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Tax in Motion

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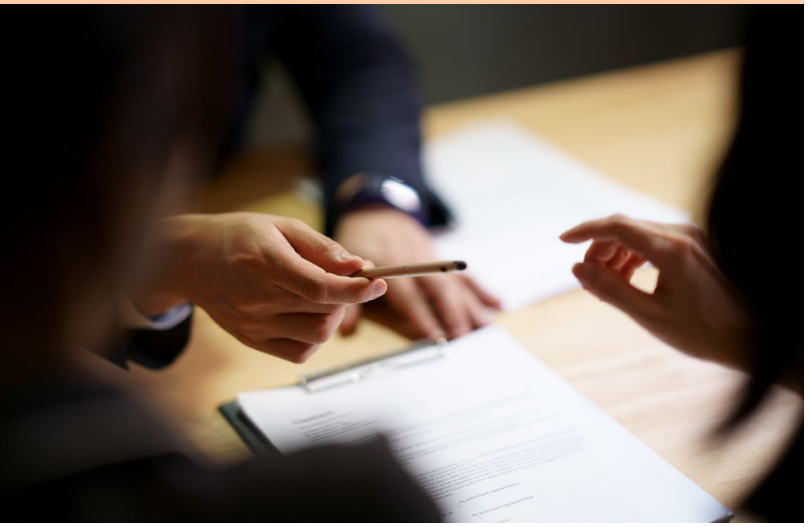
Guidelines on the imposition of stamp duty on service agreements

On 29 September 2026, the Inland Revenue Board (IRB) issued the Guidelines on the Imposition of Stamp Duty on Service Agreements ("the Guidelines") to clarify the duty treatment of service-agreement instruments and the application of the Stamp Duty (Remission) Order 2021.

The Guidelines are available on the IRB's website at hasil.gov.my (Legislation > Guidelines > Technical Guidelines).



Key points from the Guidelines are summarised below:

Scope of a service agreement

- A service agreement may relate to any form of service, such as construction, maintenance, security, consultancy or advisory work, consistent with the ordinary meaning of "service" as work performed for a customer.
- For stamp duty purposes, an instrument for a service agreement may be entered into:
  - by a main service provider and a customer that is neither a government nor a local authority;
  - by a sub-service provider and a main service provider engaged under a government or local-authority undertaking; or
  - by a main service provider and a State Ruler, the Federal Government, a State Government or a local authority.
- Even if payment is conditional, the instrument is regarded as a "security" instrument; in this context, "security" refers to the payment obligation established by the instrument.

Amount subject to stamp duty

- The dutiable amount is the contract sum awarded or the consideration payable for the services. The IRB further indicates that Sales and Service Tax (SST) forms part of the dutiable amount. As the legislation does not expressly address this point, whether SST forms part of the dutiable amount for each instrument could be an area of interpretation.

Stamp duty rates

- Generally, service agreements which it is for a definite and certain period such that the total amount to be ultimately payable can be ascertained is subject to stamp duty under item 22(1)(a) of the First Schedule of the Stamp Act 1949 (SA 1949) read together with the Stamp Duty (Remission) Order 2021 [P.U.(A) 428/2021] at the following rates:

Type of agreement	Tier / level	Stamp duty rate
Single-tier service agreement	—	Ad valorem rate of 0.1%
Multi-tier service agreement		
Private-sector contract	First level	Ad valorem rate of 0.1%
	Subsequent level(s)	Up to RM50
Government or local-authority contract	First level	Exempted
	Second level	Ad valorem rate of 0.1%
	Subsequent level(s)	Up to RM50

- Where the duty computed is below RM10, section 36CB of the SA 1949 sets a minimum duty of RM10.
- Generally, service agreement which duration is for a term life or any other indefinite period where total amount payable cannot be ascertained, the stamp duty rate is 1.0% under item 22(1)(b) of the First Schedule of the SA 1949.

Practical point	The RM50 cap for later tiers requires the agreement to state the parties, execution date and subject matter, and the preceding agreement to have been duly stamped at 0.1% (or exempt, where applicable).

Updated guidelines on capital gains tax for unlisted shares

The IRB has issued the Guidelines on Capital Gains Tax (CGT) for Unlisted Shares ("the Guidelines") dated 21 September 2026, replacing the previous version dated 21 July 2025.

The Guidelines are available on the IRB's website at hasil.gov.my (Legislation > Guidelines > Technical Guidelines).

