



# EY

Building a better  
working world

# EY Tax Alert

Vol. 26 - Issue no. 10  
19 June 2023

## Malaysian developments

- ▶ Stamp duty exemptions on the purchase of first residential homes under the Home Ownership Programme 2022/2023
- ▶ Stamp duty exemption for the transfer of property on grounds of love and affection

## Overseas developments

- ▶ The Board of Investment of Thailand (BOI) announces a new measure for companies impacted by the global minimum tax under the Base Erosion and Profit Shifting (BEPS) 2.0 Pillar Two project
- ▶ Australia | New Register of Foreign Ownership

## Malaysian developments

### Stamp duty exemptions on the purchase of first residential homes under the Home Ownership Programme 2022/2023

To further encourage Malaysians to purchase their first home, in Budget 2023, the Government proposed to waive 100% of the stamp duty for purchases of residential property valued at RM500,000 or less, and 75% of the stamp duty for purchases of residential property valued between RM500,001 and RM1 million (see *Take 5: Malaysia Budget 2023*).

To legislate this proposal, the following Orders were gazetted on 9 June 2023 and are deemed to have come into operation on 1 June 2022:

- ▶ Stamp Duty (Exemption) Order 2023 [P.U.(A) 176]
- ▶ Stamp Duty (Exemption) (No. 2) Order 2023 [P.U.(A) 177]
- ▶ Stamp Duty (Remission) Order 2023 [P.U.(A) 179]
- ▶ Stamp Duty (Remission) (No. 2) Order 2023 [P.U.(A) 180]



The Orders will only apply if:

- (a) The residential property is purchased through the Malaysian Home Ownership Initiative (i-Miliki) under the Home Ownership Programme 2022/2023
- (b) The sale and purchase agreement (SPA) for the purchase of the residential property is between an individual and a property developer
- (c) The purchase price in the SPA is the price after a discount of at least 10% from the original price offered by the property developer, except for a residential property which is subject to controlled pricing
- (d) The SPA is executed between 1 June 2022 and 31 December 2023, and is duly stamped by 31 January 2024
- (e) The individual has never owned any residential property, including a residential property obtained by way of inheritance or gift, which is held either individually or jointly.

The application for the exemptions and/or remissions will have to be accompanied by a statutory declaration (under the Statutory Declarations Act 1960) confirming points (c) and (e) above.

The definitions below are also outlined in the Orders:

**a. Residential property**

A house, a condominium unit, an apartment or a flat purchased or obtained solely to be used as a dwelling house, including a service apartment and small office home office (SOHO) for which the property developer has obtained an approval for the Housing Developers' License and Advertising and Sales Permit under the Housing Development (Control and Licensing) Act 1966, Housing Development (Control and Licensing) Enactment 1978 or Housing Development (Control and Licensing) Ordinance 2013 Sarawak

**b. Individual**

Purchaser or co-purchaser of a residential property who is a Malaysian citizen

**Stamp Duty (Exemption) Order 2023**

The Order provides that any loan agreement to finance the purchase of a residential property valued up to RM500,000 will be exempted from stamp duty.

This Order applies to loan agreements executed between the individual (as named in the SPA) and the following:

- (a) A licensed bank under the Financial Services Act 2013 (FSA)
- (b) A licensed Islamic bank under the Islamic FSA
- (c) A development financial institution (FI) prescribed under the Development Financial Institutions Act 2002 (DFIA)
- (d) A co-operative society registered under the Co-operative Societies Act 1993 (CSA)
- (e) Any employer who provides an employee housing loan scheme
- (f) Borneo Housing Mortgage Finance Berhad incorporated under the Companies Act 2016 (CA)
- (g) Mutiara Mortgage and Credit Sdn Bhd incorporated under the CA
- (h) A licensed insurer authorized to provide a housing loan under the FSA, or
- (i) A licensed *takaful* operator authorized to provide an Islamic housing loan under the Islamic FSA

**Stamp Duty (Exemption) (No. 2) Order 2023**

The Order provides that all instruments of transfer executed in relation to the purchase of a residential property valued up to RM500,000 (based on market

value) by an individual, will be exempted from stamp duty.

### Stamp Duty (Remission) Order 2023

The Order provides a 75% stamp duty remission on the stamp duty chargeable on a loan agreement to finance the purchase of a residential property valued between RM500,001 and RM1 million.

