MEASURES FOR THE COLLECTION, ADMINISTRATION AND ENFORCEMENT OF TAX BILL 2026

ARRANGEMENT OF CLAUSES

PART I

PRELIMINARY

Clause

1. Short title
2. Amendment of Acts

PART II

AMENDMENTS TO THE INCOME TAX ACT 1967

3. Commencement of amendments to the Income Tax Act 1967
4. Amendment of section 77B
5. Amendment of section 82C
6. Amendment of section 107B
7. Amendment of section 119B
8. Amendment of section 138
9. Amendment of section 145
10. Amendment of section 202
11. Amendment of Schedule 3

PART III

AMENDMENTS TO THE REAL PROPERTY GAINS TAX ACT 1976

12. Commencement of amendments to the Real Property Gains Tax Act 1976
13. Amendment of section 2
14. Amendment of section 13A
15. Amendment of section 24
16. Amendment of section 27

Clause

17. Amendment of section 46

18. Amendment of section 47

19. Amendment of section 53

PART IV

AMENDMENTS TO THE STAMP ACT 1949

20. Commencement of amendments to the Stamp Act 1949

21. Amendment of section 4A

22. Amendment of section 7

23. Amendment of section 12A

24. Amendment of section 22

25. Substitution of section 33

26. Amendment of section 35

27. Amendment of section 35A

28. New section 35D

29. New section 36E

30. Amendment of section 37

31. Amendment of section 47A

32. New section 50C

33. Amendment of section 57

34. Amendment of section 77A

PART V

AMENDMENTS TO THE LABUAN BUSINESS ACTIVITY TAX ACT 1990

35. Commencement of amendments to the Labuan Business Activity Tax Act 1990

36. Amendment of section 6B

37. Amendment of section 22

38. Amendment of section 22DA

39. New section 23D

40. Substitution of section 27

PART VI

AMENDMENTS TO THE PETROLEUM (INCOME TAX) ACT 1967

Clause

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

42. Amendment of section 30B

43. Amendment of section 49A

44. Amendment of section 71

45. Amendment of section 76

PART VII

AMENDMENTS TO THE CUSTOMS ACT 1967

46. Commencement of amendments to the Customs Act 1967

47. Amendment of section 103

48. New section 145E

PART VIII

AMENDMENTS TO THE EXCISE ACT 1976

49. Commencement of amendments to the Excise Act 1976

50. Amendment of section 42A

51. New section 44AC

A BILL

intituled

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 Labuan Business Activity Tax Act 1990, the Petroleum (Income Tax) Act 1967, the Customs Act 1967 and the Excise Act 1976.

[ ]

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 2026.

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 Labuan Business Activity Tax Act 1990 [*Act 445*], the Petroleum (Income Tax) Act 1967 [*Act 543*], the Customs Act 1967 [*Act 235*] and the Excise Act 1976 [*Act 176*] 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, 5, 7, 8, 9, 10 and 11 come into operation on 1 January 2027.

(2) Section 6 has effect for the year of assessment 2028 and subsequent years of assessment.

Amendment of section 77B

4. The Income Tax Act 1967, which is referred to as the "principal Act" in this Part, is amended in section 77B by inserting after subsection (6) the following subsection:

> "(7) Notwithstanding subsections (1), (3) and (4), where the amount of tax or additional tax payable under subsection (1) is increased by a sum under subsection (4), the Director General may, in his discretion for any good cause shown, remit the whole or any part of the sum and where the amount remitted has been paid, the Director General shall repay such amount.".

Amendment of section 82C

5. Paragraph 82C(6)*(b)* of the principal Act is amended by inserting after the words "commerce platform" the words ", whether in Malaysia or outside Malaysia,".

Amendment of section 107B

6. Section 107B of the principal Act is amended by inserting after subsection (2) the following subsection:

> "(2A) For the purposes of subsection (2), the person shall make the application to vary the amount to be paid under subsection (2) by an electronic medium or by way of electronic transmission in accordance with section 152A.".

Amendment of section 119B

7. Section 119B of the principal Act is amended by inserting after subsection (3) the following subsection:

"(4) Where—

(a) a person fails to comply 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 and where such arrangement relates to the automatic exchange of information or the furnishing of a country-by-country report; and

(b) no prosecution under subsection (1) has been instituted in respect of the failure to comply with such rules,

the Director General may by notice in writing require the person to pay a penalty of not less than twenty thousand ringgit and not more than one hundred thousand ringgit and, if such person pays the 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 138

8. Subsection 138(5) of the principal Act is amended in the definition of "classified person"—

(a) in paragraph *(a)*, by inserting after the word "official" the words "whether during or after his employment"; and

(b) in paragraph *(d)*, by inserting after the word "Malaysia" the words "whether during or after his employment".