Salient updates include:

1. Changes made to align the Guidelines with the prevailing legislation, including:

   - The definition of "disposal" is updated to reflect the prevailing definition under section 65C of the Income Tax Act 1967 ("ITA 1967"), which was revised with effect from 1 January 2026 to specify that a disposal includes:
     - conversion of shares
     - redemption of shares
     - extinguishment of rights arising from a dissolution or winding up
     - other circumstances resulting in the cessation of share ownership

   - Clarification of the CGT treatment of the disposal or acquisition of capital assets by a nominee under section 76A of the ITA 1967.

   - Section 76A does not define "nominee". Paragraph 4.2 of the Guidelines broadly describes a nominee as a party that holds specific rights to a capital asset on behalf of the original owner, who is the beneficial owner. A new Example 1 has been inserted to illustrate that the disposal of capital assets held by a nominee on behalf of the beneficial owner is regarded as a disposal by the beneficial owner. Accordingly, any gains arising from the disposal are subject to CGT in the hands of the beneficial owner.

- The date of disposal is generally determined based on the date of the written agreement. In the absence of a written agreement, it is determined by the **date of completion**, being the earlier of (i) the transfer of ownership by the disposer or (ii) the receipt of full consideration.

  The Guidelines have been updated so that the date of completion of a disposal reflects the new definition of "disposal" (as set out in the previous page). The date of completion is determined as follows:

Disposal event	Date of completion
Capital reduction, share conversion, share redemption, share buybacks, or ending of ownership of shares	The earlier of the end of share ownership or receipt of the consideration
Winding up and dissolution of a company	The earlier of the shareholders' rights being extinguished or receipt of the consideration

2. With the revised definition of disposal, the IRB has indicated that reference should be made to Special Guidelines in relation to the CGT treatment of transactions involving:

   - The extinguishment of any rights arising from a dissolution or winding up
   - A reduction of share capital, conversion of shares, redemption of shares, repurchase by a company of its own shares, or the ending of ownership of a capital asset

   The Special Guidelines are not yet available at the time of issuance of this Guidelines.

Updated guidelines on capital gains tax for foreign capital assets

The IRB has issued the updated Guidelines on Tax Treatment on Gains from the Disposal of Foreign Capital Assets Received in Malaysia from Outside Malaysia, dated 29 September 2026 (“the Guidelines”).

Key updates are as follows:

Extension of exemption periods under prevailing legislation
The Guidelines have been updated to reflect the following legislative changes, which were previously reported in Tax in Motion 12/2026:

- The capital gains tax exemption for gains from the disposal of foreign capital assets received by companies, limited liability partnerships, trust bodies and co-operative societies resident in Malaysia has been extended to 31 December 2030 (previously 31 December 2026).
- The exemption for qualifying foreign-sourced income, including gains from foreign capital assets, received by a unit trust (excluding a real estate investment trust) has been extended to 31 December 2030 (previously 31 December 2026).

No further expense deductions for foreign capital asset gains
Previously, paragraph 6.4 set out the eligibility for deductions under section 65E(2) under Chapter 9 of Part III of the ITA 1967 (“Chapter 9”). It included expenses such as legal fees, appraisal fees, and advertising cost. The IRB had viewed that Chapter 9 did not apply to gains from foreign capital assets and shared that the Guidelines would be revised.

The revised paragraph 6.4 now removes all references to section 65E and Chapter 9 and states: **“Foreign income brought in and received in Malaysia is net income. Therefore, no further expenses can be allowed when the net income is received in Malaysia.”** This also aligns with the amendment to section 65D(1), effective from 1 January 2026, under which Chapter 9 no longer applies to foreign capital assets (Tax in Motion 3/2025 refers).

Comment	While the Guidelines clarify the treatment of expenses and reflect the legislative amendment, taxpayers should examine whether amounts or proceeds brought in and received in Malaysia constitute “gains”. It should be noted that the law imposes tax on “gains” received in Malaysia from the disposal of capital assets.

Economic substance requirements for the unit trust exemption
The Guidelines have been updated to include the qualifying conditions for the exemption under Income Tax (Unit Trust in relation to Income Received in Malaysia from Outside Malaysia) (Exemption) Order 2024, including the substantive economic requirements applicable to the unit trust management company.

