



2027

BUDGET

NEWSLETTER

YYC'S EDITION

This Newsletter is prepared based on Budget 2027 speech
as announced on **9 October 2026**

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Belanjawan 2027
**MALAYSIA
MADANI**

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FOREWORD

Budget 2027: Pre-Election Sweeteners for SMEs, But Resilience Remains Key

–Datin Shin Yap
YYC CEO & Finance Expert

Budget 2027 offers welcome relief to Malaysian SMEs through lower income tax rates, expanded financing support and incentives for businesses to invest in technology and growth.

However, government assistance can provide temporary breathing room, but businesses must ultimately build the strength to stand on their own.

As highlighted by **Datin Yap Shin Siang, Group Chief Executive Officer of YYC**, the Government is giving SMEs some breathing room through tax cuts, financing and incentives. These measures are welcome, especially when business costs remain high.

But business owners must remember that **government support is temporary, while competition is here to stay**. The real strength of an SME must come from within – its people, its cash flow, its ability to differentiate and its willingness to keep improving.

Budget 2027 proposes reducing corporate income tax rates for qualifying SMEs, potentially resulting in annual tax savings of up to RM6,000. While the reduction is welcome, business owners should look beyond the immediate savings.

Tax planning is ultimately cash-flow planning. The objective is not just to pay less tax, but to retain more cash that can be reinvested into growing the business.

Budget 2027 proposes increasing the minimum wage from RM1,700 to RM2,000 from June 2027, with SMEs recording annual sales below RM50 million exempted under the announced measure. However, **SMEs may be exempt from the new minimum wage requirement, but they are not exempt from the labour market**. When larger companies increase salaries, SMEs are still competing for the same talent. Businesses must invest in training, develop their leaders and improve productivity to attract and retain good people.

Budget 2027 also provides financing support for mergers and acquisitions, export financing and overseas expansion. These measures should encourage Malaysian SMEs to adopt a more ambitious growth mindset and explore opportunities to scale their businesses.

However, growth requires more than financing or government incentives. Businesses must continuously improve customer service, develop stronger management capabilities and maintain financial discipline.

A business can double its revenue and still become financially weaker if it does not manage its cash flow properly. Growing bigger is not the same as growing stronger.

The Government can provide tax relief, financing and incentives. These are helpful, and businesses should make full use of them where appropriate. But no government incentive can replace good leadership, a strong team, excellent customer service or sound financial management.

**Budget 2027 gives SMEs breathing room.
But breathing room is not the same as resilience.**

Through this YYC Budget 2027 Newsletter, we present the key tax proposals and government initiatives to help individuals and businesses understand the changes and plan ahead.

We cannot control the economy, competition or government policies. But we can control how well we run our businesses. That is where our real strength must come from.

01 ECONOMIC OUTLOOK

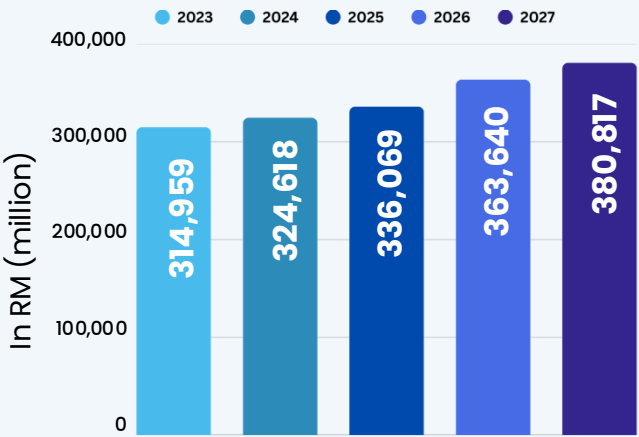


01 Economic Outlook



Total Government Revenue

Federal Government revenue is projected to increase to RM380.8 billion in 2027, compared with RM363.6 billion in 2026 and RM336.1 billion in 2025.



