

Highlights of the 2024 Malaysian Budget

23 OCTOBER 2023

The [2024 Malaysian Budget](#) ('**2024 Budget**') was tabled by the Prime Minister and Minister of Finance, Dato' Seri Anwar bin Ibrahim, before the Dewan Rakyat (House of Representatives) of the Malaysian Parliament on 13 October 2023.

The 2024 Budget is the second national budget tabled by the present government after it had tabled its inaugural revised budget for 2023 on 24 February 2023 ("**2023 Budget**") in place of an earlier budget that was tabled before the Dewan Rakyat on 7 October 2022 but was not debated due to the dissolution of Parliament on 10 October 2022 to pave way for the Fifteenth General Elections.

The 2024 Budget surpasses the previous budget as the largest in the country's history. Its allocation of RM393.8 billion exceeds the previous record of RM388.1 billion under the 2023 Budget. Of this amount, RM90.0 billion is for development expenditure, a decrease from RM99.0 billion in 2023, and RM303.8 billion is for operating expenditure which is an increase of RM14.7 billion from RM289.1 billion in 2023.

The fiscal deficit estimated at 4.3% of the country's Gross Domestic Product is 0.7% less than the 5.0% deficit in 2023. Meanwhile, the Government's revenue is expected to increase by 1.45% from RM303.2 billion in 2023 to RM307.6 billion in 2024.

The theme for the 2024 Budget is "**Economic Reforms, Empowering the People**". The 2024 Budget focuses on three main areas, namely:

- First : Good Governance for Service Agility
- Second : Restructuring of the Economy to Boost Growth
- Third : Raising the Rakyat's Standard of Living

The three focus areas are comprised of the following measures:

First : Good Governance for Service Agility

- Measure 1 : Commitment to Fiscal Reform
- Measure 2 : Institutional Reform Agenda
- Measure 3 : Prioritising Services & Rakyat-Oriented Projects

Second : Restructuring of the Economy to Boost Growth

- Measure 4 : Revamping the Economic Structure
- Measure 5 : Empowering MSMEs
- Measure 6 : Supporting Primary Sectors
- Measure 7 : Sustainable Agenda and Energy Transition

Third : Raising the Rakyat's Standard of Living

- Measure 8 : Protecting the Welfare of the Rakyat
- Measure 9 : Empowering the Government Focus Group
- Measure 10 : Providing Excellent Basic Facilities
- Measure 11 : Strengthening Unity and Security
- Measure 12 : Well Being of Civil Servants

The 2024 Budget encompasses numerous initiatives, including subsidies and cash payments, to assist the lower and middle income segments of Malaysian society to mitigate the effects of the

high cost of living and a slowing global economy. The bulk of these initiatives will not be covered in this Alert unless they fall within the parameters outlined in the next paragraph.

As much coverage has already been given to the 2024 Budget in the media and commentaries by various professional services firms, our Alert will only highlight the measures in the 2024 Budget that may be of particular interest to companies, business owners and investors.

References in this article to paragraphs and Appendices are references to paragraphs and Appendices to Appendix II (Tax Measures) respectively of the 2024 Budget Speech.

Commitment to Fiscal Reform

1. *Expanding the tax base:* The following measures will be introduced:

- Commencing 1 March 2024, service tax will be increased from 6% to 8%. The scope of services subject to service tax will be expanded to include delivery services (excluding delivery of food and beverage), brokerage and underwriting services for non-financial services (i.e. brokerage for ship and aircraft space, commodities and real estate), karaoke centre services and logistics services. Service tax for food and beverage services, telecommunication services, vehicle parking space services and logistics services will remain at 6% (para. 26 and Appendix 34);
- A capital gains tax will be imposed on the disposal of unlisted shares in local companies. This measure was first announced during the 2023 Budget. It is now announced that the rate of tax on disposals where the share acquisition date is before 1 March 2024 will be 10% on the net gain of the shares disposed or 2% on the gross sales value, at the election of the taxpayer; and on disposals where the share acquisition date is from 1 March 2024 will be 10% on the net gain of the shares disposed. Disposal of shares in connection with initial public offerings (IPO) approved by Bursa Malaysia, restructurings within the same group and disposals by venture capital related investments will be exempted subject to stipulated conditions (para. 27 and Appendix 9);
- The high value goods tax on luxury items announced during the 2023 Budget is fixed at 5% to 10% on certain high-value items, such as jewellery and watches based on the threshold value of the goods. To promote tourism, tourists will be exempted from this tax and a refund mechanism will be introduced to enable tourists to claim a tax refund before departure (para. 28);
- The Global Minimum Tax will be implemented in 2025 on companies with an annual global turnover of at least EUR750 million (para. 29);¹
- E-invoicing will be implemented to reduce tax leakages. The implementation will be carried out in phases, commencing with companies with more than RM100 million of revenue from 1 August 2024 to full implementation by 1 July 2025 (para. 30).²