New examples (Examples 6 and 7) illustrate that administrative functions alone do not satisfy the substantive economic requirements. The management company is expected to undertake active investment management activities in Malaysia. In Example 7, the fund management company fails to meet these requirements because investment decisions are made by overseas advisers, while the fund management company performs only administrative functions in Malaysia with no dedicated investment staff and minimal operating expenditure.

The Guidelines are available on the IRB's website at hasil.gov.my (Legislation > Guidelines > Technical Guidelines).

Guideline – public, private and teaching hospital welfare funds

Following Budget 2026, the IRB has issued a revised guideline in relation to application for section 44(6) for public, private and teaching hospital welfare funds dated 4 September 2026 (“the Guidelines”). This Guideline replaces the previous guideline dated 28 March 2023.

The key changes are summarised below.

Eligibility and scope

- Eligible hospitals may now set up a welfare fund directly. This is no longer limited to the hospital's internal welfare unit (Unit Kebajikan).
- Diagnosis costs are now an eligible use of the fund. Laboratory and diagnostic tests and disposable items are no longer prohibited uses.
- The target group is defined as Malaysian citizens receiving healthcare services who do not have enough disposable income to pay their hospital bills.
- Assistance to non-citizens is now capped at 20% of total donations received, up from 1%. Such assistance may be given on humanitarian grounds and is no longer limited to emergency cases.

Private and teaching hospitals

- From YA 2026, private hospitals registered as companies limited by shares may set up a fund, but only through a separate company limited by guarantee (CLBG) that manages the fund.
- Funds may be shared among hospitals in the same group (as defined under the Companies Act 2016), provided the fund is set up through a CLBG under one of those hospitals. Funds may not be shared with hospitals outside the group.
- The hospital must hold a valid licence under the Private Healthcare Facilities and Services Act 1998. A parent company without this licence cannot set up a CLBG for the fund.

Private and teaching hospitals

- Teaching hospitals established by the International Islamic University Malaysia (UIAM) and private universities are now eligible, provided they hold the licence under the Private Healthcare Facilities and Services Act 1998.
- Hospitals must submit a Financial Assistance Policy, either as a standalone document or within the constitution or trust deed. The policy must set out how fund monies will be used, including the criteria for selecting beneficiaries.

Sources of funding

The previous rule, which required at least 90% public funding and allowed no more than 10% from related parties, has been abolished and replaced with the following:

Welfare fund of	Funding requirement
Public hospitals	At least 50% of annual donations must come from the public.
Teaching hospitals	
Private hospitals	The fund may receive donations from the public and from related or affiliated companies. If funding from related or affiliated companies exceeds 50% of annual donations, 20% of the total annual donations from those companies must be channelled to the Ministry of Health (MOH) for use by public hospitals.

Donations in kind are excluded when calculating annual donations, and donors of goods are not eligible for tax deduction receipts.

Committee composition

- A single rule now applies to all hospital welfare funds, whatever their registration status: more than 50% of committee members must be outside persons. The previous 70% / 30% ratio for society-registered funds has been removed.
- Hospital board members who are not outside persons may sit on the committee, as long as outside persons still make up more than 50% of the committee.
- Board members on the committee may not receive any remuneration, emoluments or allowances from the hospital for their committee duties. They may claim reimbursement of legitimate official expenses if they provide supporting documents.
- Board members, committee members, their immediate family members and other related parties may not access or benefit from the fund.

Dissolution

If a fund ceases operations or loses its approval, any remaining funds must be transferred to another hospital welfare fund approved under section 44(6), and proof of the transfer must be submitted to the IRB.

Consequences of breach

- From YA 2024, income tax may be imposed for the year in which a breach occurs, even if the approval period has not ended. The tax rate depends on the type of tax file under which the fund is registered.
- The IRB may shorten or withdraw approval under section 148 of the ITA 1967, even if the fund had no income in the year of the breach.
- Donors' tax deductions will not be affected.

Approval period and extensions

- Approval may now be granted for up to 10 years.
- Applications for extension must set out the reasons and include supporting documents. A written request alone is no longer enough.

