment of section 21B**

**15.** Subsection 21B(5) of the principal Act is amended by substituting for the words “notice of non-chargeability” the word “notification”.

**Amendment of section 29**

**16.** Section 29 of the principal Act is amended by inserting after subsection (2) the following subsection:

“(2A) Where a person has been convicted of an offence under subsection (1), the court may make a further order requiring the person to comply with the relevant provision of this Act under which the offence has been committed within thirty days, or such other period as the court considers appropriate, from the date the order is made.”.

**Amendment of section 36**

**17.** Section 36 of the principal Act is amended—

(a) by renumbering the existing section as subsection (1);  
and

(b) by inserting after the renumbered subsection (1) the following subsection:

“(2) Where a person has been convicted of an offence under subsection (1), the court may make a further order requiring the person to comply with

the relevant provision of this Act under which the offence has been committed within thirty days, or such other period as the court considers appropriate, from the date the order is made.”.

### **Amendment of section 57A**

**18.** Section 57A of the principal Act is amended by substituting for subsection (1) the following subsection:

“(1) Any person or class of persons—

(a) shall, if so required under this Act; or

(b) may, if so allowed by the Director General,

furnish any form prescribed under this Act in an electronic medium or by way of an electronic transmission.”.

### **Amendment of Schedule 3**

**19.** Subparagraph 9(1) of Schedule 3 to the principal Act is amended in paragraph (c) of the proviso, by substituting for the words “in writing addressed to the Director General” the words “furnished to the Director General in the prescribed form in an electronic medium or by way of an electronic transmission in accordance with section 57A”.

## **PART IV**

### **AMENDMENTS TO THE STAMP ACT 1949**

#### **Commencement of amendments to the Stamp Act 1949**

**20.** (1) Sections 22, 25, 26, 27, 34, 36, 37, 38, 40 and 41 come into operation on 1 January 2025.

(2) Sections 21, 23, 24, 28, 29, 30, 31, 32, 33, 35, 39 and 42 come into operation on 1 January 2026.

**Amendment of section 3A**

**21.** The Stamp Act 1949, which is referred to as the “principal Act” in this Part, is amended in section 3A—

(a) by substituting for subsection (1) the following subsection:

“(1) For the purpose of ascertaining whether an instrument is chargeable with duty under this Act or whether such duty has been paid, the Collector may by notice in writing, require any person—

(a) to deliver to the Collector for examination any instrument, book, account, record or other document within the time specified in the notice; or

(b) to attend personally before the Collector and produce for examination any instrument, book, account, record or other document.”;

(b) in subsection (2)—

(i) by substituting for the words “all books and documents” the words “all instruments, books, accounts, records, documents, objects, articles, materials and things”;

(ii) by substituting for the words “any books or documents” the words “any instrument, book, account, record, document, object, article, material or thing”; and

(iii) by deleting the words “, and may, without fee or reward, make extracts from or copies of any such books or documents”;

(c) by inserting after subsection (2) the following subsections:

“(2A) The Collector may, when entering any land, building or place pursuant to subsection (2)—

(a) search and inspect any such instrument, book, account, record, document, object, article, material or thing; and

(b) make extracts from, or copies of, any such instrument, book, account, record, document, object, article, material or thing without fee or reward.

(2B) Where the Collector exercises his powers under subsections (2) and (2A), the owners or occupiers of such lands, buildings and places shall provide the Collector with reasonable facilities and assistance for the performance of his duties under this Act.”;

(d) in subsection (3), by substituting for the words “books or documents” wherever appearing the words “instruments, books, accounts, records, documents, objects, articles, materials or things”;

(e) by inserting after subsection (3) the following subsection:

“(3A) Where in the opinion of the Collector it is necessary for the purpose of ascertaining the duty payable on an instrument to examine any instrument, book, account, record or other document kept otherwise than in the national language, the Collector may by notice in writing require any person to furnish within a time specified in the notice (not being less than thirty days from the date of service of the notice) a translation in the national language of the instrument, book, account, record or other document in question:

Provided that in East Malaysia this subsection shall have effect as if the words “or English language” were inserted after the words “national language” wherever they occur.”; and

(f) by substituting for subsection (5) the following subsection:

“(5) Any person who—

- (a) without reasonable excuse, fails to comply with the notice under subsection (1) or (3A);
- (b) obstructs or refuses to give access to the Collector into any land, building or place pursuant to subsection (2) or (2A);
- (c) obstructs or hinders the Collector, or any valuer duly authorized by the Collector, in the exercise of any of the Collector’s powers under this section;
- (d) refuses to produce any instrument, book, account, record or other document in his custody or under his control on being required to do so by the Collector for the purposes of this Act;
- (e) fails to provide reasonable facilities or assistance to the Collector in the exercise of his powers pursuant to subsection (2B); or
- (f) refuses or fails to comply with any direction given by the Collector or any valuer duly authorized by the Collector to answer any question lawfully asked of him by the Collector or such valuer for the purposes of this section,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding ten thousand ringgit.”.