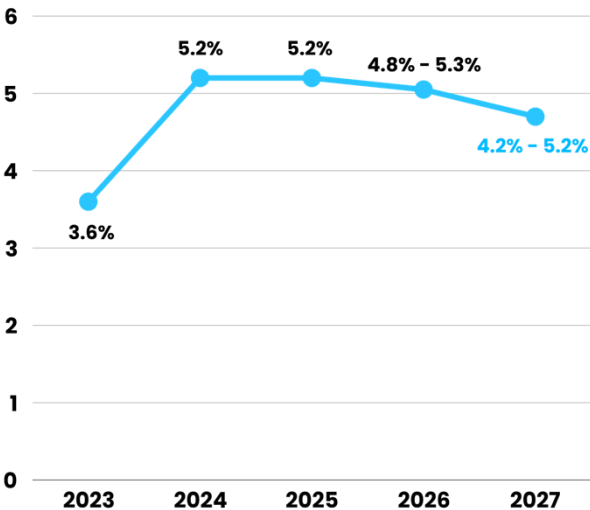
Total Allocated Fund

The total allocation for the Fifth MADANI Budget 2027 is RM459.8 billion. Key allocation highlights:

- RM376.8 billion for operating expenses
- RM83 billion for development expenditure

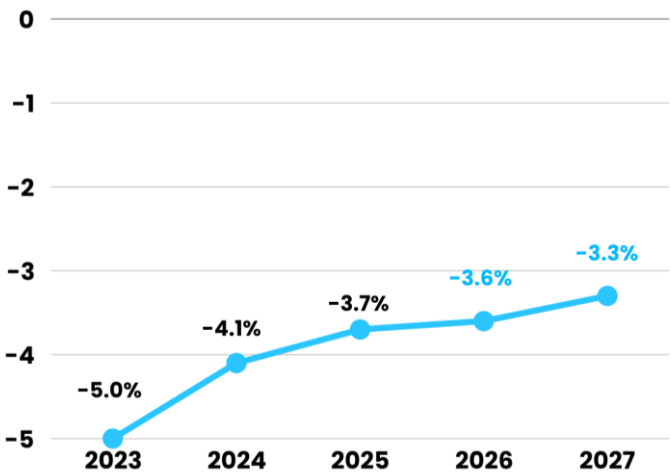


GDP Growth



GDP Growth

Fiscal Deficit



Fiscal Deficit

Malaysia's economy is projected to grow by 4.2%–5.2% in 2027, compared with the revised growth forecast of 4.8%–5.3% for 2026.

The Federal Government aims to narrow the fiscal deficit to 3.3% of GDP in 2027, from an estimated 3.6% in 2026, in line with its medium-term fiscal consolidation objectives.

02

PERSONAL TAX



Increased Tax Relief for Individual and dependent relatives

RM9,000 to RM12,000



The tax relief for individual and dependent relatives, unchanged since **YA 2010**, is proposed to be increased from **RM9,000** to **RM12,000**, **effective from YA 2027**.

Individual Income Tax Rates Adjustment

The individual taxable income bands are proposed to be revised as follows effective from YA 2027:

- **RM70,001–RM100,000**: tax rate reduced from **19%** to **18%**.
- **RM100,001–RM150,000**: new tax band introduced at **24%**, reduced from the existing **25%** rate.
- **RM150,001–RM400,000**: tax rate remains at **25%**.
- **RM600,001–RM1,000,000**: tax rate remains at **28%**, with the upper limit revised from **RM2,000,000** to **RM1,000,000**.
- Above **RM1,000,000**: tax rate of **30%** applies, revised from the previous threshold of above **RM2,000,000**.