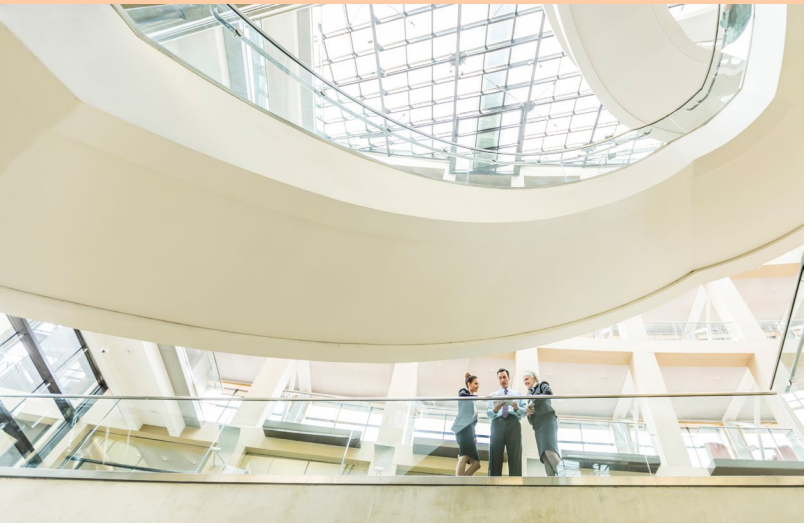
Other key changes

- The donation threshold for donors that are to be reported to IRB has been lowered from RM20,000 and above to RM10,000 and above.
- Funds may not carry on any business or own assets.
- Operating and administrative expenses must not exceed 20% of income for the current year and must be accounted for separately from spending on the fund's objectives.
- Funds must tell the public about their welfare services. For private hospitals, this publicity must not advertise the hospital's commercial healthcare services.
- Private and teaching hospitals with a fund cannot refuse patients transferred from public hospitals, subject to capacity and the scope of their licence. The fund must bear the full treatment costs, subject to its available balance.
- The Guidelines also set out detailed e-Invoice requirements for donation receipts, along with updated application procedures and documentation requirements.

The Guidelines is available on IRB's website at hasil.gov.my (Legislation > Guidelines > Technical Guidelines).

Increase in e-Invoice exemption threshold to RM3 million

The IRB issued a media release on the increase in the e-Invoice exemption threshold from RM1 million to RM3 million, as announced by the Prime Minister during the National Day Prime Address. The revised threshold took effect on 1 September 2026.



Following the announcement, the e-Invoice Guideline (version 4.8) has been updated. Key updates are as follows:

1. Revised e-invoice exemption threshold

Effective from 1 September 2026, taxpayers with an annual turnover or revenue of less than RM3 million are exempted from implementing e-invoice. The revised exemption threshold is applicable to all categories of taxpayers – including individuals, partnerships, companies and co-operatives. However, it does not apply:

- to a taxpayer with a non-individual shareholder, or equivalent, with annual turnover or revenue of at least RM3 million;
- if the taxpayer is a subsidiary of a company with annual turnover or revenue of at least RM3 million; or
- if the taxpayer has a related company* or joint venture with annual turnover or revenue of at least RM3 million.

* For this purpose, a "related company" means a company that directly or indirectly controls the taxpayer, is directly or indirectly controlled by the taxpayer, or is under common direct or indirect control with the taxpayer. A company is also deemed related where either company directly or indirectly beneficially owns at least 20% of the other company's issued share capital.

Comment	The revised exemption threshold provides relief to eligible businesses, especially those which have not begun or completed e-Invoice implementation. Taxpayers that qualify for the exemption but have already implemented e-Invoice may continue issuing e-Invoices voluntarily.