**Amendment of section 12A**

**22.** Section 12A of the principal Act is amended by inserting after the words “Item 32(a)” the words “or (aa)”.

**Amendment of section 15**

**23.** Subsection 15(1) of the principal Act is amended in the proviso by substituting for paragraph (a) the following paragraph:

“(a) no such instrument shall be deemed to be duly stamped unless—

- (i) the instrument is stamped with the duty to which it would but for this section be liable; or
- (ii) a return is furnished together with the instrument to the Collector in accordance with section 35A, and the instrument is assessed under paragraph 36(1)(b) and the Collector has certified under section 37 either that the full duty with which the instrument is chargeable has been paid, or that the instrument is not chargeable with duty; and”.

**Amendment of section 15A**

**24.** Subsection 15A(1) of the principal Act is amended by substituting for the proviso the following proviso:

“Provided that no such instrument shall be deemed to be duly stamped unless—

- (a) the instrument is stamped with the duty to which it would but for this section be liable; or
- (b) a return is furnished together with the instrument to the Collector in accordance with section 35A, and the instrument is assessed under paragraph 36(1)(b) and the Collector has certified under section 37 either that the full duty with which the instrument is chargeable has been paid, or that the instrument is not chargeable with duty.”.

**Amendment of section 17**

**25.** Section 17 of the principal Act is amended by inserting after the words “Item 32(a)” wherever appearing the words “or (aa)”.

**Amendment of section 20**

**26.** Subsection 20(4) of the principal Act is amended by substituting for the words “section 12A and Item 32(a)” the words “section 12A, and Item 32(a) or (aa)”.

**Amendment of section 20B**

**27.** Subsection 20B(2) of the principal Act is amended by inserting after the words “Item 32(a)” the words “or (aa)”.

**New sections 35A and 35B**

**28.** The principal Act is amended by inserting before section 36 the following sections:

**“Return**

**35A.** (1) Every person, other than an authorized person under section 9, shall furnish to the Collector a return in the prescribed form together with an instrument which is executed and chargeable with duty by an electronic medium in accordance with section 77A.

(2) For the purposes of this section, a return for a year of assessment shall—

(a) specify the description of instrument and the amount of duty with which the instrument is chargeable; and

(b) contain such particulars as may be required by the Collector.

**Duty to keep record**

**35B.** Where an instrument is chargeable with duty, the person who is liable to pay the duty chargeable on such instrument shall keep the instrument and all relevant documents in connection with such instrument for a period of seven years from the date the duty is paid for the purpose of ascertaining that the proper amount of stamp duty has been paid on the instrument.”.

**Amendment of section 36**

**29.** Section 36 of the principal Act is amended—

(a) by substituting for the shoulder note the following shoulder note:

**“Adjudication and assessment as to proper stamp”;**

(b) by substituting for subsection (1) the following subsection:

“(1) Where a person has furnished a return together with an instrument in accordance with section 35A—

(a) the Collector shall be deemed to have made an assessment of duty on the instrument based on the information furnished in the return; or

(b) the Collector shall assess the duty on the instrument, if any, with which in his judgment an instrument is chargeable.”;

(c) by inserting after subsection (1) the following subsection:

“(1A) The Collector may determine the instruments falling under paragraph (1)(a) in any manner as the Collector thinks fit.”;

(d) by substituting for subsection (2) the following subsection:

“(2) For the purposes of this Act, where the Collector is deemed to have made an assessment under paragraph (1)(a)—

(a) the return referred to in that subsection shall be deemed to be an assessment; and

(b) the duty payable on the instrument shall be due and payable on the day the Collector is deemed to have made an assessment.”; and

(e) by inserting after subsection (2) the following subsections:

“(2A) For the purposes of paragraph (1)(b), the Collector may require any of the following:

(a) an abstract of the instrument;

(b) an affidavit setting out all the facts and circumstances affecting the liability of the instrument to duty or the amount of the duty chargeable thereon; or

(c) any other evidence which he considers necessary for the adjudication or determination of duty.