Amendment of section 145

9. Subsection 145(1) of the principal Act is amended—

(a) in subsection (1), by substituting for the words "personally or by ordinary or registered post" the words "personally, by ordinary post, by registered post or by an electronic medium or by way of electronic transmission"; and

(b) by inserting after subsection (2) the following subsection:

"(2A) A notice relating to tax which is sent by an electronic medium or by way of electronic transmission shall be deemed to have been served on the person, including a partnership, when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.".

Amendment of section 202

10. Section 202 of the principal Act is amended by inserting after subsection (1) the following subsection:

"(1A) Notwithstanding subsection (1), where in a Financial Year a Constituent Entity is a member of two or more Multinational Enterprise Group, the Constituent Entity shall furnish its Top-up Tax return—

(a) in the case of Multinational Enterprise Groups having the same Financial Year, not later than fifteen months from the last day of the Financial Year; or

(b) in the case of Multinational Enterprise Groups having different Financial Year, not later than fifteen months after the last day of the later Financial Year.".

Amendment of Schedule 3

11. Paragraph 13A of Schedule 3 to the principal Act is amended by substituting for the words "2B or 2C" the words "2C or 2CA".

PART III

AMENDMENTS TO THE REAL PROPERTY GAINS TAX ACT 1976

Commencement of amendments to the Real Property Gains Tax Act 1976

12. (1) Sections 13, 14, 16, 17, 18 and 19 come into operation on 1 January 2027.

(2) Section 15 has effect for the year of assessment 2027 and subsequent years of assessment.

Amendment of section 2

13. The Real Property Gains Tax Act 1976, which is referred to as the "principal Act" in this Part, is amended in the English language text in subsection 2(1) by deleting the definition of "chargeable person".

Amendment of section 13A

14. Section 13A of the principal Act is amended by inserting after subsection (6) the following subsection:

> "(7) Notwithstanding subsections (1), (3) and (4), where the amount of tax or additional tax payable under subsection (1) is increased by a sum under subsection (4), the Director General may, in his discretion for any good cause shown, remit the whole or any part of the sum and where the amount remitted has been paid, the Director General shall repay such amount.".

Amendment of section 24

15. Section 24 of the principal Act is amended by inserting after subsection (1) the following subsection:

"(1A) For the purposes of subsection (1), where a person has furnished a return in accordance with subsection 13(1) to the Director General for a year of assessment and the person has paid tax in excess of the amount payable—

(a) the return shall be deemed to be a notification relating to the excess amount specified in subsection (1) by the Director General; and

(b) the person is deemed to have been notified of the excess amount on the day the return is furnished.".

Amendment of section 27

16. Subsection 27(1) of the principal Act is amended by inserting after the words "The Director General may" the words "require any person to give orally or may".

Amendment of section 46

17. Subsection 46(1) of the principal Act is amended—

(a) in the national language text, by substituting for the words "hak untuk memasuki semua tanah, bangunan dan tempat lain dan untuk melihat semua buku dan dokumen lain atau hak untuk mengambil milik buku dan dokumen yang diberi" the words "hak yang diberikan"; and

(b) in the English language text, by substituting for the words "right of access or the right to take possession" the words "rights".

Amendment of section 47

18. Subsection 47(5) of the principal Act is amended in the definition of "classified person"—

(a) in paragraph *(a)*, by inserting after the word "official" the words "whether during or after his employment"; and

(b) in paragraph *(e)*, by inserting after the word "Malaysia" the words "whether during or after his employment.".

Amendment of section 53

19. Section 53 of the principal Act is amended—

(a) in subsection (1), by substituting for the words "personally or by ordinary or registered post" the words "personally, by ordinary post, by registered post or by an electronic medium or by way of electronic transmission"; and

(b) by inserting after subsection (2) the following subsection:

"(2A) A notice relating to tax which is sent by an electronic medium or by way of electronic transmission shall be deemed to have been served on the person when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.".

PART IV

AMENDMENTS TO THE STAMP ACT 1949

Commencement of amendments to the Stamp Act 1949

20. (1) Sections 21, 22, 24, 28, 29, 30, 31, 32, 33 and 34 come into operation on 1 January 2027.