Chargeable Income Band (RM)	Tax Rate (%)
0 – 5,000	0
5,001 – 20,000	1
20,001 – 35,000	3
35,001 – 50,000	6
50,001 – 70,000	11
70,001 – 100,000	18
100,001 – 150,000	24
150,001 – 400,000	25
400,001 – 600,000	26
600,001 – 1,000,000	28
Exceeding 1,000,000	30

Health and Well-Being Relief Including Postnatal Care

From **YA 2027**, the individual income tax relief for medical treatment is proposed to be reclassified as Health and Well-being relief, with the overall relief limit maintained at **RM10,000**. The scope of relief is proposed to be expanded to include the following expenses:

- Postnatal care services provided by a confinement centre or qualified individual, limited to **RM3,000**.
- Breastfeeding equipment for children aged **2 years** and below, paid for by self or spouse, limited to **RM1,000**.

The existing individual income tax relief for breastfeeding equipment will be merged into the Health and Well-being relief.

Broader Relief for Care of Parents and Grandparents

RM8,000 Existing overall relief limit

From **YA 2027**, individual income tax relief for expenses incurred in caring for parents and grandparents at home, day care centres and residential care centres is proposed to be expanded to cover all types of care expenses, rather than being limited to medical care, subject to the existing overall relief limit of **RM8,000**.

Claims must be supported by a written declaration from the carer (excluding the taxpayer, spouse or children) or a copy of the carer's work permit, together with receipts. Verification by a registered medical practitioner will no longer be required to support these claims.



Sports-Related Lifestyle Relief for Sports Shoes

From **YA 2027**, the individual income tax relief for sports-related lifestyle expenses is proposed to be expanded to include the purchase of sports shoes, limited to **RM300**, for self, spouse, child or parents. The overall relief limit remains at **RM1,000**.

Reclassified Education and Skills Training Fees Relief

From **YA 2027**, individual income tax relief for education fees and skills courses under lifestyle relief is proposed to be merged and reclassified as Education and Skills Training Fees relief, with the overall relief limit remaining at **RM7,000**. The revised scope is as follows:

Subject	Amount (limited to)	
Fees for self to undertake courses or studies recognised by any regulatory agency, at Certificate, Diploma, Bachelor's, Master's or Doctor of Philosophy level in any field, at a local institution or professional body in Malaysia recognised by the Government of Malaysia or approved by the Minister of Finance.	-	7000
Fees incurred for self or spouse to undertake upskilling or self-enhancement courses or studies in Technical and Vocational Education and Training (TVET), recognised by the Director General of Skills Development under the National Skills Development Act 2006.	3000	
Fees incurred for courses, training, skills and self-enhancement classes unrelated to employment for self or spouse; or courses, training, classes or tuition in Science, Technology, Engineering and Mathematics (STEM), arts, languages and religion for children.	2000	



Lifestyle Relief for AI Subscriptions and Pet Care

From **YA 2027**, the individual income tax relief for lifestyle expenses is proposed to be expanded to include:

- Subscription expenses for Artificial Intelligence (AI) software and applications for personal use, spouse or child.
- Pet adoption costs from registered animal shelters.
- Registered veterinary services for pet vaccination and spaying or neutering procedures.

The overall limit for individual lifestyle tax relief remains at **RM2,500**, including the proposed expanded scope.

Expanded SOCSO Contribution Tax Relief

From **YA 2027**, individual income tax relief for SOCSO contributions is proposed to be revised as follows:

- The existing tax relief of **RM350** is expanded to cover mandatory employee contributions to the Self-Employment Social Security Scheme (LINDUNG KENDIRI) for three mandatory sectors: passenger transport, goods or food transport, and hawkers.
- An additional tax relief of up to **RM150** is provided for voluntary employee contributions to the Non-Employment Injury Scheme (LINDUNG 24) and the 17 non-mandatory sectors under LINDUNG KENDIRI, as listed under the Self-Employment Social Security Act 2017 [Act 789].



Tax Deduction for Cash Contributions to the School Public Contribution Fund

From **YA 2027**, the School Public Contribution Fund (Tabung Sumbangan Wang Awam Sekolah – TSUWAS) is proposed to be expanded to cover administrative and operating expenses, repairs and maintenance, procurement of equipment and school programmes for students.