(2B) The Collector may refuse to assess the duty under paragraph (1)(b) until such abstract, affidavit or other evidence has been furnished accordingly.”.

### **Amendment of section 37**

**30.** Section 37 of the principal Act is amended—

(a) by substituting for subsection (1) the following subsection:

“(1) Where a return together with an instrument has been furnished to the Collector in accordance with

section 35A for an assessment under section 36, 36A, 36AA, 36B or 36CA and—

- (a) the Collector has determined that the instrument is already fully stamped; or
- (b) the duty assessed by the Collector under section 36, 36A, 36AA, 36B or 36CA, as the case may be, or such a sum as, with the duty already paid in respect of the instrument, is equal to the duty so assessed, has been paid,

the Collector shall certify by indorsement on the instrument that the full duty or minimum duty, initial duty, advance duty or additional duty, as the case may be, stating the amount with which the instrument is chargeable has been paid.”; and

- (b) in subsection (2A), by substituting for the words “the person bringing the instrument to the Collector” the words “the person furnishing the return together with the instrument to the Collector in accordance with section 35A”.

#### **Amendment of section 40**

**31.** Section 40 of the principal Act is amended by substituting for the words “Where an instrument is brought to the Collector pursuant to subsection 36(1), the instrument shall be stamped in accordance with the assessment of the Collector” the words “An instrument shall be stamped in accordance with the assessment of the Collector under paragraph 36(1)(b)”.

#### **Amendment of section 42**

**32.** Subsection 42(2) of the principal Act is amended by substituting for the words “When any such instrument is brought to him for stamping” the words “When a return together with such instrument is furnished to the Collector,”.

**Amendment of section 43**

**33.** Section 43 of the principal Act is amended by substituting for the words “bring the cheque or promissory note to the Collector for assessment of duty in accordance with” the words “furnish a return together with the cheque or promissory note to the Collector in accordance with section 35A for assessment of duty under”.

**Amendment of section 49**

**34.** Section 49 of the principal Act is amended by deleting the words “section 43 or”.

**New section 50B**

**35.** The principal Act is amended by inserting after section 50A the following section:

**“Relief in respect of error or mistake**

**50B.** (1) If any person who has paid duty for any instrument alleges that the duty relating to that instrument is excessive by reason of some error or mistake in a return made by him, he may within twenty-four months after the return is furnished, make an application in writing to the Collector for relief.

(2) On receiving an application under subsection (1), the Collector shall inquire into the matter and shall give, by way of repayment of duty, such relief in respect of the alleged error or mistake as appears to him to be just and reasonable.”.

**Amendment of section 52**

**36.** Paragraph (a) of the proviso to subsection 52(1) of the principal Act is amended by deleting the words “43 or”.

**Amendment of section 53**

37. Section 53 of the principal Act is amended by deleting the words “43 or” wherever appearing.

**Amendment of section 63**

38. Subsection 63(2) of the principal Act is amended by deleting the words “43,”.

**New sections 72B, 72C and 72D**

39. The principal Act is amended by inserting after section 72A the following sections:

**“Penalty for failure to keep record and other offences**

**72B.** Any person who, without reasonable excuse—

- (a) fails to keep and retain the books, records and documents as required under subsection 9(7);
- (b) fails to notify the Collector as required under subsection 15(6A);
- (c) fails to notify the Collector as required under subsection 15A(6); or
- (d) fails to keep the instrument and all relevant documents as required under section 35B,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding ten thousand ringgit.

**Failure to furnish return**

**72c.** (1) Any person who fails to furnish a return with the instrument which is executed and chargeable with duty in accordance with section 35A without reasonable excuse shall be guilty of an offence and shall be liable on conviction to a fine not exceeding ten thousand ringgit.

(2) Where a person has been convicted of an offence under subsection (1), the court may make a further order that the person shall comply with the relevant provision of this Act under which the offence has been committed within thirty days, or such other period as the court considers appropriate, from the date the order is made.

(3) Where a person fails to furnish a return with the instrument which is executed and chargeable with duty in accordance with section 35A and no prosecution under subsection (1) has been instituted in relation to such failure, the Collector may require that person to pay a penalty of not less than two hundred ringgit and not more than two thousand ringgit.

(4) The Collector may, if he thinks fit, reduce or remit the penalty referred to in subsection (3).