(2) Sections 23, 25, 26 and 27 come into operation on 1 July 2027.

Amendment of section 4A

21. The Stamp Act 1949, which is referred to as the "principal Act" in this Part, is amended in subsection 4A(2) by substituting for the words "bears a stamp, duly cancelled" the words "is duly stamped".

Amendment of section 7

22. Subsection 7(1) of the principal Act is amended by substituting for the words "paragraph 82*(b)*" the words "section 82".

Amendment of section 12A

23. Section 12A of the principal Act is amended by substituting for the words "duty under Item 32*(a)*, *(aa)* or *(ab)*" the words "*ad valorem* duty calculated at the rates specified in Item 1 of Part I".

Amendment of section 22

24. Section 22 of the principal Act is amended by deleting the words "warrant of attorney,".

Substitution of section 33

25. The principal Act is amended by substituting for section 33 the following section:

"**Duty by whom payable**

33. The expense of providing the proper stamp duty shall be borne, in the case of the instruments described in column (2) of Part I, Part II, Part III, Part IV and Part V of the First Schedule, by the person mentioned in column (4) of the First Schedule.".

Amendment of section 35

26. Section 35 of the principal Act is amended—

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

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

"(2) Notwithstanding subsection (1), the Collector shall verify any instrument exempted under the General Exemptions in the First Schedule which is furnished to the Collector pursuant to paragraph 35A(1)*(b)* is duly exempted and shall not be chargeable with duty.".

Amendment of section 35A

27. Section 35A of the principal Act is amended—

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

"(1) Every person, other than an authorized person under section 9, shall furnish a return in the prescribed form to the Collector, by an electronic medium in accordance with section 77A, together with—

(a) an instrument which is executed and chargeable with duty; or

(b) an instrument appearing under the heading of "General Exemptions" in the First Schedule."; and

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

"(1A) Paragraph (1)*(a)* shall not apply to an instrument falling under "Exemption" to Part I, Items 1*(a)*(iii), 3 and 4 of Part II, Part III, Item 1 of Part IV and Items 1, 2, 5 and 16*(a)* of Part V of the First Schedule.".

New section 35D

28. The principal Act is amended by inserting before Part V the following section:

"**Discharge of assessment**

35D. Where two or more assessments have been made in respect of the same instrument chargeable with duty under this Act, the Collector may discharge such assessment as needed to be discharged in order to ensure that the proper amount of duty is charged on the instrument.".

New section 36E

29. The principal Act is amended by inserting after section 36D the following section:

"**Service of notices**

36E. (1) Subject to any express provision of this Act, for the purposes of this Act, a notice may be served—

(a) personally;

(b) by ordinary post;

(c) by registered post; or

(d) by an electronic medium or by way of electronic transmission.

(2) A notice relating to duty which is sent by ordinary or registered post shall be deemed to have been served on the person liable to pay duty to whom it is addressed on the day succeeding the day on which the notice would have been received in the ordinary course of post if it is addressed—

(a) in the case of a company, partnership or body of persons—

(i) to its registered office whether situated in or outside Malaysia;

(ii) to the principal place of business or other activity of the company, partnership or body whether situated in or outside Malaysia;

(iii) to its last known address; or

(iv) to any person authorized to accept service of process by or under any law where the company, partnership or body is incorporated, registered or established; and

(b) in the case of an individual—

(i) to his last known address; or

(ii) to any person authorized to accept service of process on behalf of such individual.

(3) A notice relating to duty which is sent by an electronic medium or by way of electronic transmission shall be deemed to have been served on the person, including a partnership, when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Collector.".

Amendment of section 37

30. Section 37 of the principal Act is amended by substituting for subsection (5) the following subsection:

"(5) This section shall only apply to instrument where—

(a) indorsement is required to be made on such instrument pursuant to any written law; or

(b) the instrument appears under the heading of "General Exemptions" in the First Schedule.".

Amendment of section 47A

31. Paragraph 47A(1)*(a)* of the principal Act is amended by substituting for the words "three months" the words "ninety days".

New section 50C

32. The principal Act is amended by inserting after section 50B the following section:

"**Errors and defects in assessments, notices and other documents**

50C. (1) No assessment, notice or other document purporting to be made or issued under this Act shall be quashed or deemed to be void or voidable for want of form, or be affected by reason of any mistake, defect or omission, if the assessment, notice or other document is in substance and effect in conformity with, or according to the intent and meaning of this Act and if the person assessed or affected and the instrument to which the assessment, notice or other document relates are designated according to common intent and understanding.