2. *Targeted Subsidies:*

- Among the measures to be implemented is to rationalise the price of diesel fuel in phases. The Government presently subsidises RM1.60 per litre of diesel. The price of subsidised diesel will continue to be enjoyed by selected consumers such as freight transport whereas other users will be charged higher prices (paras. 43 and 44);
- A sum of RM10 million is allocated to the Ministry of Domestic Trade and Cost of Living and the Malaysian Competition Commission to combat cartels and price pacts that exploit the rationalisation of subsidies by causing excessive and uncontrolled price increases (paras. 45 and 46).

Revamping the Economic Structure

3. *Focus on high growth and high value areas:*

- To curb the contraction in the industrial sector's contribution to the economy, future investment priorities will focus on high growth and high value (“**HGHV**”) areas. An outcome-based incentive using a tiered system will be introduced, starting with a tiered reinvestment tax incentive where investment tax allowance of either 70% or 100% will be granted (para. 80);
- To support high value activities, the Pengerang Integrated Petroleum Complex (PIPC) will be turned into a development hub for the chemical and petrochemical sector with a tax incentive package in the form of a preferential tax rate or investment tax allowance (para. 81).

4. *Malaysia as an Investment Destination:*

- A new high-tech industrial park will be opened in Kerian, Northern Perak to build a wider ecosystem for the Electrical and Electronics (E&E) sector in the northern region of Peninsular Malaysia (para. 82);
- The role of the Ministry of International Trade and Industry (MITI) and Malaysia Investment Development Authority (“**MIDA**”) will be expanded from approving investment incentives to include facilitating foreign direct investment (FDI) and direct domestic investment (DDI) from the application stage until the investment is realised (para. 82).

5. *Internationalisation of Startups:*

- Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs) will provide up to RM1.5 billion of funds to encourage startups, including bumiputera SME entrepreneurs, to venture into HGHV fields such as digital economy, space technology and E&E (para. 85);
- The initiatives to support capital funding of startups include:
 - a) Extending the tax incentive for individual investors investing in startups through equity crowdfunding (ECF) platform that expires on 31 December 2023 to: (i) investments made from 1 January 2024 to 31 December 2026; and (ii) investments made by individual investors through limited liability partnership nominee companies (para. 86 and Appendix 24); and
 - b) Extending the tax incentive for angel investors investing in shares of a tech start-up company that expires on 31 December 2023 to investments made from 1 January 2024 to 31 December 2026 (para. 86 and Appendix 25).

6. *Global Islamic Economy Leader:* The following are among the initiatives to enhance Malaysia's standing as a global Islamic Economy leader:

- To develop Labuan International Business and Financial Centre (Labuan IBFC) as an Islamic and Shariah-compliant financial centre, a full exemption from income tax will be given for five years to a Labuan entity that undertakes Islamic financial-related trading activities such as Islamic digital banking, Islamic digital bourses, ummah-related companies and Islamic digital token issuers from year of assessment (“**YA**”) 2024 until YA 2028 (para. 94 and Appendix 18);

- Income arising from Islamic Securities Selling and Buying (ISSB) will be exempted from income tax from YA 2024 (para. 93);
- The processing period for halal certification will be shortened from 51 to 30 days and the Halal Development Corporation and Jabatan Kemajuan Islam Malaysia (JAKIM) will collaborate and lead efforts to simplify the certification process, especially for halal products exporters (para. 95).