### **Incorrect returns**

**72D.** (1) Where a person—

- (a) makes an incorrect return by omitting or understating any duty of which he is required by this Act to make a return; or
- (b) gives any incorrect information in relation to any matter affecting his own chargeability to duty,

unless he satisfies the court that the incorrect return or incorrect information was made or given in good faith, such person shall be guilty of an offence and shall be liable on conviction to a fine of not less than one thousand ringgit and not more than ten thousand ringgit and shall pay a special penalty equal to the amount of duty which has been undercharged in consequence of the incorrect return or incorrect information or which would have been undercharged if the return or information had been accepted as correct.

(2) Where a person—

- (a) makes an incorrect return by omitting or understating any duty of which he is required by this Act to make a return; or
- (b) gives any incorrect information in relation to any matter affecting his own chargeability to duty,

and where no prosecution under subsection (1) has been instituted in respect of the incorrect return or incorrect information, the Collector may require that person to pay a penalty equal to the amount of duty which has been undercharged in consequence of the incorrect return or incorrect information or which would have been undercharged if the return or information had been accepted as correct.

(3) The Collector may, if he thinks fit, reduce or remit the penalty referred to in subsection (2).”.

#### **Amendment of section 74**

**40.** Section 74 of the principal Act is amended by substituting for the words “shall be liable to a fine of five thousand ringgit” the words “shall be guilty of an offence and shall be liable on conviction to a fine of not less than one thousand ringgit and not more than twenty thousand ringgit”.

#### **New section 76A**

**41.** The principal Act is amended by inserting after section 76 the following section:

##### **“Identification of officials**

**76A.** Any person exercising the right of access or the right to take possession conferred by section 3A shall carry a warrant in the prescribed form issued by the Collector of Stamp Duties which shall identify the holder and his office and shall be produced by the holder on demand to any person having reasonable grounds to make the demand.”.

**New section 77D**

**42.** The principal Act is amended by inserting after section 77C the following section:

**“Forms**

**77D.** The Collector may prescribe such forms as may be required for the purposes of this Act.”.

PART V

AMENDMENTS TO THE PETROLEUM (INCOME TAX) ACT 1967

**Commencement of amendments to the Petroleum (Income Tax) Act 1967**

**43.** This Part comes into operation on 1 January 2025.

**Amendment of section 34B**

**44.** The Petroleum (Income Tax) Act 1967, which is referred to as the “principal Act” in this Part, is amended in subsection 34B(7) by substituting for the words “three days from the date” the words “seventy-two hours from the time”.

**Amendment of Third Schedule**

**45.** Paragraph 10 of the Third Schedule to the principal Act is amended by substituting for the proviso the following proviso:

“Provided that the appellant shall give a written notice to the Special Commissioners and the Director General within a period of six months from the date the appellant receives a written notice from the Director General under subsection 46(1).”.

## PART VI

## AMENDMENT TO THE WINDFALL PROFIT LEVY ACT 1998

**Commencement of amendment to the Windfall Profit Levy Act 1998**

**46.** This Part comes into operation on the coming into operation of this Act.

**New section 27A**

**47.** The Windfall Profit Levy Act 1998 is amended by inserting after section 27 the following section:

**“Use of electronic service**

**27A.** (1) Notwithstanding any other provision of this Act, the Director General may provide an electronic service to any registered user for—

- (a) the filing or furnishing of any application, return, declaration or any other document; and
- (b) the service of any notice, direction, order, permit, receipt or any other document.

(2) Where—

- (a) any application, return, declaration or any other document are made and transmitted to the Director General through the electronic service; or
- (b) any notice, direction, order, permit, receipt or any other document is obtained by the registered user through the electronic service,

the Director General shall not be liable for any loss or damage suffered by the registered user by reason of any error or omission of whatever nature or howsoever arising appearing in any application, return, declaration, notice, direction, order, permit, receipt or any other document if such error or omission occurred or arose as a result of

any defect or breakdown in the electronic service or in the equipment used for the provision of the service or without the knowledge of the Director General.

(3) Any application, return, declaration or any other document made and transmitted by the registered user shall be deemed to have been filed or furnished at the time the application, return, declaration or any other document is received by the Director General.

(4) For the purposes of this section, “registered user” means any person who is authorized in writing by the Director General to gain access to and use the electronic service.”.

## PART VII

### AMENDMENTS TO THE SALES TAX ACT 2018

#### **Commencement of amendments to the Sales Tax Act 2018**

**48.** This Part comes into operation on the coming into operation of this Act.

#### **Amendment of section 26**

**49.** The Sales Tax Act 2018, which is referred to as the “principal Act” in this Part, is amended in subsection 26(2) by substituting for the words “within thirty days from” the words “not later than the last day of the month following”.