(2) An assessment purporting to be made or issued for the purposes of this Act shall not be impeached or affected by reason of any mistake as to—

(a) the name or description of the person liable to pay the duty;

(b) the description or particulars of the instrument;

(c) the consideration, value or amount on which the duty is assessed; or

(d) the amount of duty assessed,

and a notice of assessment purporting to be so made or issued shall not be impeached or affected by any such mistake if it is served on the person liable to pay duty in respect of whom the assessment was made or intended to be made or served in accordance with subparagraph 36E(2)*(a)*(iv) or 2*(b)*(ii), and contains in substance and effect the particulars contained in the assessment.

(3) Notwithstanding subsection (2), if the amount of duty assessed by the Collector has been incorrectly calculated by reference to the amount chargeable to duty and the appropriate rate of duty applicable to such amount chargeable to duty, the amount of duty assessed as shown in the assessment and the notice of assessment may, if the Collector so directs, be taken to be the amount of duty which ought to have been assessed if it had been correctly calculated.

(4) A notice of duty payable purporting to be issued for the purposes of this Act shall not be impeached by reason of a mistake in such notice as to the name of the person liable to pay the duty if the notice is served on that person.".

Amendment of section 57

33. Section 57 of the principal Act is amended in the proviso in paragraph *(aa)* by substituting for the words "two months" the words "sixty days".

Amendment of section 77A

34. Subsection 77A(1) of the principal Act is amended—

(a) in paragraph *(e)*, by deleting the word "or" at the end of the paragraph;

(b) in paragraph *(f)*, by substituting for the words "section 57, 58 or 80B, or subsection 21(7), 39(4), 50B(2) or 80(3) applies." the words "section 15, 15A, 57, 58 or 80B, or subsection 21(7), 36C(2), 39(4), 50B(2) or 80(3) applies; or"; and

(c) by inserting after paragraph *(f)* the following paragraph:

"*(g)* to make an application for—

(i) an extension of time for the payment of duty;

(ii) the remission of any penalty;

(iii) a replicate of an instrument and indorsement of such replicate; or

(iv) the discharge of an assessment in relation to an instrument.".

PART V

AMENDMENTS TO THE LABUAN BUSINESS ACTIVITY TAX ACT 1990

Commencement of amendments to the Labuan Business Activity Tax Act 1990

35. This Part comes into operation on 1 January 2027.

Amendment of section 6B

36. The Labuan Business Activity Tax Act 1990, which is referred to as the "principal Act" in this Part, is amended in section 6B—

(a) in subsection (1), by substituting for the words "personally or by ordinary or registered post" the words "personally, by ordinary post, by registered post or by an electronic medium or by way of electronic transmission";

(b) in subsection (2), by substituting for the words "personally or by ordinary or registered post" the words "personally, by ordinary post, by registered post or by an electronic medium or by way of electronic transmission"; and

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

"(2A) A notice relating to tax which is sent by an electronic medium or by way of electronic transmission under subsection (1) or (2) shall be deemed to have been served on the Labuan entity when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.".

Amendment of section 22

37. Subsection 22(1) of the principal Act is amended by inserting after the words "Director General" the words "may require any person to give orally or".

Amendment of section 22DA

38. Paragraph 22DA(6)*(b)* of the principal Act is amended by inserting after the words "electronic commerce platform" the words ", whether in Malaysia or outside Malaysia,".

New section 23D

39. The principal Act is amended by inserting after section 23C the following section:

"**Obstruction of officers**

23D. Any person who—

(a) obstructs or refuses to permit the entry of the Director General or an authorized officer into any land, building or place in pursuance of section 22D;

(b) obstructs the Director General or an authorized officer in the exercise of his functions under this Act;

(c) refuses to produce any book, document, object, article, material and thing in his custody or under his control upon being required to do so by the Director General or an authorized officer for the purposes of this Act;

(d) fails to provide reasonable facilities or assistance or both to the Director General or an authorized officer in the exercise of his powers under this Act; or

(e) refuses to answer any question relating to any of those purposes lawfully asked of him by the Director General or an authorized officer,

shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than twenty thousand ringgit and not exceeding one million ringgit or to imprisonment for a term not exceeding two years or to both.".

