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Crowe Chat

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Table of Contents

- 01 | Finance Act 2023 Gazetted
- 02 | Guideline for the Application of Tax Deduction for Contributions to Smart Artificial Intelligence (AI)-Driven Reverse Vending Machine (RVM)
- 03 | Media Release on Inland Revenue Board of Malaysia (IRBM) No Longer Accepting Payments by Cheques and Money Orders/Postal Orders (MOPO)
- 04 | An Article on Capital Allowance Maximisation

1. Finance Act 2023 Gazetted

The [Finance Act 2023](#) has been gazetted on 31 May 2023.

There are no material changes in the Finance Act 2023 as compared to the Finance Bill 2023 which was passed at the Dewan Negara on 10 April 2023.

The Finance Act 2023 comes into operation on 1 June 2023.

Crowe's highlights on the Finance Bill 2023 can be accessed via the following links:



Highlights of the Revised Budget 2023

Crowe Chat Vol. 1/2023



Key Highlights of the Finance Bill 2023

Crowe Chat Vol. 2/2023



2. Guideline for the Application of Tax Deduction for Contributions to Smart AI-Driven RVM

Introduction

It was proposed in the 2023 Budget that tax deduction be given to companies, individuals, partnerships, trusts and cooperatives with business income that made donations or sponsorships to AI-driven RVM. This is in line with Malaysia's Plastic Sustainability Roadmap 2021 to 2030 by encouraging the public to make donations or sponsorships to the development of AI-driven RVM. The development of AI-driven RVM can help to support the recycling of plastic waste as an economic resource and to ensure that the collected-for-recycling rate can be increased through a more effective and organised plastic waste collection programme.

New Guideline

The Ministry of Finance (MOF) issued a [Guideline for the Application of Tax Deduction under Section 34\(6\)\(h\) of the Income Tax Act, 1967 \(MITA\) for Contributions / Sponsorships to Smart AI-driven RVM](#) (available in the Malay language only).



2. Guideline for the Application of Tax Deduction for Contributions to Smart AI-Driven RVM (cont.)

Details of the new Guideline

Type of contribution eligible	Cash or financing for the smart vending machine which incorporated the elements of smart AI
Eligible applicants	Companies, individuals, partnerships, trusts and cooperatives with business income
Supporting documents to verify the contribution	<ul style="list-style-type: none">• Official receipt; or• Acceptance letter of contribution; or• Financing agreement letter (stating the duration, location and serial number of the machine)• Verification of the value of cash / equipment / services from the Ministry of Natural Resources, Environment and Climate Change together with the official stamp (using the format in Lampiran I and II of the Guideline)
Effective period	Contributions / sponsorships made and applications received by MOF from 1 April 2023 to 31 December 2024

3. Media Release on IRBM No Longer Accepting Payments by Cheques and Money Orders/Postal Orders (MOPO)

The IRBM has recently issued a [Media Release](#) (available in the Malay language only) to inform that they are no longer accepting cheques and MOPO for direct tax payments at all its receipt management centres (PPTH), stamp duty payment counters, and collection agents. The effective dates for this change are as follows:

No.	Receipt Management Centres (PPTH)	Type of Instruments	Effective Date
1.	PPTH Kuala Lumpur, Kuching and Kota Kinabalu	Cheques / MOPO	1 August 2023
2.	Collection Agents:		
	CIMB Bank	Cheques	1 August 2023
	Maybank Berhad	Cheques	1 June 2023
	Public Bank Berhad	Cheques	1 June 2023
3.	Post Office	MOPO	1 August 2023
4.	Stamp Duty Payment Counters	Cheques / MOPO	1 July 2023

3. **Media Release on IRBM No Longer Accepting Payments by Cheques and MOPO (cont.)**

Details of the Media Release

This new implementation affects all direct tax payments EXCEPT for:

- advance payments and instalments for audit, investigation and civil law cases using cheques/post-dated cheques submitted to the IRBM before 1 August 2023; and
- payment of the 2% tax deduction to an agent, dealer, or distributor under Section 107D of the Malaysian Income Tax Act, 1967 (MITA)

After 1 August 2023, direct tax payments at the PPTH and collection agents using bill number or Tax Identification Number (TIN) can be made via bank draft or cash.

Payment for stamp duty at the satellite offices or state stamp offices after 1 July 2023 can only be made using bank drafts.



Featured Article:

Maximising Capital Allowance for Business Growth

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