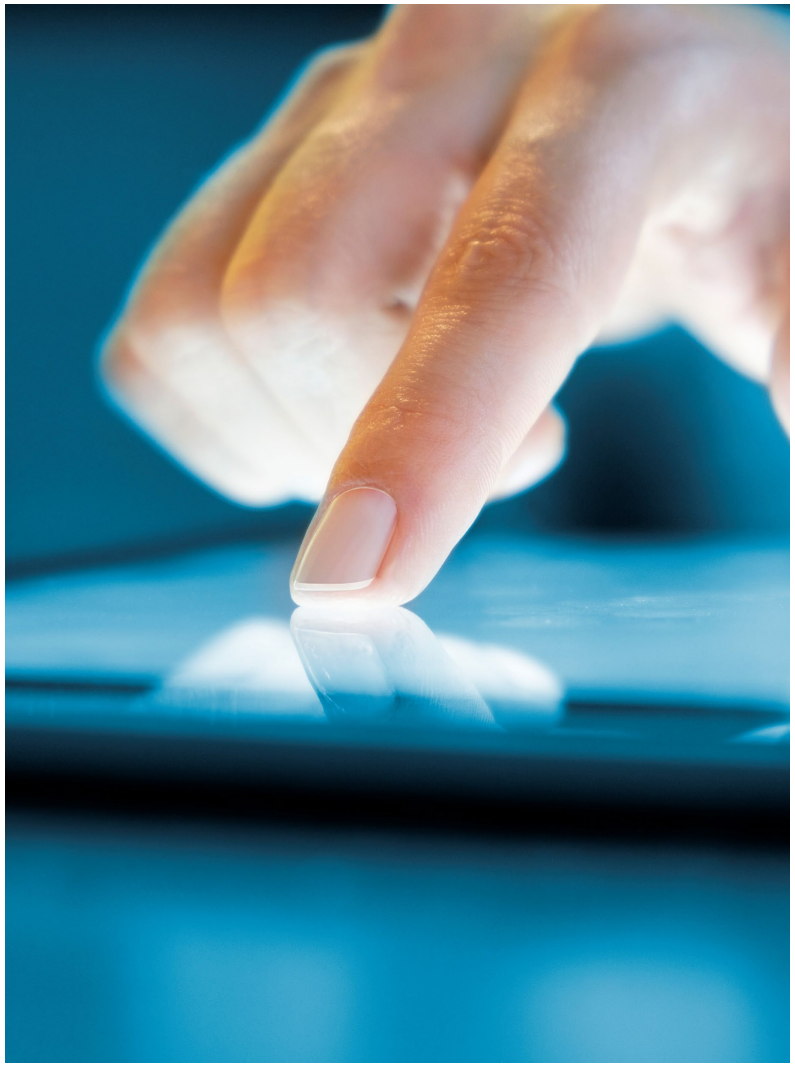
2. Revised implementation timeline for new businesses

New business commencement date	First-year annual turnover or revenue	E-Invoice implementation date
2023 to 2025	At least RM3 million (previously RM1 million)	1 July 2026
2026 onwards	RM3 million or more	1 July 2026 or the operation commencement date, whichever is later
	Less than RM3 million	1 January of the second year following the year in which the RM3 million threshold is reached

3. Other clarifications

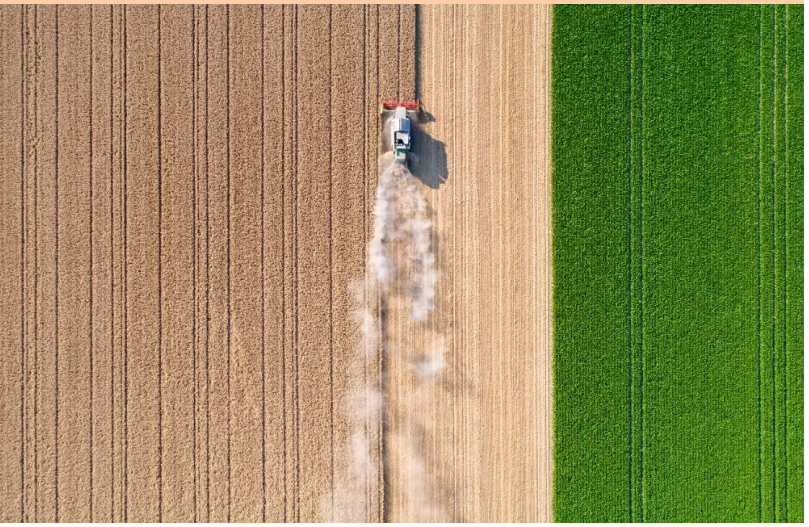
Statutory bodies, statutory authorities, local authorities and international organisations are required to implement e-Invoice from 1 July 2025 for transactions involving goods sold or services performed.

The media release and e-Invoice Guideline (version 4.8) are available on IRB's website at hasil.gov.my (Home > Announcement & Media Release) and (e-Invoice > Reference for the Implementation of e-Invoice > Guidelines) respectively.



e-Invoice Specific Guideline version 4.9

The IRB has issued the e-Invoice Specific Guideline version 4.9 dated 7 September 2026.