Substitution of section 27

40. The principal Act is amended by substituting for section 27 the following section:

"**Service of document**

27. Any document required to be served on a Labuan entity for the purposes of this Act shall be deemed to be properly served on the Labuan entity—

(a) by leaving it at the registered office of the Labuan entity;

(b) by sending it by ordinary post to the registered office of the Labuan entity; or

(c) by serving it on an electronic medium or by way of electronic transmission and a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.".

PART VI

AMENDMENTS TO THE PETROLEUM (INCOME TAX) ACT 1967

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

41. (1) Sections 42, 44 and 45 come into operation on 1 January 2027.

(2) Section 43 has effect for the year of assessment 2028 and subsequent years of assessment.

Amendment of section 30B

42. The Petroleum (Income Tax) Act 1967, which is referred to as the "principal Act" in this Part, is amended in section 30B by inserting after subsection (6) the following subsection:

"(7) Notwithstanding subsections (1), (3) and (4), where the amount of tax or additional tax payable under subsection (1) is increased by a sum under subsection (4), the Director General may, in his discretion for any good cause shown, remit the whole or any part of the sum and where the amount remitted has been paid, the Director General shall repay such amount.".

Amendment of section 49A

43. Section 49A of the principal Act is amended by inserting after subsection (7) the following subsection:

"(7A) For the purposes of subsections (1) and (7), every chargeable person shall furnish to the Director General the estimate or revised estimate of his tax payable on an electronic medium or by way of electronic transmission in accordance with section 82A.".

Amendment of section 71

44. Subsection 71(5) of the principal Act is amended in the definition of "classified person"—

(a) in paragraph *(a)*, by inserting after the word "official" the words "whether during or after his employment"; and

(b) in paragraph *(d)*, by inserting after the word "Malaysia" the words "whether during or after his employment".

Amendment of section 76

45. Section 76 of the principal Act is amended—

(a) in subsection (1), by substituting for the words "personally or by ordinary or registered post" the words "personally, by ordinary post, by registered post or by an electronic medium or by way of electronic transmission"; and

(b) by inserting after subsection (2) the following subsection:

"(2A) A notice relating to tax which is sent by an electronic medium or by way of electronic transmission shall be deemed to have been served on the person when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.".

PART VII

AMENDMENTS TO THE CUSTOMS ACT 1967

Commencement of amendments to the Customs Act 1967

46. This Part comes into operation on 1 January 2027.

Amendment of section 103

47. The Customs Act 1967, which is referred to as the "principal Act" in this Part, is amended in section 103—

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

"**Declaration of goods by person arriving in Malaysia or intending to leave Malaysia**"; and

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

"(1) Every person arriving in Malaysia or intending to leave Malaysia shall declare to a proper officer of customs any goods in his possession, either on his person or in any baggage or in any vehicle, in the manner as determined by the Minister.".

New section 145E

48. The principal Act is amended by inserting after section 145D the following section:

"**Use of electronic service**

145E. (1) Notwithstanding any other provision of this Act and subject to the regulations made under this Act, the Director General may provide an electronic service to any person for—

(a) the furnishing of any declaration or any other document; and

(b) the service of any notice, direction, order, permit, receipt or any other document.

(2) Where a declaration is made and transmitted to the Director General, the Director General shall not be liable for any loss or damage—

(a) suffered by any person by reason of any error or omission of whatever nature or howsoever arising that appears in any electronic document obtained by any person under the electronic service if 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

(b) 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 electronic service.

(3) Any declaration made and transmitted by any person under subsection (1) shall be deemed to have been submitted or served at the time the declaration is received by the Director General.".

PART VIII

AMENDMENTS TO THE EXCISE ACT 1976

Commencement of amendments to the Excise Act 1976

49. This Part comes into operation on 1 January 2027.

Amendment of section 42A

50. The Excise Act 1976, which is referred to as the "principal Act" in this Part, is amended in section 42A—

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

"**Declaration of goods by person arriving in Malaysia or intending to leave Malaysia**"; and

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

"(1) Every person arriving in Malaysia or intending to leave Malaysia shall declare to a proper officer any goods in his possession, either on his person or in any baggage or in any vehicle, in the manner as determined by the Minister.".

New section 44AC

51. The principal Act is amended by inserting after section 44AB the following section:

"**Use of electronic service**

44AC. (1) Notwithstanding any other provision of this Act and subject to the regulations made under this Act, the Director General may provide an electronic service to any person for—

(a) the furnishing of any declaration or any other document; and

(b) the service of any notice, direction, order, permit, receipt or any other document.