#### **Amendment of section 27**

**50.** Section 27 of the principal Act is amended—

(a) by substituting for subsection (5) the following subsection:

“(5) Where any person has obtained control of any taxable goods or has imported any taxable goods, the Director General may require the person to account for the taxable goods.”; and

(b) by substituting for subsection (6) the following subsection:

“(6) Where any person fails to account for the taxable goods under subsection (5) by reason that—

(a) the taxable goods have been sold by such person;

(b) the taxable goods have been exported or removed by way of sale; or

(c) the taxable goods have been lost or destroyed,

the Director General may assess to the best of his judgment the amount of sales tax that would have been chargeable in respect of the taxable goods if the goods had been sold by such person and shall forthwith notify the person of the assessment in writing.”.

### **Amendment of Schedule**

**51.** The Schedule to the principal Act is amended in relation to section 25, in column (2), by substituting for paragraph 1 the following paragraph:

‘1. Substitute for subsection (1) the following subsection:

“(1) The first taxable period of every taxable person shall begin from the date he should have been registered under section 13 and end on the last day of the following two months and the subsequent taxable period shall be a period of three months ending on the last day of any month of any calendar year.”.’.

PART VIII

AMENDMENT TO THE SERVICE TAX ACT 2018

**Commencement of amendment to the Service Tax Act 2018**

**52.** This Part comes into operation on the coming into operation of this Act.

**Amendment of section 26**

**53.** The Service Tax Act 2018 is amended in subsection 26(2) by substituting for the words “within thirty days from” the words “not later than the last day of the month following”.

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EXPLANATORY STATEMENT

This Bill seeks to amend the Income Tax Act 1967 (“Act 53”), the Real Property Gains Tax Act 1976 (“Act 169”), the Stamp Act 1949 (“Act 378”), the Petroleum (Income Tax) Act 1967 (“Act 543”), the Windfall Profit Levy Act 1998 (“Act 592”), the Sales Tax Act 2018 (“Act 806”) and the Service Tax Act 2018 (“Act 807”).

AMENDMENTS TO THE INCOME TAX ACT 1967

Part II of this Bill seeks to amend the Income Tax Act 1967.

2. *Clause 4* seeks to introduce new subsections (4) to (7) into section 66A of Act 53.

The proposed new subsection 66A(4) seeks to provide that any tax identification number granted under section 66A of Act 53 and made accessible by the Director General to any person shall not be construed as a classified material under subsection 138(5) of Act 53.

The proposed new subsection 66A(5) seeks to provide that the Director General shall not be liable for any loss or damage suffered by any person by reason of any error or omission arising in the service of providing access to tax identification number to any person.

The proposed new subsection 66A(6) prohibits any person who has access to a tax identification number of another person from using or causing or allowing the use of that tax identification number for purposes other than the purposes of Act 53.

The proposed new subsection 66A(7) provides for an offence under the new subsection 66A(6) of Act 53 and the punishment for the offence.

3. *Clause 5* seeks to amend subsection 77B(1A) of Act 53 to expand the obligation to furnish to the Director General an amended return in the prescribed form in an electronic medium or by way of electronic transmission in accordance with section 152A of Act 53 to a person who has furnished a return under subsection 77(1) of Act 53.

4. *Clause 6* seeks to amend subsection 82c(8) of Act 53 to provide that the period for any person to issue a substitute electronic invoice is within the period of seventy-two hours from the time of issuance of a defective electronic invoice replacing the current three days requirement.

5. *Clause 7* seeks to amend section 113A of Act 53 to empower the Director General to impose a penalty of not less than twenty thousand ringgit and not more than one hundred thousand ringgit if no prosecution is instituted in relation to the failure to furnish a correct return, information return or report, or information in accordance with subsection 113A(1) of Act 53.

6. *Clause 8* seeks to amend subsection 125(2) of Act 53 to empower the Director General to collect a penalty imposed under subsection 113A(2) or 113B(4) of Act 53 as if the penalty was a tax payable for the purposes of sections 103 to 106 of Act 53.

7. *Clause 9* seeks to amend paragraph 12 of Schedule 5 to Act 53 to provide that an appellant may only rely on the grounds of appeal other than those stated in the petition of appeal and vary any grounds of appeal so stated if the appellant gives a notice in respect thereof in writing to the Special Commissioners of Income Tax and the Director General within the period of six months from the date the appellant receives the notice under subsection 102(1) of Act 53 from the Director General.