Empowering Micro and Small and Medium Enterprises

7. **Financing Facilities:** Loans and financing guarantees amounting in aggregate to RM44.0 billion will be made available in 2024 for the benefit of micro and small and medium enterprises (“MSME”). Those that have been earmarked for small and medium enterprises (“SME”) in the 2024 Budget speech include:
 - RM7.4 billion out of RM8.0 billion in financing facilities³ will be provided by Bank Negara Malaysia (“BNM”) to support SMEs (para. 101);
 - RM20.0 billion in guarantee facilities will be provided by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) to guarantee up to 80% of SME entrepreneur loans, especially those involved in the green economy, technology and halal fields (para. 103).
8. **Strengthening MSMEs Competitiveness:** Among the measures to be introduced to increase the level of competitiveness of MSMEs are:
 - RM100 million digitisation grants, each for up to RM5,000, will be made available for MSMEs (para. 106);
 - RM900 million under a BNM fund will be provided to encourage SMEs to increase business productivity through automation and digitalisation (para. 106);
 - The time frame for companies to claim capital allowances on the purchase of information and communication technology (“ICT”) equipment and computer software packages will be shortened from four years to three years from YA2024⁴ (para. 107).
9. **Local Talent Development:**
 - The 2024 Budget includes numerous initiatives for the development of local talent.⁵ Employers who are highly dependent on foreign workers should note that in order to reduce dependency on foreign workers, the Government proposes to implement a tiered levy system for foreign workers before end-2024 whereby a higher levy rate will be imposed on employers with a larger foreign workforce. The additional revenue collected from this levy are to be channelled into a special fund to benefit employers for automation or training of local workers (para. 117).

Supporting Primary Sectors

10. **Logistics Sector:**
 - The measures to develop the transport and logistics infrastructure include the introduction of a Global Service Hub tax incentive with an income tax rate of 5% or 10% on an outcome basis for a period of up to 10 years. Applications must be received by MIDA from 14 October 2023 until 31 December 2027 for this incentive (para. 122 and Appendix 20).

11. **Tourism and Creative Sectors:** Steps to boost these sectors include the following:

- Developing tourism in niche markets such as ecotourism, scuba diving, golf, wedding ceremonies and medical tourism (para. 124);
- Introducing new initiatives under the Malaysian Visa Liberalisation Plan, involving the following:
 - a) Facilitating Employment Pass approvals for strategic investors in key sectors;
 - b) Introducing Long-Term Social Visit Pass for international students who have graduated to meet industrial skilled personnel needs; and
 - c) Improving Visa-On-Arrival facilities, social visit passes and Multiple Entry Visa to encourage the entry of tourists and investors, especially from India and China, (para. 128).
- Easing the existing conditions for the Malaysia My Second Home (MM2H) programme to increase the arrival of tourists and increase investment activities in the Malaysian financial market and real estate sector (para. 129);
- The Government will provide RM160 million (comprising RM60 million under the Digital Content Fund, RM90 million under the Film in Malaysia Incentive (FIMI) and RM10 million for the MyCreative Matching Grant Scheme) to implement various initiatives for the benefit of creative artistes (para. 130);
- Entertainment tax to be reduced from 25% in the Federal Territories, including a full tax exemption for stage performances by local artistes and performers, a reduction to 5% for theme parks, family recreational centres, indoor games centres and simulators, a reduction to 10% for stage performances by international artistes, light shows, circus, and other entertainment events such as film screenings, karaoke and e-sports and sports events. This reduction will be for applications received by the Ministry of Finance (“MOF”) from 1 January 2024 until 31 December 2028 (para. 131 and Appendix 31);
- A preferential income tax rate of between 0% to 10% on foreign film production companies, actors and movie crews who carry out filming in Malaysia (para. 132).

12. **Technology and Innovation Sectors:**

- RM510 million is allocated as research and development (R&D) funding under the Ministry of Science, Technology and Innovation as well as the Ministry of Higher Education. From this amount, RM50 million is exclusively allocated for a matching grant for public universities to collaborate with the private sector in intensifying research and innovation activities that can be commercialised (para. 134);
- a RM76 million fund is allocated to empower the research and development and commercialisation and innovation (R&D&C&I) ecosystem to support the commercialisation of products created by business enterprises, non-governmental organisations (NGOs) and Government departments and agencies (para. 134).

13. **Plantation and Commodities Sectors:**

- The 100% accelerated capital allowance for automation will be expanded to include the commodities sector under the Ministry of Plantation and Commodities to increase the productivity of plantation products and reduce the dependence on foreign labour through

mechanisation and automation, such as drones and self-driving vehicles. The extended benefit to the commodities sector will apply to applications received by the Ministry of Plantation and Commodities from 14 October 2023 until 31 December 2027 (para. 142 and Appendix 21).

