

LEGAL UPDATES

November 2021

REAL PROPERTY: KEY HIGHLIGHTS FROM THE MALAYSIAN BUDGET 2022

The Malaysian Budget which was an expansionary budget of RM332.1 billion, was tabled on 29 October 2021. Some key highlights of the proposals from the Budget that impact the Real Property space, are set down below:

Key Highlights

- **Real Property Gains Tax**
 - Real property gains tax for disposal in the 6th year and onwards for Malaysian citizens, permanent residents and persons other than companies, to be reduced to 0%
- **Workplace safety:**
 - Tax deduction of up to RM300,000 to renovate and refurbish business premises to comply with relevant SOP requirements such as ventilation and customer seating, to be extended to 31 December 2022
 - Companies registered under *Safe@Work* will be afforded a further tax deduction of up to RM50,000 on rental expenses for employees' accommodation premises up until 31 December 2022
- **Landlords' Tax Relief**
 - Tax deduction on reduction of rental on business premises of at least 30% from the original rate to be extended to 30 June 2022
- **Housing Credit Guarantee Scheme**
 - RM2 billion allocation for Housing Credit Guarantee Scheme to assist gig workers, small business owners and farmers
- **Tourism Industry**
 - Tourism Tax and Entertainment Duty exemption from payment and collection to be extended until 31 December 2022
 - Matching grants for repair purposes for Budget Hotels and registered Home Stay Owners
 - Assistance to tour operators, including wage subsidies
 - Income tax relief for individuals for domestic tourism expenses up to RM1,000 extended until year of assessment 2022
- **Special One-off Tax**
 - A one-off tax on companies, where chargeable income in excess of RM100 million to be taxed at 33%
- **Accumulated Business Losses**
 - Business Losses may be carried forward for 10 years
- **Stamp Duty Exemptions**
 - Stamp duty exemption on instruments for restructuring or rescheduling of a loan to be extended to 31 December 2022
 - Stamp duty exemption for instruments in respect of M&A approved by the Ministry of Entrepreneur Development and Cooperatives (which include agreements for sale or leasing of property, to be extended to 31 December 2022)

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The detailed implications will be set out in the Finance Bill and the proposed amendments to the applicable Acts. We will provide updates where necessary.