#### AMENDMENTS TO THE REAL PROPERTY GAINS TAX ACT 1976

Part III of this Bill seeks to amend the Real Property Gains Tax Act 1976.

8. *Clause 11* seeks to amend section 13 of Act 169.

*Paragraph 11(a)* seeks to substitute subsection 13(4) of Act 169 consequential to the introduction of the self-assessment system. The proposed amendment provides that a return under Act 169 shall be furnished in an electronic medium or by way of electronic transmission.

*Paragraph 11(b)* seeks to introduce a new subsection (6A) into section 13 of Act 169 consequential to the introduction of the self-assessment system. The proposed amendment provides that a notification referred to in subsection 13(6) of Act 169 shall be furnished in an electronic medium or by way of electronic transmission in accordance with subsection 13(6A) of Act 169.

*Paragraph 11(c)* seeks to substitute subsection 13(7) of Act 169 to provide that the notification referred to in subsection 13(6) of Act 169 shall be deemed to have been served on the acquirer on the day the return and the notification are furnished to the Director General in accordance with subsection 13(6A) of Act 169.

9. *Clause 14* seeks to substitute section 21A of Act 169 consequential to the introduction of the self-assessment system. With this amendment, the Director General is required to notify the disposer in a certificate of non-chargeability in an electronic medium or by way of electronic transmission if the Director General is satisfied that no chargeable gain has arisen.

*Clause 14* further seeks to provide that the certificate shall be deemed to have been notified to the disposer on the day a return under section 13 of Act 169 is furnished to the Director General.

10. *Clause 15* seeks to amend subsection 21B(5) of Act 169 consequential to the amendment to section 13 of Act 169. This proposed amendment provides that section 21B of Act 169 does not apply in circumstances where a notification has been served on the acquirer under section 13 of Act 169 within sixty days after the date of disposal.

11. *Clause 16* seeks to introduce a new subsection 29(2A) into Act 169 to empower the court to make a further order to require a person to comply with subsection 13(1) or 13(5) of Act 169 after the person is convicted of an offence for failure to comply with the relevant provision of Act 169 under which the offence has been committed.

12. *Clause 17* seeks to introduce a new subsection 36(2) into Act 169 to empower the court to make a further order to require a person to comply with the requirements under section 27 or subsection 13(2), 13(3) or 28(3) of Act 169 after the person is convicted of an offence for failure to comply with the relevant provision of Act 169 under which the offence has been committed.

13. *Clause 18* seeks to substitute subsection 57A(1) of Act 169 to empower the Director General to require a person to furnish any prescribed form in an electronic medium or by way of electronic transmission.

14. *Clause 19* seeks to amend subparagraph 9(1) of Schedule 3 to Act 169 in particular in paragraph (c) of the proviso to provide that a person shall furnish the prescribed form in an electronic medium or by way of electronic transmission to the Director General. Currently, the prescribed form shall be furnished manually to the Director General.

## AMENDMENTS TO THE STAMP ACT 1949

Part IV of this Bill seeks to amend the Stamp Act 1949, which among others, to introduce self-assessment system for stamp duty.

15. *Clause 21* seeks to amend section 3A of Act 378 consequential to the introduction of the self-assessment system for stamp duty.

*Paragraph 21(a)* seeks to substitute subsection 3A(1) of Act 378 to empower the Collector to require any person to deliver to the Collector for examination or attend personally before the Collector and produce for examination any instrument, book, account, record or other document for the purpose of ascertaining whether an instrument is chargeable with duty under Act 378 or whether such duty has been paid.

*Paragraphs 21(b) and (d)* seek to amend subsections 3A(2) and (3) of Act 378 consequential to the amendment to subsection 3A(1).

*Paragraph 21(c)* seeks to introduce new subsections 3A(2A) and (2B) into Act 378. The proposed new subsection 3A(2A) seeks to empower the Collector, while entering any land, building and place, to search and inspect any such instrument, book, account, record, document, object, article, material or thing, and to make extracts from, or copies of, any such instrument, book, account, record, document, object, article, material or thing without fee or consideration.

The proposed new subsection 3A(2B) further imposes obligations on the owner or occupier of such land, building or place to provide reasonable facilities and assistance to the Collector.

*Paragraph 21(e)* seeks to introduce a new subsection 3A(3A) into Act 378 to provide that the Collector may give a notice in writing to any person to furnish a translation in the national language of the instruments, books, accounts, records or other documents in relation to the determination of the duty payable. For East Malaysia, the translation may be required to be done in the national language or English language.