Sustainable Agenda and Energy Transition

14. **Towards Net Zero Carbon Emission:** The initiatives to help the country achieve 'net zero' carbon emissions by 2050 include the following:

- To realise the aspirations of the National Energy Transition Roadmap⁶ (NETR), the Government will set aside a seed fund, the National Energy Transition Facility, totalling RM200.0 billion (para. 147);
- RM200.0 billion financing will be provided by financial institutions to encourage the industry to shift towards a low carbon economy (para. 148);
- To achieve the 70% renewable energy capacity target by 2050, the Corporate Green Power Programme will be continued as part of the Third Party Access ("TPA") implementation model. The Government will continue to explore the TPA model and develop other appropriate implementation methods to drive further investment to boost renewable energy capacity (para. 149);
- Tax deduction of up to RM300,000 for rental costs for companies that rent non-commercial electric vehicles will be extended until YA 2027 (para. 150 and Appendix 27);
- The offer period for the Net Energy Metering (NEM) programme will be extended until 31 December 2024 to encourage the installation of solar panels on residential premises (para. 151);
- Tax incentives for carbon capture and storage (CCS) and hydrogen sulphide projects will be announced by end of 2024 (para. 155);
- The tax exemption for fund management companies that manage Sustainable and Responsible Investment (SRI) funds and the tax deductions on the cost of issuing SRI sukuk which are both due to expire in YA 2023 will be extended until YA 2027 (para. 153 and Appendices 12 and 13);
- To encourage more companies to participate in the voluntary carbon market, an additional tax deduction up to RM300,000 will be given to companies that incur expenses on Measurement, Reporting and Verification (MRV) related to the development of carbon projects. These expenses can be deducted from the income from carbon credits traded on the Bursa Carbon Exchange (BCX). The additional tax deduction will apply to applications received by the Malaysia Green Technology and Climate Change Corporation from 1 January 2024 until 31 December 2026 (para. 154 and Appendix 29).

15. **Food Security:**

- To support the increase in production capacity of agricultural products and the competitiveness of young agropreneuers, Agrobank will make available financing facilities of up to RM430 million to agro-food entrepreneurs (para. 170).

Protecting the Welfare of the Rakyat

16. *Social Protection:*

- The salary ceiling for social security (SOCSO) contributions of RM5,000 per month will be increased to RM6,000 per month (para. 188);
- A new Employees Provident Fund (EPF) Flexible Account will be introduced to allow accessibility to members at any time (para. 189).

Empowering the Government Focus Group

17. *The Bumiputera Agenda:*

- RM1.6 billion of financing facilities and guarantees will be provided specifically for Bumiputera MSME entrepreneurs to increase capacity and competitiveness including the provision of venture capital financing to Bumiputera startups (para. 191);
- The Government will provide a special fund of RM2.4 billion for the CAKNA 2 Scheme to assist small G1 to G4 Bumiputera contractors to complete small-scale Government projects. The implementation of the CAKNA 1 Scheme to assist Government vendors will be extended to all Government agencies (para. 191).

18. *Women and Children:*

- The tax incentives for women returning the work which is due to expire on 31 December 2023 will be extended for applications received by Talent Corporation Malaysia Berhad from 1 January 2024 until 31 December 2027 (para. 192 and Appendix 22).

Providing Excellent Basic Facilities

19. *Healthcare Services:*

- To control congestion in Ministry of Health (“**MOH**”) hospitals, the Government will continue to enhance cooperation by decanting patients to other hospitals including military, university and private hospitals with an allocation of RM200 million (para. 231);
- RM766 million is allocated for the procurement of medical equipment at MOH hospitals to replace equipment that is Beyond Economic Repair (BER) and to meet the needs of various new service disciplines. This includes RM200 million for ambulance procurement (para. 233);
- Excise duty will be levied on chewing and sucking tobacco under tariff code 2403.99.5000 at 5% in addition to RM27 per kg from 1 January 2024 (para. 236 and Appendix 33);
- Excise duty rate on sugar sweetened beverages under tariff codes 22.02 and 20.09 will be increased from RM0.40 per litre to RM0.50 per litre from 1 January 2024. Excise duties collected will be allocated for addressing and treating diabetes, including support for dialysis centres (para. 236 and Appendix 32).

20. *Road Network and Public Transportation:* Transport infrastructure projects to be carried out include the following:

- The tender process for 19 work packages for Phase 1b of the Pan Borneo Sabah project with a cost of RM15.7 billion is expected to be completed by November 2023 (para. 246);

- Phase 2 of the Sarawak-Sabah Link Road (SSLR) involving a cost of nearly RM7.4 billion will commence at the end of 2023 (para. 246);
- The section of the North-South Expressway (PLUS) from Sedenak to Simpang Renggam in Peninsular Malaysia will be expanded from four to six lanes at a cost of RM931 million (para. 246);
- Five stations of the Light Rail Transit Three (LRT3) project that were previously cancelled will be reinstated at a construction cost of RM4.7 billion (para. 248).