Applications to establish of TSUWAS must be submitted to the Inland Revenue Board of Malaysia (IRBM) with endorsement from the Minister of Education (MOE). The fund will be jointly administered by the school, Parent-Teacher Association (PTA) or Alumni Association with monitoring by MOE based on guidelines to be determined.

Extension of Individual Income Tax Relief for Tourism Expenses

To promote domestic tourism, tourism tax relief of up to **RM1,000** on entrance fees is extended to year of assessment 2027:

Entrance fees includes:

- Tourist attractions such as museums, zoo, theme parks, national parks, marine parks and geoparks.
- Cultural and arts programmes.



03

CORPORATE TAX



Income Tax Deductions for Salary Payments Through Financial Institutions and Cashless Payment Instruments

From **YA 2028**, it is proposed that a tax deduction on salary expenses be allowed only for payments made through financial institutions or cashless payment instruments prescribed under the Employment Act 1955, except for salary payment transactions by Micro, Small and Medium Enterprises (MSMEs).

Tax deductions for expenses other than salary payments remain allowable regardless of payment method.

Tax Deduction for Repayment of PTPTN by Employers on Behalf of Employees

It is proposed that employers be given an income tax deduction for PTPTN loan repayments made on behalf of employees from **1 January 2027** to **31 December 2028**, provided that:

- The employer must not require any payment from the employee in consideration for the PTPTN loan repayment made by the employer.
- The employee must be employed full-time.
- The employee must not be the business owner or have family ties with the employer.



03 Corporate Tax

Review of Income Tax Rates for MSMEs

First

RM150,000 Tax rates reduced to **14%**

Next

RM450,000 Tax rates reduced to **16%**



From **YA 2027**, income tax rates for qualifying Micro, Small and Medium Enterprises (MSMEs) are proposed to be revised as follows:

Chargeable Income Band	Tax Rate (%)
First RM150,000	14
RM150,001 to RM600,000	16
Exceeding RM600,000	24

Higher Capital Allowance Limits for Small Value Assets

It is proposed that the capital allowance treatment for small value assets shall be enhanced as follow:

- Qualifying value per asset is revised from **RM2,000** to **RM3,000**.
- Overall claim limit for companies other than MSMEs is revised from **RM20,000** to **RM30,000** for each year of assessment.



Extension of Accelerated Capital Allowance (ACA) on Qualifying Capital Expenditure for Plant, Machinery and ICT Equipment

The ACA on qualifying capital expenditure for plant and machinery, ICT equipment and software acquired from local manufacturer, will be extended from **31 December 2026** to **31 December 2030**.

Tax Deduction for Companies Implementing the Bakat MADANI Training Programme

Tax deductions will be available to companies implementing the Bakat MADANI training programme from **29 June 2026** to **31 December 2030**.



04

TAX INCENTIVES



Tax Deduction for Automotive Vendors Relocating to Tanjong Malim

To encourage wholly locally owned automotive vendor companies to relocate their operations to the Automotive Hi-Tech Valley in Tanjong Malim, a tax deduction will be provided for qualifying relocation costs of up to **RM5 million**.

The deduction applies to expenditure incurred from **1 January 2027** to **31 December 2030**.

Income Tax Exemption for Shariah-Compliant Fund Management Services

A resident company providing Shariah-compliant fund management services approved by the Securities Commission Malaysia (SC) will continue to enjoy a tax exemption, with the exemption rate revised from **60% to 40%** of statutory income derived. The incentive will be extended for a further three years, covering **YA 2028** to **YA 2030**.

Tax Deduction for Sukuk Prisma Issuance Costs

To strengthen Malaysia's position as a global sukuk hub, it is proposed that an income tax deduction be granted on the issuance costs of Sukuk Prisma approved, authorised by, or lodged with the Securities Commission Malaysia (SC), from **YA 2027** until **YA 2030**.

Meanwhile, the existing tax deduction for SRI Sukuk issuance costs remains **effective until YA 2027**.