(2) Where a declaration is made and transmitted to the Director General, the Director General shall not be liable for any loss or damage—

(a) suffered by any person by reason of any error or omission of whatever nature or howsoever arising that appears in any electronic document obtained by any person under the electronic service if 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

(b) 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 electronic service.

(3) Any declaration made and transmitted by any person under subsection (1) shall be deemed to have been submitted or served at the time the declaration is received by the Director General.".

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 Labuan Business Activity Tax Act 1990 ("Act 445"), the Petroleum (Income Tax) Act 1967 ("Act 543"), the Customs Act 1967 ("Act 235") and the Excise Act 1976 ("Act 176").

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 a new subsection (7) into section 77B of Act 53 to allow the Director General to remit the whole or any part of the increased sums under section 77B of Act 53.

This amendment comes into operation on 1 January 2027.

3. *Clause 5* seeks to amend paragraph 82C(6)*(b)* of Act 53 to require an electronic commerce platform provider whether in Malaysia or outside Malaysia in respect of any goods sold or services performed by any other person to issue a self-billed invoice in accordance with the conditions as may be imposed by Director General.

This amendment comes into operation on 1 January 2027.

4. *Clause 6* seeks to introduce a new subsection (2A) into section 107B of Act 53 to require an application under subsection 107B(2) for a variation of instalment payments to be furnished by an electronic medium or by way of electronic transmission in accordance with section 152A of Act 53.

This amendment has effect for the year of assessment 2028 and subsequent years of assessment.

5. *Clause 7* seeks to introduce a new subsection (4) into section 119B of Act 53 to empower the Director General to impose a penalty, if no prosecution is instituted, for non-compliance with rules made under paragraph 154(1)*(c)* of Act 53 relating to the automatic exchange of information and the furnishing of a country-by-country report.

This amendment comes into operation on 1 January 2027.

6. *Clause 8* seeks to amend subsection 138(5) of Act 53 in the definition of "classified person" to expand the interpretation of officials and employee of the Inland Revenue Board of Malaysia to include officials and employee who is no longer in service with the Inland Revenue Board of Malaysia.

This amendment comes into operation on 1 January 2027.

7. *Clause 9* seeks to amend section 145 of Act 53.

Subclause 9(a) seeks to amend subsection 145(1) of Act 53 to widen the scope of service of notices under Act 53 to include service by an electronic medium or electronic transmission.

Subclause 9(b) seeks to introduce a new subsection (2A) into section 145 of Act 53 to provide that a notice relating to tax which is sent by an electronic medium or by way of electronic transmission shall be deemed to have been duly served on the person when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.

These amendments come into operation on 1 January 2027.

8. *Clause 10* seeks to introduce a new subsection (1A) into section 202 of Act 53 to provide for the due date for a Constituent Entity to furnish its Top-up Tax return where the Constituent Entity is a member of two or more Multinational Enterprise Groups in a Financial Year—

(a) in the case of Multinational Enterprise Groups having the same Financial Year, not later than fifteen months from the last day of the Financial Year; and

(b) in the case of Multinational Enterprise Groups having different Financial Year, not later than fifteen months after the last day of the later Financial Year.

This amendment comes into operation on 1 January 2027.

AMENDMENTS TO THE REAL PROPERTY GAINS TAX ACT 1976

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

9. *Clause 14* seeks to introduce a new subsection (7) into section 13A of Act 169 to allow the Director General to remit the whole or any part of the increased sums under subsection 13A(4) of Act 169.

This amendment comes into operation on 1 January 2027.

10. *Clause 15* seeks to introduce a new subsection (1A) into section 24 of Act 169 to provide that where a disposer has furnished a return for a disposal and there is an excess payment of tax, such return shall be deemed to be a notification under subsection 24(1) and the disposer shall be deemed to have been notified of such excess on the day the return is furnished.

This amendment has effect for the year of assessment 2027 and subsequent years of assessment.

11. *Clause 16* seeks to amend subsection 27(1) of Act 169 to empower the Director General to also require any person to give orally any information in relation to a return made under Act 169.

This amendment comes into operation on 1 January 2027.

12. *Clause 18* seeks to amend subsection 47(5) of Act 169 in the definition of "classified person" to expand the interpretation of official and employee of the Inland Revenue Board of Malaysia to include official and employee who is no longer in service with the Inland Revenue Board of Malaysia.

This amendment comes into operation on 1 January 2027.

13. *Clause 19* seeks to amend section 53 of Act 169.

Subclause 19(a) seeks to amend subsection 53(1) of Act 169 to widen the scope of service of notices under Act 169 to include service by an electronic medium or electronic transmission.