The key updates in the Guideline are as follows:

- Non-Malaysian individuals who hold MyPR or MyKAS are now accorded the same concession as Malaysian individuals. They can now provide only their MyPR / MyKAS identification number without needing to provide their TIN. The changes are summarised below:

	Guideline Version 4.8	**Guideline Version 4.9**
Non-Malaysian individuals	May provide TIN alone, or both TIN and passport number / MyPR / MyKAS	For MyPR / MyKAS holders — may provide TIN, MyPR / MyKAS, or both For **other than MyPR / MyKAS holders** — may provide TIN (assigned by IRB), or both TIN and passport number

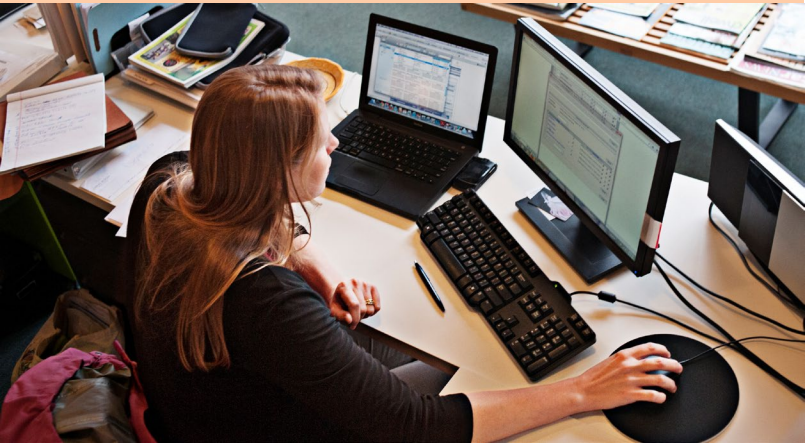
- This re-categorisation flows through to every data table specifying individual identification requirements. In each case, the options for Malaysian individuals and non-Malaysian individuals have been restructured in the same manner.
- Foreign buyer's / foreign shipping recipient TIN has been updated as follows:
    a) Individual only provides MyPR / MyKAS identification number - EI00000000010 (previously EI00000000020)
    b) Individual only provides passport number - EI00000000020 (no change)

The Guideline is available on IRB's website at hasil.gov.my (e-Invoice > Reference for the Implementation of e-Invoice > Guidelines).

Latest e-Invoice FAQ updates

The IRB has issued the following documents:

- FAQ on the Implementation of e-Invoice for Aviation Industry, updated on 26 August 2026
- FAQ on the Implementation of e-Invoice for Financial Services, Pawnbroking, Stockbroking, Unit Trust and Money Changing Services, updated on 26 August 2026
- FAQ for Implementation of e-Invoice in Malaysia, updated on 4 September 2026



Updates to the e-Invoice FAQ on aviation

1. The previous blanket concession allowing all Buyers who do not require an e-Invoice to be recorded as "General Public" has been narrowed to only Non-Malaysian Buyers whereas Malaysian Buyers must now have their actual buyer details included in the e-Invoice.

2. The airline operator is now required to input its own information for Other Buyer's Details (address, contact number, SST registration number) where such details are unavailable or cannot reasonably be obtained from the non-Malaysian Buyer.

Updates to the e-Invoice FAQ on pawnbroking

3. No e-Invoice is required for the principal loan amount, but e-Invoice required for ticket charges and interest charged upon redemption/renewal. Pawnbroker must issue e-Invoice (upon request), or receipt and consolidated e-Invoice for aggregated transactions (if e-invoice is not requested).

4. A pawnbroker must issue a self-billed e-Invoice for the acquisition of a pledged item where the loan does not exceed RM200 and the item is not redeemed within the prescribed period (ownership transfers automatically to the pawnbroker).

5. For pledged items securing loans exceeding RM200 that are sold via auction to the pawnbroker or a third-party bidder, that pawnbroker or third-party bidder shall issue a self-billed e-Invoice for acquisition of that pledged item.

Updates to the e-Invoice FAQ on pawnbroking (cont'd)

6. e-Invoice is not required where surplus monies arising from the auction of pledged items is held on trust by the pawnbroker or returned to the pawner.

7. e-Invoice or self-billed e-Invoice is not required where surplus monies remain unclaimed and are surrendered to the Accountant General's Department.

8. When a pawnbroker sells pledged items that were previously acquired, pawnbroker must issue e-Invoice (upon request), or receipt and consolidated e-Invoice for aggregated transactions (if e-invoice is not requested).

9. e-Invoice is not required for year-end accrued interest receivables recognised on unredeemed pawn loans (accounting/tax purposes only).

