

CPA AUSTRALIA MALAYSIAN BUDGET 2022

KEY MEASURES

Deferment of tax instalment payments, rental discount incentive and loss carried forward for 10 years, to facilitate SMEs' recovery.

GLCs commit to accelerating payment to local vendors within 14 days.

Public listed companies must have at least one female board member from 1 September 2022.

Guarantee for 600,000 job opportunities through JaminKerja, MySTEP and upskilling/reskilling programmes.

GLC NETWORK: EMPOWERING MSMEs to assist microentrepreneurs through initiatives such as advisory and financial support services .

RM70 million for mental health initiatives and personal income tax relief for professional mental health services.

RM100 million Smart Automation Grant for the manufacturing and services sector.

MyDigital initiative :
- National Digital Identity
- Digital First Programme (use of cloud computing in the public sector)

RM1 billion to help SMEs adopt sustainable and low carbon practices.

ECONOMIC AND FISCAL OUTLOOK 2022

- Malaysia's economy forecast to grow 3-4% in 2021
- Malaysia's economy forecast to grow 5.5% to 6.5% in 2022
- Forecasted deficit for 2021 is 6.5% of GDP
- Forecasted deficit for 2022 is 6.0% of GDP
- Federal Government debt is expected to increase by RM78.8 billion in 2021
- Exports are expected to rebound 17.1% in 2021
- Unemployment rate is expected to be 4.6%-4.8% in 2021 and 4.0% in 2022
- Inflation is forecast to increase by 2.4% in 2021 and 2.1% in 2022

KEY TAX ANNOUNCEMENTS



Cukai Makmur, a one-off special tax of 33% on companies' earnings above RM100 million (YA22)

Tax on foreign sourced income received into Malaysia from 1 January 2022



Sales tax on low value goods air-couriered into Malaysia; Service tax on goods delivery services (except F&B and logistic services)

CONTACT US

policy.advocacy@cpaaustralia.com.au



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RECOVERY, REBUILDING RESILIENCE AND CATALYSING REFORM

The Malaysian Government released an expansionary 2022 budget with a total of RM322 billion in spending, the largest spends in education and health.

For more information click here to visit the [Ministry of Finance Malaysia](#).

BUSINESS FINANCE

- Semarak Niaga Keluarga Malaysia Programme, providing direct loans, financing guarantees and equity-based schemes to benefit business of all sizes from micro-enterprises to PLCs
- Interest free microcredit financing worth about RM1.8 billion will be provided through various agencies
- Expansion of i-TEKAD which offers initial capital, microcredit and structured training to microenterprises.
- RM2.1 billion to support equity and quasi-equity investment schemes which will be led by SME Bank in collaboration with TERAJU and BSN.

EMPLOYMENT, TRAINING & DEVELOPMENT

- A series of hiring incentives will be introduced for the following groups:
 - Malaysian's who have not been actively employed
 - Targeted demographics such as the disabled, orang Asli and ex-convicts
 - women looking to return to the workforce
 - apprentices (school leavers and graduates aged 18-30)
- The Malaysia Short Term Employment Programme (MySTEP) will continue from January 2022 providing 80,000 contract employment opportunities in the public sector and GLCs.
- RM80 million to train 20,000 workers with skills needed for high value industries e.g. aerospace.

TAX CHANGES

- Stamp duty on contract notes will be increased to 0.15% from 0.1% and the stamp duty limit for each related contract note will be abolished.
- Tax Compliance certificates issued by the Inland Revenue Board will be a pre-requisite for vendors participating in government procurement from 1 January 2023.
- Special Voluntary Disclosure Programme on indirect taxes will be introduced in phases: phase 1 involves a 100% penalty remission and phase 2 a 50% remission.
- Tax Identification Number will be implemented from 2022 to broaden the income tax base
- A Tax Expenditure statement will be published. It will support Government with identifying costs incurred in providing tax incentives, one-off exemptions and other tax policies.