

CAPITAL GAINS TAX (CGT). THINGS YOU NEED TO KNOW

WHAT IS CGT ?

Tax on gains or profits received from the disposal of capital asset consisting of :

- a) share of a company incorporated in Malaysia not listed on the stock exchange; OR
- b) share of a controlled company incorporated outside Malaysia which owns real property situated in Malaysia or shares of another controlled company or both.

CGT is subjected under the Income Tax Act (ITA) 1967.

WHO IS TAXABLE ?

- a) Company
- b) Limited Liability Partnership
- c) Trust Body
- d) Co-operative Society
- e) Labuan Entity that elect to taxation under the ITA 1967

HOW MUCH IS THE TAX RATE ?

- a) Shares acquired BEFORE 1st January 2024 :
 - 10% on adjusted income OR 2% on gross disposal price.
- b) Shares acquired FROM 1st January 2024 :
 - 10% on adjusted income.

HOW TO DECLARE ?

Submission of Return Form (e-CGT) and payment of CGT must be made within 60 days from the date of disposal of the capital assets.

NON-RESIDENT INDIVIDUAL

For non-resident individuals, it is important for them to check their resident status in Malaysia as it is closely related to the tax treatment imposed. Residence status is a question of fact and is one of the main criteria that determines an individual's liability to Malaysian income tax. Liability to tax is determined on a year to year basis.

The basic distinction in the tax treatment concerns on the following aspects :

- i) Tax rates,
- ii) Personal relief,
- iii) Rebates, and
- iv) Withholding tax.

The resident status of an individual is determined by reference to the **physical presence of that individual in Malaysia** and not by his nationality nor citizenship.

Further information on Resident Status can be referred in the Public Ruling No. 6/2011 – Residence Status of Individuals at HASiL Official Portal via www.hasil.gov.my.

TAX DECLARATION FOR INCOME FROM MORE THAN ONE SOURCE

A taxpayer is required by law to determine taxable income, calculate taxable income and submit income tax forms and make tax payments if any for the assessment year. Sources of income that subject to tax are :

- i) Gains / profit from a business;
- ii) Gains / profit from employment;
- iii) Dividends, interest or discounts;
- iv) Rent, royalties or premiums;
- v) Pensions, annuities or other periodic payments; and
- vi) Gains / profit not falling under any of the foregoing paragraphs.

For individuals who have more than one source of income in a year of assessment, they need to consolidate all the income received and report it in the appropriate tax form :

- i) **BE Form : Resident individual** with employment income and does not carry on business,
- ii) **B Form : Resident individual** who carry on business with employment and other income, or
- iii) **M Form : Non-resident individual** who carry on business, with employment income or others.

Further information on individual income tax can be referred from HASiL Official Portal via www.hasil.gov.my under Individual menu.

OPERATION HOURS OF THE HASiL SERVICE COUNTER THROUGHOUT THE MONTH OF RAMADAN YEAR 2024/1445H

HASiL would like to inform that there is a change in the operating hours of the HASiL service counter throughout the month of Ramadan in the year 2024/1445H from 12th March 2024 until 9th April 2024. Full information regarding these operating hours can be viewed through HASiL's Media Statement dated 11th March 2024 : Waktu Operasi Kaunter Perkhidmatan HASiL Sepanjang Ramadan Tahun 2024/1445H :

<https://www.hasil.gov.my/media/55elglm2/20240311-kenyataan-media-hasil-waktu-operasi-kaunter-perkhidmatan-lembaga-hasil-dalam-negeri-sepanjang-bulan-ramadan-tahun-2024-1445h.pdf>.

In line with the technological transformation and digitization of the taxation service system as well as the commitment to improve the level of customer service, HASiL mandates the use of e-Services for services that have been provided online through the MyTax Portal service portal from 1 January 2024 by visiting www.hasil.gov.my.

SVDP 2.0 : PAYMENT PROCEDURE

The taxpayer who participate the Special Voluntary Disclosure Programme (SVDP) 2.0 must make a lump sum tax payment within 30 days from the date of assessment notice or in instalments based on the agreed instalment payments arrangement until the end of the SVDP 2.0 implementation period.