This Order applies to loan agreements executed between the individual (as named in the SPA) and the following:

- (a) A licensed bank under the FSA
- (b) A licensed Islamic bank under the Islamic FSA
- (c) A development FI prescribed under the DFIA
- (d) A co-operative society registered under the CSA
- (e) Any employer who provides an employee housing loan scheme
- (f) Borneo Housing Mortgage Finance Berhad incorporated under the CA
- (g) Mutiara Mortgage and Credit Sdn Bhd incorporated under the CA
- (h) A licensed insurer authorized to provide a housing loan under the FSA, or
- (i) A licensed *takaful* operator authorized to provide an Islamic housing loan under the Islamic FSA

### Stamp Duty (Remission) (No. 2) Order 2023

The Order provides a 75% stamp duty remission on the stamp duty chargeable on any instrument of transfer executed in relation to the purchase of a residential property, valued between RM500,001 and RM1 million (based on market value), by an individual.

## Stamp duty exemption for the transfer of property on grounds of love and affection

In Budget 2023, it was proposed that all instruments of transfer of property on grounds of love and affection between parents and children, or grandparents and grandchildren, be given a 100% stamp duty exemption on the first RM1 million of the property's value. Any remaining balance will be subject to stamp duty at an *ad valorem* rate, with a 50% remission on the duty imposed (see *Take 5: Malaysia Budget 2023*).

To legislate this proposal, the Stamp Duty (Exemption) (No. 3) Order 2023 [P.U.(A) 178] was gazetted on 9 June 2023 and is deemed to have come into operation on 1 April 2023.

The Order provides a stamp duty exemption on all instruments of transfer for any immovable property operating as a voluntary disposition *inter vivos* executed between the following:

Donor	Recipient
(a) Mother or father; or (b) Mother and father	Child
Child	(a) Mother or father; or (b) Mother and father
(a) Grandfather or grandmother; or (b) Grandfather and grandmother	Grandchild
Grandchild	(a) Grandfather or grandmother; or (b) Grandfather and grandmother

A 100% exemption will be given on the stamp duty imposed on the first RM1 million or less of the immovable property's market value. A 50% exemption will be given on the stamp duty imposed on the remaining balance (i.e., amount exceeding the first

RM1 million) of the immovable property's market value.

The exemption will only apply if:

- (a) The instrument of transfer is executed on or after 1 April 2023, and
- (b) The recipient is a Malaysian citizen

## Overseas developments

**The Board of Investment of Thailand (BOI) announces a new measure for companies impacted by the global minimum tax under the Base Erosion and Profit Shifting (BEPS) 2.0 Pillar Two project**

The BOI announced a relief measure with immediate effect for both existing BOI companies and new BOI applicants with consolidated group revenue of not less than THB 28,000 million/EUR 750 million or those falling within the scope of a Country-by-Country Report.

This relief measure aims to alleviate potential impacts of the global minimum tax and uphold Thailand's attractiveness as an investment destination for multinational enterprises (MNEs).

The new incentive package is summarized below:

	Existing BOI promoted companies	New BOI applicants
<b>Alternatives for qualified investors</b>	Option to convert from their current tax exemption regime to a 50% reduction of	Option to choose between: <ul style="list-style-type: none"> <li>▶ "Tax exemption regime" with</li> </ul>

	normal corporate income tax rate regime, resulting in a reduced corporate income tax rate of 10%	the flexibility to subsequently convert to the tax reduction regime <ul style="list-style-type: none"> <li>▶ "Tax reduction regime"</li> </ul>
<b>Period</b>	Twice the remaining full-year incentive period, but capped at 10 years	Tax exemption regime: <ul style="list-style-type: none"> <li>▶ Standard tax exemption period depending on the type of BOI activities</li> </ul> Tax reduction regime: <ul style="list-style-type: none"> <li>▶ Twice the standard incentive period, with a maximum cap of 10 years</li> </ul>
<b>Start date</b>	From the date revenue is first generated after receiving a new BOI certificate	From the date revenue is first generated
<b>Other rights and incentives</b>	Remain unchanged	Same as those under the basic incentive package

### Key conditions and criteria

1. The applicant must be an MNE group company with a consolidated revenue of not less than THB 28,000 million/EUR 750 million or be subject to

the Country-by-Country Report requirement for the accounting period prior to the application.