Subclause 19(b) seeks to introduce a new subsection (2A) into section 53 of Act 169 to provide that a notice relating to tax which is sent by an electronic medium or by way of electronic transmission shall be deemed to have been duly served on the person when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.

These amendments come into operation on 1 January 2027.

AMENDMENTS TO THE STAMP ACT 1949

Part IV of this Bill seeks to amend the Stamp Act 1949.

14. *Clause 21* seeks to amend subsection 4A(2) of Act 378 to be in line with current stamping practice where adhesive stamp is no longer in use.

This amendment comes into operation on 1 January 2027.

15. *Clause 22* seeks to amend subsection 7(1) of Act 378 to delete reference to paragraph 82*(b)* as a consequence of the deletion of that paragraph by the Finance Act (No. 2) 2023 [*Act 851*].

This amendment comes into operation on 1 January 2027.

16. *Clauses 23* and *25* seek to amend sections 12A and 33 of Act 378 as a consequence of the substitution of the First Schedule to Act 378 by the Finance Act 2026.

These amendments come into operation on 1 July 2027.

17. *Clause 24* seeks to amend section 22 of Act 378 as a consequence of the substitution of the First Schedule to Act 378 by the Finance Act 2026.

This amendment comes into operation on 1 January 2027.

18. *Clause 26* seeks to amend section 35 of Act 378 to provide that the Collector shall verify the instruments exempted under the "General Exemptions" in the First Schedule after the instrument is furnished to the Collector under subsection 35A(1) of Act 378.

This amendment comes into operation on 1 July 2027.

19. *Clause 27* seeks to amend section 35A of Act 378 to provide that every person, other than authorized person under section 9 of Act 378, shall furnish a return in the prescribed form to the Collector, by an electronic medium together with an instrument appearing under the heading of "General Exemptions" in the First Schedule to Act 378.

This amendment comes into operation on 1 July 2027.

20. *Clause 28* seeks to introduce a new section 35D into Act 378.

The proposed new section 35D seeks to empower the Collector to discharge assessment if two or more assessments have been made in respect of the same instrument.

This amendment comes into operation on 1 January 2027.

21. *Clause 29* seeks to introduce a new section 36E into Act 378 to provide for the mode of service of notices under Act 378. The proposed new section 36E allows the notice to be served personally, by ordinary post, by registered post or by an electronic medium or by way of electronic transmission.

This amendment comes into operation on 1 January 2027.

22. *Clause 30* seeks to amend subsection 37(5) of Act 378 to provide that the certification by indorsement of the Collector is applicable to the instrument appearing under the heading of "General Exemptions" in the First Schedule to Act 378.

This amendment comes into operation on 1 January 2027.

23. *Clause 31* seeks to amend paragraph 47A(1)*(a)* of Act 378 to provide for the calculations of penalty based on the number of days.

This amendment comes into operation on 1 January 2027.

24. *Clause 32* seeks to introduce a new section 50C into Act 378 to provide that an assessment, notice or other document issued under Act 378 shall not be rendered invalid by reason of any error, defect, omission or want of form if it is substantially in conformity with Act 378. The proposed new section also provides for the effect of certain errors in assessments.

This amendment comes into operation on 1 January 2027.

25. *Clause 33* seeks to amend section 57 of Act 378 to provide for the calculations of period to apply for relief to be based on the number of days.

This amendment comes into operation on 1 January 2027.

26. *Clause 34* seeks to amend section 77A of Act 378 to expand the scope of applications which may be made by electronic medium under Act 378 to include an application for refund under section 15, 15A or subsection 36C(2). This *clause* also provides that an application for an extension of time for the payment of duty, the remission of penalty, the replicate and indorsement of an instrument and the discharge of an assessment, to be made by electronic medium.

This amendment comes into operation on 1 January 2027.

AMENDMENTS TO THE LABUAN BUSINESS ACTIVITY TAX ACT 1990

Part V of this Bill seeks to amend the Labuan Business Activity Tax Act 1990.

27. *Clause 36* seeks to amend section 6B of Act 445.

Subclauses 36(a) and *(b)* seek to amend subsections 6B(1) and (2) of Act 445 to widen the scope of service of notice of assesment and service of notice of increased assesment under Act 445 to include service by an electronic medium or electronic transmission.