Updates to the e-Invoice FAQ (General)

The following are the salient new updates:

Transitional impact of increased exemption threshold for MSME

- No compliance actions or penalties will be imposed on taxpayers who did not issue e-Invoices prior to the revised threshold taking effect if the annual turnover / revenue is less than RM3 million and are able to meet the exemption criteria under section 1.6.10 of the e-Invoice Guideline
- Taxpayers who have already started issuing e-Invoices but qualify for the exemption under the revised threshold may discontinue issuing e-Invoices immediately. No separate application or prior approval from IRB is required.
- However, taxpayers who choose to discontinue issuing e-Invoices following the revised exemption will be required to re-implement e-Invoice starting from 1 January in the second year following the year of assessment (YA) in which their annual turnover / revenue reaches or exceeds RM3 million.
- Taxpayers who are now exempt under the revised threshold and have discovered that certain e-Invoices were not issued when the taxpayer were not exempt under the previous exemption threshold are not required to participate in the e-Invoice SVDP for e-invoices omitted previously. They may discontinue issuing e-Invoices going forward. (Q 19)

New Special Voluntary Disclosure Programme (SVDP) FAQs

The FAQ provides the following guidance on the SVDP:

- Taxpayers who voluntarily made good on e-Invoice non-compliance before the SVDP commencement date of 7 July 2026 are not required to cancel and resubmit under the e-Invoice version SVDP 1.2 or SVDP 1.3. The earlier disclosure will continue to be recognised by IRB, provided it was made in good faith and properly submitted.
- Where an e-Invoice issued during the SVDP period is still within the 72-hour cancellation timeframe, taxpayers may either cancel and reissue under normal procedures, or rectify under the SVDP using version SVDP 1.2 or SVDP 1.3.
- To rectify errors in e-Invoices issued prior to the SVDP (e.g. inaccurate buyer details), taxpayers must issue a credit note e-Invoice to reverse the original e-Invoice and then issue a new e-Invoice with the correct information. No separate registration or application is required to participate.
- Taxpayers may submit further voluntary disclosures during the SVDP period if additional non-compliance is identified after an initial disclosure.
- Taxpayers are responsible for ensuring that voluntary disclosures made under the SVDP are accurate. Where SVDP submissions contain errors, adjustments must be made through debit notes, credit notes, or refund note e-Invoices as applicable.
- Where transactions were inadvertently omitted from consolidated e-Invoices issued during the interim relaxation period, taxpayers may either: (a) issue a credit note e-Invoice to the original consolidated e-Invoice and reissue a new consolidated e-Invoice including all transactions; or (b) issue a separate consolidated e-Invoice for the omitted transactions only.

New SVDP FAQs (con't)

- Each entity within a corporate group must submit its own voluntary disclosure under the SVDP separately. A single group-level disclosure is not permitted.
- Taxpayers may participate in the SVDP even where the e-Invoice non-compliance was caused by a third-party service provider or system vendor, consistent with the principle that compliance responsibility remains with the taxpayer.

Responsibility for compliance

The updated FAQ clarifies that where a company appoints a third-party service provider or representative to manage its e-Invoice obligations, the **company remains legally responsible** for compliance. For companies, the responsibility to comply with the provisions under the ITA 1967, including e-Invoice obligations, rests with the director as defined under section 2 of the ITA 1967.

Tax incentives for e-Invoice implementation

Q 24 now summarises the type of tax incentives available and its timeframe for e-Invoice implementation as follows:

Incentive	Details	Effective Period
Tax deduction for ESG-related expenditure (including e-Invoice consultation fees for MSMEs)	Up to RM50,000 per YA	YA2024 to YA2027
Accelerated Capital Allowance (ACA) for ICT equipment and computer software for e-Invoice implementation	Capital Allowance (CA) at Initial Allowance of 20% and Annual Allowance of 40% (effectively claimed over 2 YAs)	YA2024 to YA2027
ACA for development cost of customised computer software for e-Invoice implementation		
ACA for ICT equipment, computer software and development cost of customised computer software for e-Invoice implementation (Note: pending legislation)	CA claim period reduced from 2 YAs to 1 YA	YA2026 and YA2027

The FAQs are available on the IRB's website at hasil.gov.my (Service > e-Invoice > Reference for the Implementation of e-Invoice > FAQ).

Income Tax (Transfer Pricing) (Amendment) Rules 2026

The Income Tax (Transfer Pricing) (Amendment) Rules 2026 have been gazetted and is effective retrospectively from YA 2023, when the Income Tax (Transfer Pricing) Rules 2023 ("TP Rules 2023") came into effect.