2. The applicant must be eligible for or currently enjoying the basic BOI incentive without any add-on special incentive regimes (e.g., production efficiency improvement, etc.)
3. For an existing BOI-promoted company, the applicant must have a remaining corporate income tax exemption period of at least one year, and the cumulative amount of corporate income tax exemption must not have reached the capped amount.
4. The applicant is required to comply with relevant application procedures.

The BOI may later release additional guidelines and relevant clarifications.

### Implications

In-scope MNEs with existing BOI incentives and/or those with a plan to apply for new BOI incentives are recommended to conduct a Pillar Two impact assessment to determine whether their effective tax rate for Thailand could fall below 15%, resulting in the imposition of Top-Up Taxes once Pillar Two is implemented. In such cases, MNEs should consider undertaking a tax incentive feasibility study, which should involve a review of their BOI tax profile and an assessment of their eligibility, to determine whether it would be beneficial and whether the timing is appropriate for the MNEs to convert to or apply for the new corporate income tax reduction regime.

## Australia | New Register of Foreign Ownership

The new Register of Foreign Ownership of Australian Assets (the Register) will commence on 1 July 2023. The Register requires foreign persons to register certain interests in assets that were previously exempt from registration requirements and prescribes new requirements for these registrations.

The Register replaces the existing foreign investment registers for water and agricultural and residential land interests. It also introduces new categories of commercial land and business acquisitions, including interests in Australian media businesses, tenements, and securities in mining, production or exploration. The Register will streamline the experience of foreign investors in managing their investment in compliance with Australia's foreign investment framework.

The Australian Taxation Office (ATO) will maintain the Register. Foreign persons will be required to notify the Registrar online through the [Online services for foreign investors](#) platform, generally within 30 days of taking a relevant action. Significant penalties apply for failing to register an acquisition within 30 days – up to 250 penalty units (currently AU\$68,750) per day.

From 26 June 2023, foreign investors and their representatives will require a myGovID to register interests through the ATO's Online Services. MyGovID is the Australian Government's Digital Identity app that allows applicants to prove their identity when logging into a range of government online services. It provides a personal digital identity and the requirements differ depending on whether the applicant is applying as a representative or as the foreign investor. Typically, applicants will require a tax file number (TFN), notice of assessment and bank account to register. Those who do not have a TFN will be required to produce other identity documents, such as a passport and visa details. Read more about the requirements on the [ATO Website](#).

The ATO proposes to remove access to most of its online forms from 17-26 June 2023 in preparation for the new portal.