The application for instalment payment must be submitted through the SVDP 2.0 Link accessible on HASiL Official Portal / MyTax using the SVDP 2.0 Instalment Payment Application Form.

If the taxpayer fails to settle the balance of tax payment at the end of the stipulated period, the tax increase will be charged based on the provisions of the tax law in force.

For more information on SVDP 2.0, kindly visit HASiL Official Portal, www.hasil.gov.my and refer to Top Pages menu.

SCAMMER ALERT :

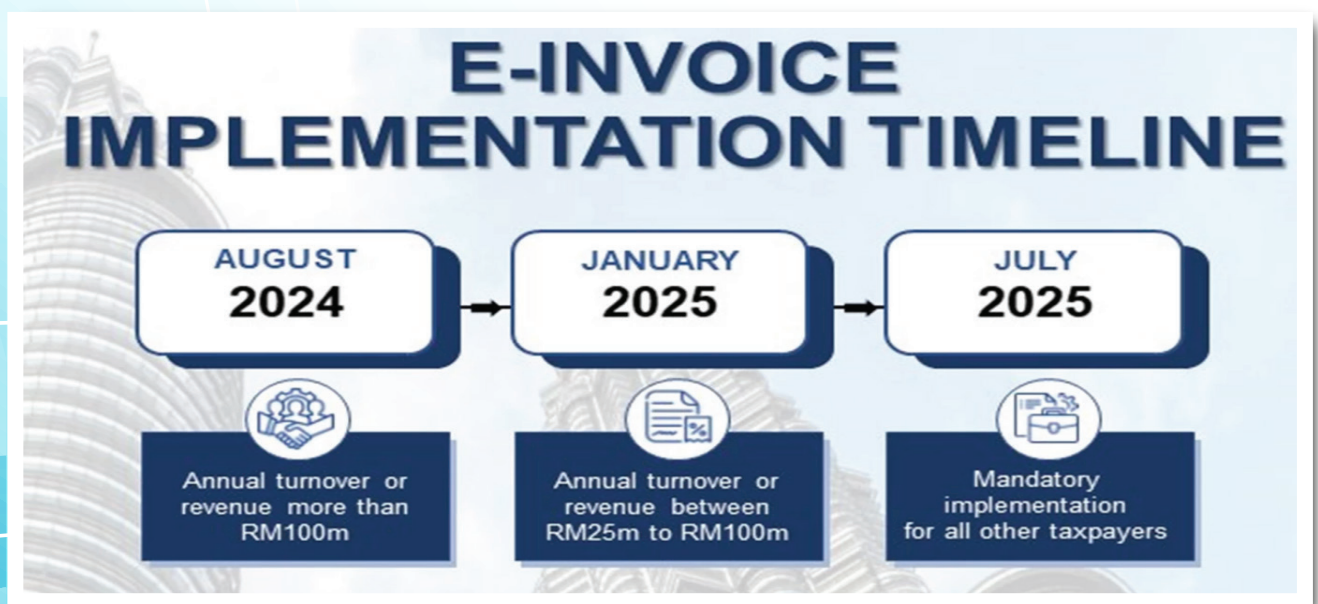
HASiL DOES NOT MAKE CALLS USING MOBILE PHONES OR CALL FORWARDING TO OTHER AGENCIES SUCH AS PDRM, COURTS AND OTHERS.

BE CAREFUL AND DON'T BE FOOLED.

NATIONAL INITIATIVE e-INVOICE

The introduction of e-Invoice aims to streamline and enhance the national tax system, promote transparency in income reporting, and increase tax compliance rates. It is also seen as a solution to address issues of revenue leakage resulting from unreported and manipulated transactions.

BENEFITS OF e-INVOICE



MORE INFORMATION ON e-INVOICE

- 1) Refer to the e-Invoice microsite on HASiL Official Portal : www.hasil.gov.my,
- 2) Refer to e-Invoice Guidelines and FAQs, or
- 3) Drop an e-mail to myinvois@hasil.gov.my for further queries and feedback

Mandatory use of
e-SERVICES
via Mytax : <https://mytax.hasil.gov.my>
Starting on 1st January 2024