04 Tax Incentives



Income Tax Exemption for SRI Sukuk and Bond Grant Scheme

Income tax exemption will be granted for grants received under the Sustainable and Responsible Investment (SRI) Sukuk and Bond Grant Scheme **effective from 1 January 2027**.

Tax Deduction for Contributions to Public Universities

Contributions to public universities by members of the public, including alumni and the corporate sector, will qualify for an income tax deduction of up to **10%** of aggregate income.

Tax Deduction for Food and Equipment Contributions to Dapur Siswa MADANI

A tax deduction will be provided to parties contributing food and equipment for the Dapur Siswa MADANI programme from **1 January 2027** to **31 December 2030**.



04 Tax Incentives

Extension of Tax Incentive for Individual ECF Investors

To further support alternative financing and attract more individual investors in start-up companies and Micro, Small and Medium Enterprises (MSMEs) through Equity Crowdfunding (ECF) platforms, it is proposed that the tax incentive be extended for four years, from **1 January 2027** to **31 December 2030**.

Extension of Tax Incentive for Angel Investors

The tax incentive for angel investors in technology start-up companies at the pre-seed and seed stages will be extended from **31 December 2026** to **31 December 2030**.



Enhanced Global Services Hub Income Tax Incentives

For applications received by the Malaysian Investment Development Authority (MIDA) from **1 January 2027**, it is proposed that the Global Services Hub (GSH) tax incentives be revised as follows:

(i) A new company is a company that has not carried out GSH or Principal Hub (PH) activities.

(ii) An existing company is a company that has been previously approved for the GSH or PH incentives and will undertaking additional new services for an extension application.

(iii) The base income for an existing company is the average income for the last **3 years**.

GLOBAL SERVICES HUB (GSH) INCENTIVE SCHEME

Subject	New Company	Existing Company	
		Income ≤ Base Income	Income > Base Income
Tax Rate	5%	15%	5%
Incentive Period	Every five years up to a maximum of 30 years. (Subject to the company's performance/commitment during the preceding and subsequent incentive periods)		
Qualifying Services	Must undertake the following core qualifying services: a. Regional P&L / Business Management Unit; b. Strategic business planning; and c. Corporate development.		
Additional Services	Must undertake a minimum of two qualifying activities under the following service categories: a. Strategic services; or b. Business services (including Treasury Fund Management – TFM); or c. Shared services.		
Exempted Income	a. Service income; or b. Service and trading income; and c. TFM activity income as prescribed by the Minister of Finance.		
Treasury Fund Management	GSH company undertaking TFM activities specifically for cash pooling via onshore intermediaries is given the following additional incentives: a. Withholding tax exemption on interest paid to non-residents; and b. Stamp duty exemption of 100% on loan agreements between companies in foreign currencies. *Note: Additional incentives (a) and (b) are also expanded to the Johor-Singapore Special Economic Zone (JS-SEZ) incentive package.		

Full Income Tax Exemption for Malaysian Shipping Companies

Full income tax exemption for Malaysian shipping companies from **YA 2027** until **YA 2036**, subject to the following conditions:

- Strategic management and **effective control are implemented in Malaysia**;
- Annual operating expenditure in Malaysia of at least **RM250,000** for each Malaysian ship; and
- Employ at least 4 Malaysian citizens with an average monthly salary of **RM15,000** for each Malaysian ship.

Extension of Tax Incentives for Organising International Incentive Trips, Conferences and Trade Exhibitions

It is proposed that the **100%** income tax exemption on statutory income for companies, associations or organisations organising qualifying international incentive trips, conferences or trade exhibitions in Malaysia be extended for **3 years**, from **YA 2028** to **YA 2030**.

The organising companies, associations or organisations must be certified by the Ministry of Tourism, Arts and Culture, and the events must meet the applicable annual foreign-participant threshold:

- Incentive groups: at least 1,500 foreign participants.
- Conferences: at least 2,000 foreign participants.
- Trade exhibitions: at least 3,000 foreign participants.