## Contact details

### Principal Tax

**Yeo Eng Ping (EY Asia-Pacific Tax Leader)**

eng-ping.yeo@my.ey.com

+603 7495 8288

**Amarjeet Singh (EY Asean Tax Leader)**

amarjeet.singh@my.ey.com

+603 7495 8383

**Farah Rosley (Malaysia Tax Leader and Malaysia Global Compliance and Reporting Leader)**

farah.rosley@my.ey.com

+603 7495 8254

### People Advisory Services

**Tan Lay Keng (EY Asia-Pacific People Advisory Services Leader)**

lay-keng.tan@my.ey.com

+603 7495 8283

**Christopher Lim (EY Asean Immigration Leader and Malaysia People Advisory Services Leader)**

christopher.lim@my.ey.com

+603 7495 8378

**Irene Ang**

irene.ang@my.ey.com

+603 7495 8306

**Cynthia Wong**

cynthia.wong@my.ey.com

+603 7495 8129

### Business Tax Services

**Robert Yoon (EY Asia-Pacific Fixed Assets Services Leader)**

*(based in Johor)*

robert.yoon@my.ey.com

+603 7495 8332

**Bernard Yap**

bernard.yap@my.ey.com

+603 7495 8291

**Wong Chow Yang**

chow-yang.wong@my.ey.com

+603 7495 8349

**Chan Vai Fong**

vai-fong.chan@my.ey.com

+603 7495 8317

**Chua Siong Chee**

siong-chee.chua@my.ey.com

+603 7495 8410

### Global Compliance and Reporting

**Julian Wong (EY Asean Global Compliance and Reporting Leader and EY Asean Managed Services Leader)**

julian.wong@my.ey.com

+603 7495 8347

**Farah Rosley (Malaysia Tax Leader and Malaysia Global Compliance and Reporting Leader)**

farah.rosley@my.ey.com

+603 7495 8254

**Janice Wong (EY Asean Japan Business Services (JBS) Tax Leader)**

janice.wong@my.ey.com

+603 7495 8223

**Asaithamby Perumal**

asaithamby.perumal@my.ey.com

+603 7495 8248

**Julie Thong**

julie.thong@my.ey.com

+603 7495 8415

**Liew Ai Leng**

ai-leng.liew@my.ey.com

+603 7495 8308

**Linda Kuang**

*(based in Kuching)*

linda.kuang@my.ey.com

+6082 752 660

**Mark Liow**

*(based in Penang)*

mark.liow@my.ey.com

+604 688 1899

**Jaclyn Tan (Payroll Operate Services)**

jaclyn.tan@my.ey.com

+603 7495 8404

## Contact details

### International Tax and Transaction Services

**Yeo Eng Ping**

eng-ping.yeo@my.ey.com  
+603 7495 8288

**Amarjeet Singh**

amarjeet.singh@my.ey.com  
+603 7495 8383

**Sockalingam Murugesan (EY Asean Transfer Pricing Leader and Malaysia Transfer Pricing Leader)**

sockalingam.murugesan@my.ey.com  
+603 7495 8224

**Anil Kumar Puri**

anil-kumar.puri@my.ey.com  
+603 7495 8413

**Andrew Loh**

andrew.loh@my.ey.com  
+603 7495 8313

**Chua Meng Hui**

meng-hui.chua@my.ey.com  
+603 7495 8261

**Sharon Yong**

sharon.yong@my.ey.com  
+603 7495 8478

**Derek Chan**

derek.chan@my.ey.com  
+603 7495 8336

**Florence Tan**

florence.tan@my.ey.com  
+603 7495 8585

**Shalini R Chandrarajah**

shalini.chandrarajah@my.ey.com  
+603 7495 8281

### International Tax and Transaction Services (cont'd)

**Gary Ling (Transfer Pricing)**

gary.ling@my.ey.com  
+603 7495 8388

**Hisham Halim (Transfer Pricing)**

hisham.halim@my.ey.com  
+603 7495 8536

**Vinay Nichani (Transfer Pricing)**

vinay.nichani@my.ey.com  
+603 7495 8433

### Indirect Tax

**Yeoh Cheng Guan**

cheng-guan.yeoh@my.ey.com  
+603 7495 8408

**Jalbir Singh Riar**

jalbir.singh-riar@my.ey.com  
+603 7495 8329

**Aaron Bromley**

aaron.bromley@my.ey.com  
+603 7495 8314

### Financial Services

**Koh Leh Kien**

leh-kien.koh@my.ey.com  
+603 7495 8221

**Bernard Yap**

bernard.yap@my.ey.com  
+603 7495 8291

**Gary Ling (Transfer Pricing)**

gary.ling@my.ey.com  
+603 7495 8388

## Important dates

30 June 2023	6 <sup>th</sup> month revision of tax estimates for companies with December year-end
30 June 2023	9 <sup>th</sup> month revision of tax estimates for companies with September year-end
30 June 2023	Statutory deadline for filing of 2022 tax returns for companies with November year-end. A blanket extension of time has been provided until 31 July 2023.
30 June 2023	Extended 2022 tax return filing deadline for companies with October year-end.
15 June 2023	Due date for monthly instalments
31 July 2023	6 <sup>th</sup> month revision of tax estimates for companies with January year-end
31 July 2023	9 <sup>th</sup> month revision of tax estimates for companies with October year-end
31 July 2023	Statutory deadline for filing of 2022 tax returns for companies with December year-end. A blanket extension of time has been provided until 31 August 2023.
31 July 2023	Extended 2022 tax return filing deadline for companies with November year-end.

### EY | Building a better working world

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

© 2023 Ernst & Young Tax Consultants Sdn. Bhd.  
All Rights Reserved.

APAC no. 07009886  
ED None.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

[ey.com/en\\_my](https://ey.com/en_my)

### Publisher:

Ernst & Young Tax Consultants Sdn. Bhd.  
Level 23A Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
50490 Kuala Lumpur  
Tel: +603 7495 8000  
Fax: +603 2095 7043