



TaXavvy

Stay current. Be TaXavvy

Issue 5 - 2023 | 7 April 2023

Finance Bill 2023 has been passed at the Dewan Rakyat

The Finance Bill 2023 was passed at the Dewan Rakyat on 3 April 2023. Key changes to the Finance Bill 2023 are:

1. Extension of personal income tax relief for Skim Simpanan Pendidikan Nasional (SSPN) deposits

Following the announcement made on 29 March 2023, the Finance Bill 2023 has incorporated the extension of the personal income tax relief of up to RM8,000 for deposits into the SSPN account to the year of assessment (YA) 2024.

2. Foreign shareholding condition for reduction in income tax rate for MSMEs

Alongside the further reduction in tax rate for MSMEs (i.e. 15% and 17%) is the introduction of the following additional shareholding condition from YA 2024 and consequential amendments:

- a. not more than 20% of the paid up capital of a MSME company or the capital contribution of a MSME LLP, at the beginning of a YA, is owned directly or indirectly by one or more:
 - i. companies incorporated outside of Malaysia, or
 - ii. individuals who are not Malaysian citizens.
- b. Consequential amendments pertaining to “companies incorporated outside of Malaysia” referred to in 2(a)(i) above.

The effective date of item 2(b) pertaining to a MSME LLP has now been amended from YA 2023 to YA 2024 in line with the effective date for the introduction of the foreign shareholding requirement.

Kindly refer to the following issues for a recap on Budget 2023 proposals:

- [TaXavvy Budget 2023 \(Retabled\) Edition](#)
- [TaXavvy Budget 2023 Edition \(Finance Bill 2023\)](#)

Have questions? [Write to us.](#)

During these uncertain times, we are committed to continue serving our clients and staying agile in how we respond to their needs. Please visit bit.ly/pwcmy-notice for more information about COVID-19 safeguards at PwC Malaysia, or write to us at my_info@pwc.com if you have any questions or concerns.



[unsubscribe from all PwC communications](#) | [unsubscribe from this list](#) | [update subscription preference](#) | [subscribe to TaXavy](#)

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2023 PwC. All rights reserved. "PricewaterhouseCoopers" and/or "PwC" refers to the individual members of the PricewaterhouseCoopers organisation in Malaysia, each of which is a separate and independent legal entity. Please see www.pwc.com/structure for further details. Read about our commitment to your privacy [here](#).