04 Tax Incentives

Johor-Singapore Special Economic Zone (JS-SEZ) Incentive

Under the Single Family Office (SFO) Scheme, a single family can manage its funds in Malaysia and enjoy zero tax on qualifying income for up to **20 years**.

A Multi-Family Office (MFO) model will be introduced in Forest City, allowing licensed fund managers to provide services to multiple families, including those with approved SFO funds.

Enhanced Green Technology Tax Incentive

In line with the aspiration for sustainable national energy transition and net zero carbon emission by 2050, it is proposed that the Green Technology Tax Incentive be reviewed as follows:

i. GITA Project (Business Purposes)

Qualifying Activity	GITA (%)	Statutory Income to be Set-off (%)	Incentive Period	Effective Date
<u>Tier 1</u>				For applications received by Malaysian Investment Development Authority (MIDA) from 1 January 2027 until 31 December 2030.
a. Green Hydrogen	100	100 or 70	5 + 5 years	
b. Ocean Thermal Energy Conversion				
<u>Tier 2</u>	60	70	5 years	
a. Electric Station Vehicle Charging				
b. Renewable Energy System (Biomass, Biogas, Mini Hydro, Geothermal, Wind energy)				



Enhanced Green Technology Tax Incentive

In line with the aspiration for sustainable national energy transition and net zero carbon emission by 2050, it is proposed that the Green Technology Tax Incentive be reviewed as follows:

ii. GITA Assets (Own Consumption)

Qualifying Activity	GITA (%)	Statutory Income to be Set-off (%)	Effective Date
Tier 1			
a. List of qualifying assets approved by Finance Minister:			
(i) Bus, Van, Panel MPV, Movers, Terminal Tractor, Forklift, Lorry/Light Truck, Lorry and Heavy Vehicle (including prime mover)			
(ii) Electric vehicle infrastructure (locally produced)			
(iii) Waste composting and recycling system (locally produced)			
(iv) Wastewater recycling and rainwater harvesting system (locally produced)			
b. Renewable Energy Integrated System (Biomass, Biogas, Mini Hydro, Solar, Geothermal, Wind Energy) + Battery Energy Storage System (BESS)/Energy Storage System (ESS).	100	70	For the purchase of qualifying green technology assets verified by MGTC from 1 January 2027 until 31 December 2030.
Tier 2			
a. List of qualifying assets approved by Finance Minister:			
(i) Electric vehicle infrastructure			
(ii) Waste composting and recycling system			
(iii) Wastewater recycling and rainwater harvesting system			
b. Renewable Energy System (Biomass, Biogas, Mini Hydro, Geothermal, Wind Energy)	60	70	The company shall apply to MGTC within 24 months from the date of purchase of the qualifying GITA asset.



05

INDIRECT TAX



Entertainment Duty Exemption for Qualifying Events held at Stadium Merdeka and Stadium Negara

Entertainment duty will be exempted for arts, cultural, entertainment and sporting activities held at Stadium Merdeka and Stadium Negara.

Reduction of Service Tax Rate and Exemption for Elderly Care Services

8% to 6%

Effective 1 January 2027, the service tax rate for elderly care services will be reduced from **8%** to **6%**. In addition, annual elderly care fees of up to **RM96,000** per person will be fully exempt from service tax, provided the service provider is registered under the relevant legislation.

Sales Tax Refund Facility for Traders on Supplies To Manufacturer

Effective from 1 January 2027, a sales tax refund facility be provided to local traders or distributors that have paid sales tax on goods supplied to manufacturers, covering:

- Machinery, spare parts and equipment under Item 55, Schedule A, Sales Tax (Persons Exempted from Payment of Tax) Order 2018.
- Inputs for manufacturing pharmaceutical products, animal feed, fertilisers and pesticides under Schedule B of the same Order.



Full Entertainment Duty Exemption for Local Films and Theatre in the Federal Territories

Tickets for local films screening at cinemas and local theatre performances held in the Federal Territories will be fully exempt from entertainment duty.