*Paragraph 21(f)* seeks to substitute subsection 3A(5) of Act 378 to provide for an offence among others, an obstruction or refusal of entry into any land, building or place, refusal to produce any instrument, book, account, record or other document and failure to provide reasonable facilities or assistance to the Collector for the purposes to ascertain duty payable. The proposed amendment also seeks to increase the maximum fine from two hundred and fifty ringgit to ten thousand ringgit.

16. *Clauses 22, 25, 26 and 27* seek to amend sections 12A, 17, 20 and 20B of Act 378 to introduce the reference to subitem 32(aa) into those sections. Subitem 32(aa) was introduced into the First Schedule to Act 378 through the Finance (No. 2) Act 2023 [Act 851].

17. *Clause 23* seeks to substitute paragraph (a) of the proviso to subsection 15(1) of Act 378 consequential to the introduction of the self-assessment system for stamp duty. This provision requires a return to be furnished together with an instrument in relation to reconstruction or amalgamation of a company in an electronic medium for assessment of duty.

18. *Clause 24* seeks to substitute for the proviso to subsection 15A(1) of Act 378 consequential to the introduction of the self-assessment system for stamp duty. This provision requires a return to be furnished together with an instrument in relation to transfer of property between associated company in an electronic medium for assessment of duty.

19. *Clause 28* seeks to introduce new sections 35A and 35B into Act 378.

The proposed new section 35A seeks to require every person, other than an authorized person under section 9, to furnish a return in respect of an instrument executed and chargeable with duty to the Collector using a prescribed form through an electronic medium.

The proposed new section 35B seeks to require every person to keep the instrument and the relevant documents in relation to the instrument for a period of seven years from the date the duty is paid consequential to the introduction of the self-assessment system for stamp duty.

20. *Clause 29* seeks to amend section 36 of Act 378 consequential to the introduction of the self-assessment system for stamp duty.

*Paragraph 29(b)* seeks to substitute subsection 36(1) of Act 378. Paragraph 36(1)(a) of Act 378 provides that the furnishing of a return in a prescribed form together with an instrument as determined by the Collector shall be deemed to be an assessment made by the Collector. Paragraph 36(1)(b) of Act 378 maintains the Collector's power to assess the duty on instruments according to his judgment.

*Paragraph 29(c)* seeks to introduce a new subsection 36(1A) into Act 378 to provide that the Collector may determine the instrument falling under paragraph 36(1)(a) of Act 378 in any manner as the Collector thinks fit.

*Paragraph 29(d)* seeks to substitute subsection 36(2) of Act 378 to provide that the assessment made under paragraph 36(1)(a) of Act 378 shall be deemed to be an assessment and the duty payable for the instrument shall be due and payable on the day the Collector is deemed to have made the assessment.

*Paragraph 29(e)* seeks to introduce a new subsection 36(2A) into Act 378 to empower the Collector to require for any abstract of instrument, affidavit or other evidence for the purposes of paragraph 36(1)(b) of Act 378.

21. *Clause 30* seeks to amend section 37 of Act 378 to provide for indorsement by the Collector on an instrument furnished together with a return in an electronic medium for an assessment of duty under section 36, 36A, 36AA, 36B or 36CA of Act 378.

22. *Clause 31* seeks to amend section 40 of Act 378 consequential to the amendment to section 36 of Act 378.

23. *Clause 32* seeks to amend subsection 42(2) of Act 378 to provide that a return shall be furnished to the Collector together with an instrument specified in subsection 42(2) of Act 378 in an electronic medium for assessment of duty. Currently, such instrument shall be brought personally to the Collector for assessment of duty.

24. *Clause 33* seeks to amend section 43 of Act 378 to provide that a return shall be furnished to the Collector together with an instrument being a cheque or promissory note drawn or made out of Malaysia in an electronic medium for assessment of duty. Currently, such instrument shall be brought personally to the Collector for assessment of duty.

25. *Clauses 34, 36, 37 and 38* seek to amend section 49, paragraph (a) of the proviso to subsection 52(1), section 53 and subsection 63(2) of Act 378 to delete the reference to section 43 of Act 378 following the amendment made through the Finance (No. 2) Act 2023.

26. *Clause 35* seeks to introduce a new section 50B into Act 378 to allow the duty payer who has paid excessive stamp duty to apply in writing to the Collector for a relief by reason of an error or mistake made by the duty payer within the time specified in that section consequential to the introduction of the self-assessment system for stamp duty.