The amendments largely align with the Malaysia Transfer Pricing Guidelines 2024 ("MTPG 2024"). The key points are as follows:

Amendment	Implication
Deletion of the specific meaning of "person" and "associated person" for cost contribution arrangements (CCA)	Following the deletion of the specific definition, whether parties to a CCA are associated persons for CCA purposes will fall back to the general provisions, which includes reading sections 140A(5), 140(5A) and 139 of the ITA 1967. This change realigns the TP Rules 2023 with the MTPG 2024, which does not prescribe a specific definition of "associated person" for CCA purposes. Cases which adopted the definition per the original TP Rules 2023 will require an assessment on the composition of associated persons in the CCA.
Definition of Multinational Enterprise Group	The original definition in the TP Rules 2023, which included a criterion based on consolidated financial statements, has been replaced with the definition based on the MTPG 2024, which defines Multinational Enterprise Group as: *"a group of associated enterprises that have business establishments in two or more jurisdictions"*
New enabling provision for corresponding adjustment	New rule 13(1A) provides the specific discretionary power in the law for the DGIR to consider offsetting adjustment on the assessment of the other party to a controlled transaction, upon that other party's request. This aligns the TP Rules 2023 with paragraph 4.29 of the MTPG 2024. The enabling provision was previously provided in the Income Tax (Transfer Pricing) Rules 2012. This amendment restores the legislative power which was not reproduced in the original TP Rules 2023.

Practice Note 3/2026 – Comparison of allowances claimed under Schedules 7A and 7B

The IRB issued Practice Note No. 3/2026 – Comparison of Allowances Claimed Under Schedules 7A and 7B of the ITA 1967 ("PN 3/2026") on 29 September 2026.

PN 3/2026 is available on the IRB's website at hasil.gov.my (Legislation > Practice Note).

PN 3/2026 compares the reinvestment allowance (RA) under Schedule 7A with the investment allowance (IA) for the service sector under Schedule 7B. Salient points include:

- PN 3/2026 is broadly consistent with the ITA 1967, Public Ruling No. 10/2022 (Reinvestment Allowance Part I – Manufacturing Activity) and Public Ruling No. 11/2022 (Reinvestment Allowance Part II – Agricultural and Integrated Activities).

- The scope of the respective incentives, as set out in PN 3/2026, is similar to the Federal Court's decision in ***Ketua Pengarah Hasil Dalam Negeri v Tenaga Nasional Bhd [2025] MSTC 30-835***. This includes an example of an electricity supply company that acquired additional assets for its generation, transmission and distribution activities that qualifies for IA for the service sector under Schedule 7B.

- Selected points from PN 3/2026's comparison of the two incentives are set out below:

Description	RA (Schedule 7A)	IA for service sector (Schedule 7B)
Qualifying projects	• Expansion, modernisation, automation, or diversification of existing manufacturing business • Expansion, modernisation, or diversification of a cultivation and farming business excluding chicken and duck rearing	Service sector projects involving transportation, communications, utilities or any other sub-sector approved by the Minister of Finance (MOF)
Application for approval	RA claims can be made via income tax returns	Applications require the Minister's approval
Qualifying period	15 consecutive years from the first year of claim	Five years from the effective date determined by the MOF
Qualifying capital expenditure	• Factory, plant, or machinery for manufacturing business • Includes land preparation, crop planting, irrigation or drainage, plant and machinery, and buildings for specified agricultural activities	Plant, machinery, fixtures, premises, buildings, structures, or works of a permanent nature

Tax deduction for relocation costs for Tun Razak Exchange Marquee Status Company

The Income Tax (Deduction for Relocation Costs for Tun Razak Exchange Marquee Status Company) (Amendment) Rules 2026 has been gazetted and extends the incentive for a special tax deduction for relocation costs incurred by TRX Marquee status companies for relocation that takes place not later than 31 December 2030 (previously 31 December 2025).

A special tax deduction equivalent to the amount of expenditure incurred is provided for the following relocation costs incurred provided that the costs are certified by an external auditor:

1. Fees incurred for planning and execution or supervision of the relocation process
2. Packing and unpacking (materials and labour charges)
3. Transportation (air, sea or road)
4. Insurance premium (coverage for lost or damaged items during the moving process)
5. Temporary warehousing

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