Subject to approval for applications received by Ministry of Finance from **1 January 2027** until **31 December 2030**

Higher Duty-Free Purchase Limit in Langkawi and Labuan

Effective 1 January 2027, the import duty and sales tax exemption limit for eligible goods brought out of Langkawi and Labuan will be increased to **RM10,000**, subject to a minimum stay of 48 hours and the exclusion of specified goods.

Expanded Import Duty Exemptions for Langkawi-Made Products

Effective from 1 January 2027, import duty exemptions will be extended to a wider range of Langkawi-made products to support local entrepreneurs.



Extension of Entertainment Duty Exemptions for Selected Categories in the Federal Territories

It is proposed that the existing entertainment duty exemptions for selected entertainment categories in the Federal Territories be extended until **31 December 2030**. Applications must be received by the Ministry of Finance by **31 December 2030**.

The rates after the selected-category exemptions are:

- Stage performances by international artists / light shows / circuses: **10%.**
- Film screenings (cinemas) / theatres: **10%.**
- Exhibitions / zoos / aquariums: **10%.**
- Sports events / e-sports / bowling / snooker / pool / billiards / karaoke: **10%.**
- Theme parks / family recreation centres / indoor amusement centres / simulators: **5%.**
- Stage performances by local artists: **0%.**



06

STAMP DUTY



Stamp Duty Exemptions for First Residential Home Purchases

The Government has proposed that the stamp duty exemption for the purchase of first residential home be revised as follows:

i. Homes priced up to **RM500,000**

- **100%** stamp duty exemption on loan agreements and instruments of transfer

ii. Home priced up to **RM750,000**

- **100%** stamp duty exemption on the first **RM500,000** of the home price; and
- **50%** stamp duty exemption on the remaining home price exceeding **RM500,000** up to **RM750,000**.

These proposed exemptions apply to loan agreements and instruments of transfer relating to sale and purchase agreements executed from **1 January 2027** to **31 December 2030**.

Stamp Duty Exemption for Revival of Abandoned Housing Projects

To achieve zero abandoned housing projects by 2030, the Government has proposed to reintroduce a **100%** stamp duty exemption on loan agreements and instruments of transfer executed by rescue contractors, developers and original buyers in relation to the revival of abandoned housing projects certified by the Ministry of Housing and Local Government.

This proposed exemption applies to loan agreements and instruments of transfer executed from **1 January 2027** to **31 December 2030**.



RM10 Stamp Duty for Loan and Financing Agreements under the CAKNA Scheme

RM10 Stamp Duty for CAKNA Loan and Financing Agreements

The Government has proposed that stamp duty exceeding **RM10** on principal loan or financing agreements executed by MSMEs and small contractors under the CAKNA Scheme be remitted as follows:

- CAKNA I: extend the remission for two years, for agreements executed from **1 January 2029** until **31 December 2030**.
- CAKNA II: reintroduce the remission of stamp duty exceeding **RM10** for agreements executed from **1 January 2027** until **31 December 2030**.

Stamp Duty Remission on Mid-Tier Companies' Surplus Credit Agreements

RM10 Stamp Duty on Agreements to Use Surplus Credit



Under the Supplier Financing Programme, stamp duty exceeding **RM10** is proposed to be remitted on second-tier agreements executed between Mid-Tier Companies (MTCs) and financial institutions for excess credit facilities for early payment to MSME suppliers, subject to both conditions:

- The MSME supplier has fulfilled its contract to supply goods or services to the MTC; and
- The MSME supplier is not a parent company, subsidiary or related company of the MTC.

The remission applies to second-tier agreements executed from **1 January 2027** to **31 December 2030**. First-tier credit facility agreements remain subject to stamp duty at rate of **0.5%**.

06 Stamp Duty



RM10 Stamp Duty on P2P Loan Agreements

To encourage Micro, Small and Medium Enterprises (MSMEs) to obtain alternative financing through peer-to-peer (P2P) platforms, the Government has proposed to grant remission of stamp duty exceeding **RM10** on P2P loan or financing agreements executed between MSMEs and investors.