Subclause 36(c) seeks to introduce a new subsection (2A) into section 6B of Act 445 to provide that a notice relating to tax which is sent by an electronic medium or by way of electronic transmission shall be deemed to have been duly served on the Labuan entity when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.

These amendments come into operation on 1 January 2027.

28. *Clause 37* seeks to amend subsection 22(1) of Act 445 to empower the Director General to require any person to give orally any information or particulars as required under any arrangement referred to in subsection 22A(2) of Act 445.

This amendment comes into operation on 1 January 2027.

29. *Clause 38* seeks to amend paragraph 22DA(6)*(b)* of Act 445 to require an electronic commerce platform provider whether in Malaysia or outside Malaysia in respect of any goods sold or services performed by any other person to issue a self-billed invoice in accordance with the conditions as may be imposed by the Director General.

This amendment comes into operation on 1 January 2027.

30. *Clause 39* seeks to introduce a new section 23D into Act 445 to provide for offences and punishment for offences relating to obstruction of officers.

This amendment comes into operation on 1 January 2027.

31. *Clause 40* seeks to substitute section 27 of Act 445 to widen the scope of service of document to Labuan entity under Act 445 to include service by an electronic medium or electronic transmission. This *clause* also provides that a notice relating to tax which is sent by an electronic medium or by way of electronic transmission shall be deemed to have been duly served on the Labuan entity when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.

This amendment comes into operation on 1 January 2027.

AMENDMENTS TO THE PETROLEUM (INCOME TAX) ACT 1967

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

32. *Clause 42* seeks to introduce a new subsection (7) into section 30B of Act 543 to allow the Director General to remit the whole or any part of the increased sums under subsection 30B(4) of Act 543.

This amendment comes into operation on 1 January 2027.

33. *Clause 43* seeks to introduce a new subsection (7A) into section 49A of Act 543 to require every chargeable person to furnish to the Director General his estimate or revised estimate of his tax payable by way of an electronic medium or electronic transmission in accordance with section 82A of Act 543.

This amendment has effect for the year of assessment 2028 and subsequent years of assessment.

34. *Clause 44* seeks to amend subsection 71(5) of Act 543 in the definition of "classified person" to expand the interpretation of officials and employee of the Inland Revenue Board of Malaysia to include officials and employee who is no longer in service with the Inland Revenue Board of Malaysia.

This amendment comes into operation on 1 January 2027.

35. *Clause 45* seeks to amend section 76 of Act 543.

Subclause 45(a) seeks to amend subsection 76(1) of Act 543 to widen the scope of service of notices under Act 543 to include service by an electronic medium or electronic transmission.

Subclause 45(b) seeks to introduce a new subsection (2A) into section 76 of Act 543 to provide that a notice relating to tax which is sent by an electronic medium or by way of electronic transmission shall be deemed to have been duly served on the chargeable person when a report confirming the delivery of the notice is generated by the designated information processing system as determined by the Director General.

These amendments come into operation on 1 January 2027.

AMENDMENTS TO THE CUSTOMS ACT 1967

Part VII of this Bill seeks to amend the Customs Act 1967.

36. *Clause 47* seeks to amend subsection 103(1) of Act 235 to provide that every person arriving in Malaysia or intending to leave Malaysia shall declare any goods in his possession in the manner as determined by the Minister. This amendment seeks to strengthen customs control on goods brought in or out through any entry and exit points in Malaysia.

37. *Clause 48* seeks to introduce a new section 145E into Act 235 to empower the Director General to provide an electronic service to any person for the furnishing of any declaration or any other document and for the service of notice, direction, order, permit, receipt or any other document. The main purpose of this new section is to facilitate the procedures for the movement of any person carrying any goods through a process of declaration that is more efficient.

AMENDMENTS TO THE EXCISE ACT 1976

Part VIII of this Bill seeks to amend the Excise Act 1976.

38. *Clause 50* seeks to amend subsection 42A(1) of Act 176 to provide that every person arriving in Malaysia or intending to leave Malaysia shall declare any goods in his possession in the manner as determined by the Minister. This amendment seeks to strengthen customs control on goods brought in or out through any entry and exit points in Malaysia.

39. *Clause 51* seeks to introduce a new section 44AC into Act 176 to empower the Director General to provide an electronic service to any person for the furnishing of declaration or any other document and for the service of notice, direction, order, permit, receipt or any other document. The main purpose of this new section is to facilitate the procedures for the movement of any person carrying any goods through a process of declaration that is more efficient.

GENERAL

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

FINANCIAL IMPLICATIONS

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

[PN(U2)3468]