21. **Housing:**

- RM2.4 billion will be allocated to implement housing projects for the *Rakyat*⁷ (para. 251);
- The approval threshold for *en-bloc* sales will be reduced from 100% to a level consistent with international practices, such as in Singapore⁸, to facilitate the redevelopment of strata schemes (para. 254);
- Stamp duty at a flat rate of 4% will be imposed on instruments of transfer of property executed by foreign-owned companies and non-citizen individuals (excluding individuals who are permanent residents of Malaysia) from 1 January 2024 (para. 257 and Appendix 17);⁹
- A nominal stamp duty of RM10 will be payable on an instrument of transfer of property executed from 1 January 2024 in respect of a transfer of property by renunciation of rights from an eligible beneficiary to another eligible beneficiary in accordance with a will / faraid or the Distribution Act 1958 (para. 258 and Appendix 16).

Strengthening Unity and Security

22. **National Security and Defence:** The allocation to the Ministry of Defence will be increased by RM2.0 billion from 2023 to RM19.7 billion whilst the allocation to the Ministry of Home Affairs will be increased by RM500 million from 2023 to RM19.0 billion. These allocations will be used to procure and maintain defence assets¹⁰ (para. 260).

Others

23. **Other tax related measures:** The following are some of tax related measures contained in Appendix II (Tax Measures):

- a) **Tax Deduction on Environmental, Social and Governance Related Expenditure:** Tax deduction of up to RM50,000 per year will be given on the following expenditure from YA 2024 until YA 2027:

ESG Related Expenditure	Description
Enhance Sustainability Reporting Framework	ESG reporting by companies listed on Bursa Malaysia
Climate Risk Management and Scenario Analysis	ESG reporting by financial institutions regulated by BNM
Tax Corporate Governance Framework (“TCGF”) of Lembaga Hasil Dalam Negeri Malaysia (LHDN)	Preparation of reports related to TCGF by companies
Transfer Pricing documentation	Preparation of transfer pricing documentation by companies
E-Invoicing implementation	Consultation fee for implementing e-invoicing incurred by MSMEs

Any reporting requirement related to ESG	ESG reporting by companies to approved regulator by the MOF
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(Appendix 10);

- b) Capital Allowance on Information and Communication Technology Equipment and Computer Software: Capital allowance for capital expenditure incurred by companies on the purchase of ICT equipment and computer software will be revised as follows from YA 2024:

Qualifying Expenditure	Current Capital Allowance Rate	Proposed Capital Allowance Rate
Purchase of ICT equipment and computer software packages	Initial Allowance: 20%	Initial Allowance: 40%
Consultation, licensing and incidental fees related to customised computer software development	Annual Allowance: 20%	Annual Allowance: 20%

(Appendix 11);

- c) Income Tax Exemption on Sustainable and Responsible Investments Sukuk Grant and Bond Grant Scheme: Presently, an issuer of SRI sukuk and bonds that meet the ASEAN Green, Social and Sustainability Bond Standards approved by the Securities Commission Malaysia (“SC”) are given, upon application, a tax exempt grant of up to RM300,000 to finance the external review expenses in relation to the sukuk or bond under the Sustainable and Responsible Investment Sukuk and Bond Grant Scheme. The grant is available for applications received by the SC until 31 December 2025.

To further encourage the issuance of SRI sukuk and bonds that achieve green, social and sustainable standards in Malaysia, the income tax exemption will be expanded to include SRI-Linked Sukuk Grants and bonds issued under the ASEAN Sustainability-Linked Bond Standards (ASEAN SLBS) approved by the SC (Appendix 14);

- d) Income Tax Exemptions on Shariah-Compliant Fund Management Services: Shariah-compliant fund management services companies approved by the SC are given 100% income tax exemption on statutory income from fund management services rendered to specified categories of investors until YA 2023. The income tax exemption period for Shariah-compliant fund management services companies will be extended for four years from YA 2024 until YA 2027 with a reduction in the tax exemption from 100% to 60% (Appendix 15);
- e) Incentive for Reinvestment under the New Industrial Master Plan 2030: To increase capacity and investment in high-value activities under the New Industrial Master Plan 2030 (NIMP 2030), existing companies that have exhausted their Reinvestment Allowance eligibility period can enjoy investment tax allowance incentive at a tiered rate of 100% (to be set-off against 100% of statutory income) or 60% (to be set-off against 70% of statutory income) to be determined on an outcome-based approach. Applications for this incentive must be received by MIDA from 1 January 2024 until 31 December 2028 (Appendix 19);
- f) Green Technology Tax Incentive: Green technology tax incentives, namely Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE), have been revamped. Details of the revamped incentives are set out in Appendix 26;
- g) Import Duty and Sales Tax Exemption on Manufacturing Aids: To enhance the competitiveness of the manufacturing sector, import duty and sales tax exemption will be given to eligible manufacturers on the importation and local purchase of manufacturing

aids¹¹ subject to the types of industry and category of goods determined from 1 January 2024 (Appendix 30).