27. *Clause 39* seeks to introduce new sections 72B, 72C and 72D into Act 378 consequential to the introduction of the self-assessment system for stamp duty.

The proposed new section 72B provides for an offence and penalty for the failure to keep books, records and documents in accordance with subsection 9(7) of Act 378, to notify the Collector as required under subsection 15(6A) or 15A(6) of Act 378 or to keep the instrument and other relevant documents as required under section 35B of Act 378 which provides for a fine not exceeding ten thousand ringgit.

The proposed new subsection 72C(1) provides for an offence in relation to the failure to furnish a return together with an instrument which has been executed and chargeable with duty, in accordance with section 35A of Act 378 without reasonable excuse.

The proposed new subsection 72C(2) seeks to empower the court to make a further order to require a person to comply with the relevant provisions of Act 378 after the person is convicted of an offence for failure to comply with the relevant provisions of Act 378.

The proposed new subsection 72c(3) seeks to provide that the Collector may require the duty payer to pay a penalty if no prosecution is instituted in relation to an offence under the proposed new subsection 72c(1).

The proposed new subsection 72d(1) provides for an offence against any person who furnishes an incorrect return or gives incorrect information under Act 378.

The proposed new subsection 72d(2) provides that the Collector may require the duty payer to pay a penalty equal to the undercharged duty as a consequence of the incorrect return or information.

28. *Clause 40* seeks to amend section 74 of Act 378 to increase the penalty for the offence involving any fraudulent act with the intention to defraud the Government of duty from a fine of five thousand ringgit to a fine of not less than one thousand ringgit and not more than twenty thousand ringgit.

29. *Clause 41* seeks to introduce a new section 76A into Act 378 to provide that any person exercising the right of access or the right to take possession of any instrument, book, account, record, document, object, article, material or thing specified under section 3A of Act 378 shall carry with him a warrant in a prescribed form issued by the Collector.

30. *Clause 42* seeks to introduce a new section 77D into Act 378 to empower the Collector to prescribe forms required for the purposes of Act 378 consequential to the introduction of the self-assessment system for stamp duty.

AMENDMENTS TO THE PETROLEUM (INCOME TAX) ACT 1967

Part V of this Bill seeks to amend the Petroleum (Income Tax) Act 1967.

31. *Clause 44* seeks to amend subsection 34B(7) of Act 543 to provide that the period for any person to issue a substitute electronic invoice is within the period of seventy-two hours from the time of issuance of a defective electronic invoice replacing the current three days requirement.

32. *Clause 45* seeks to amend paragraph 10 of the Third Schedule to Act 543 to provide that an appellant may only rely on the grounds of appeal other than those stated in the petition of appeal and vary any grounds of appeal so stated if the appellant gives a notice in respect thereof in writing to the Special Commissioners of Income Tax and the Director General within the period of six months from the date the appellant receives the notice under subsection 46(1) of Act 543 from the Director General.

## AMENDMENT TO THE WINDFALL PROFIT LEVY ACT 1998

Part VI of this Bill seeks to amend the Windfall Profit Levy Act 1998.

33. *Clause 47* seeks to introduce a new section 27A into Act 592 to allow the Director General to provide an electronic service to any registered user for the filing or furnishing of any application, return, declaration or any other document, and the service of any notice, direction, order, permit, receipt or any other document.

## AMENDMENTS TO THE SALES TAX ACT 2018

Part VII of this Bill seeks to amend the Sales Tax Act 2018.

34. *Clause 49* seeks to amend subsection 26(2) of Act 806 to allow the registered manufacturer whose taxable period has been varied to furnish a return not later than the last day of the month following the end of the varied taxable period.

35. *Clause 50* seeks to amend subsections 27(5) and (6) of Act 806 to empower the Director General to make assessment against any person who controls any taxable goods or imports any taxable goods.

36. *Clause 51* seeks to amend the Schedule to Act 806, relating to section 25, to provide that the first taxable period of a taxable person who sells low value goods and is registered under Act 806 is two months after the end of the month the taxable person is registered and the subsequent taxable period is three months.

## AMENDMENT TO THE SERVICE TAX ACT 2018

Part VIII of this Bill seeks to amend the Service Tax Act 2018.

37. *Clause 53* seeks to amend subsection 26(2) of Act 807 to allow the registered person whose taxable period has been varied to furnish a return not later than the last day of the month following the end of the varied taxable period.

## GENERAL

38. Other amendments not specifically dealt with in this Explanatory Statement are minor or consequential in nature.

*FINANCIAL IMPLICATIONS*

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