Comments

In the run-up to the 2024 Budget, many economists and journalists had exhorted the need for Malaysia to widen its tax base for economic sustainability. Speculations that there could be an increase in the maximum personal income tax rate of 30% did not come to pass. Nor did the speculated introduction of inheritance tax.

Instead, the unexpected step was taken to increase service tax from 6% to 8% and to widen the range of services that will be subject to such tax. The Treasury Secretary-General, Datuk Johan Mahmood Merican, estimates that this move will increase the country's tax revenue by RM3.0 billion in 2024.¹² Looking further ahead, a reduction in tax leakages is expected to increase tax revenue when e-invoicing is fully implemented by 1 July 2025.

The 10% capital gains tax to be imposed on the disposal of unlisted shares in local companies appears somewhat higher than the "low rate" announced by the Minister of Finance during the 2023 Budget Speech.¹³

It can be said that the above measures, together with the new high value goods tax and the implementation of the Global Minimum Tax, are baby steps to widen the country's tax base. There is therefore greater urgency for the Government to reduce its expenditure on subsidies which is expected to increase from RM64.0 billion to RM81.0 billion in 2024.¹⁴ This will significantly increase the cost of living of the Rakyat who cease to be eligible for the revamped subsidies.

In the meantime, the Government has side-stepped the drastic but probably financially sensible step of reintroducing goods and services tax (GST) ... at least for another year.

Article by [Sheba Gumis](#) (Partner) and [Tan Wei Liang](#) (Senior Associate) of the Corporate Practice and [Victoria Low](#) (Paralegal) of the Tax Practice of Skrine.

¹ The Global Minimum Tax rate of 15% applies to a multinational company that operates in at least two jurisdictions and has an annual consolidated global revenue of at least EUR750 million in at least two out of four preceding financial years.

² MSMEs will be eligible to claim a tax deduction of up to RM50,000 for each year for consultation fee for implementing e-invoicing from YA 2024 until YA 2027. The RM50,000 limit includes other expenses that an MSME is eligible to claim. See Appendix 10.

³ Para. 101 also states that the remaining RM600 million will be made available to support micro-enterprises, low-income entrepreneurs and small contractors.

⁴ Refer to Appendix 11 which applies to all companies.

⁵ See paras. 108 to 117 of the 2024 Budget.

⁶ Our summary of the National Energy Transition Roadmap can be accessed [here](#).

⁷ Details of these projects are set out in para. 251 of the 2024 Budget.

⁸ The requirements for a collective sale, i.e. *en-bloc sale*, in Singapore are set out in the Land Titles (Strata) Act 1967. The requirements vary depending on the nature of interest held by proprietors but in general, written consent is required from subsidiary proprietors who hold (a) where the development is less than 10 years old, not less than 90% of the share values and not less than 90% of the total area of all lots (excluding accessory lots); or (b) where the development is 10 years old or more, not less than 80% of the share values and not less than 80% of the total area of all lots (excluding accessory lots). Subject to the requisite consent of the subsidiary proprietors being obtained, an *en-bloc sale* requires the issue of an order for sale by the Strata Titles Board, or if the Board has issued a stop order for the proposed sale, by the High Court.

⁹ It is respectfully submitted that the flat rate of 4% stamp duty should only be imposed on an instrument of transfer to effect a transfer of property to a foreign-owned company or non-citizen individual (excluding Malaysian permanent residents).

¹⁰ Details of the allocations are set out in paras. 261 and 262 of the 2024 Budget.

¹¹ Manufacturing aids refers to goods used in the manufacturing process to accelerate, improve, complement and complete the manufacturing process of the finished goods, but are not part of the finished goods.

¹² Government expects extra RM3bil next year from hike in service tax, *The Star Online*, 16 October 2023.

¹³ See paragraph 32 of the 2023 Budget Speech.

¹⁴ Para. 34 of the 2024 Budget.