This proposed remission applies to loan or financing agreements executed from **1 January 2027** to **31 December 2030**.

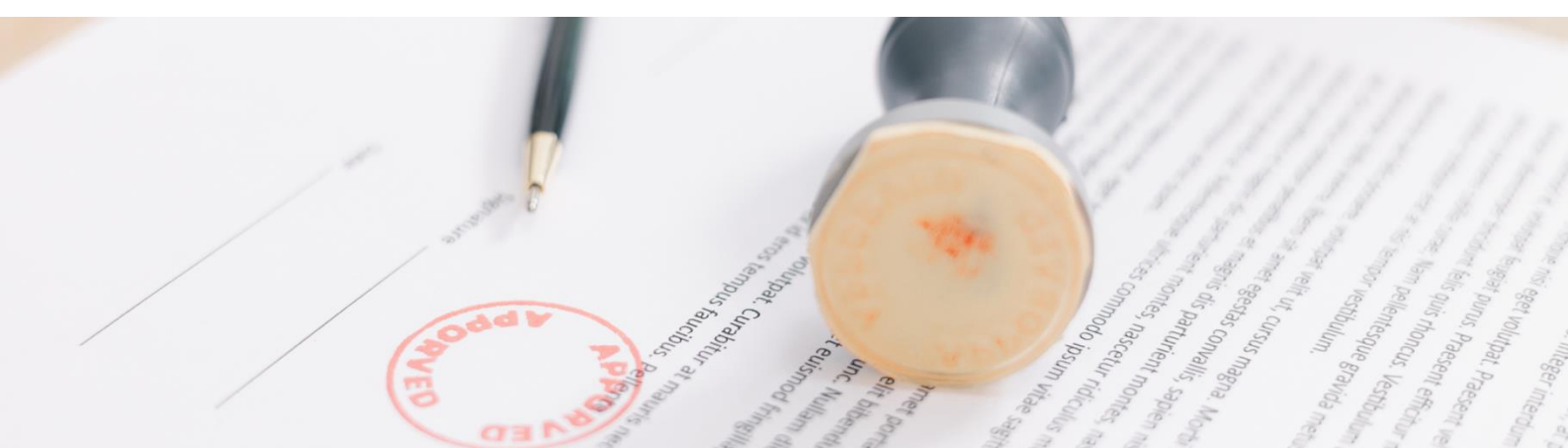
Full Stamp Duty Exemption for Opening Savings and Current Accounts

100% stamp duty exemption

The Government has proposed a **100%** stamp duty exemption for opening of saving and current accounts **effective from 1 January 2027**.

Stamp Duty Exemption for GSH and JS-SEZ Intercompany Loan Agreements

From **1 January 2027**, companies under the Global Services Hub (GSH) incentive that manage treasury and funds will be exempt from stamp duty on intercompany loan agreements. The same exemption will also apply to these activities under the Johor-Singapore Special Economic Zone (JS-SEZ) package.



Maximum Limit of Stamp Duty for Loans to Purchase or Construct Malaysian Ships

RM2,000 for loans of up to **RM100 million**

RM5,000 for loans exceeding **RM100 million**

The Government has proposed that the maximum stamp duty on loan or financing agreements for the purchase or construction of Malaysian ships be capped at:

- **RM2,000** for loans or financing amounting up to **RM100 million**; and
- **RM5,000** for loans or financing exceeding **RM100 million**.

This applies to loan or financing agreements executed from **1 January 2027**.

Review of Stamp Duty on Foreign Currency Loan or Financing Agreements

To enhance access to domestic financing, the Government has proposed to cap the stamp duty on foreign currency loan or financing agreements from banks in Malaysia as follows:

- **RM2,000** for loans or financing up to **RM100 million**; and
- **RM5,000** for loans or financing exceeding **RM100 million**.

The proposed stamp duty limits apply to loan or financing agreements executed from **1 January 2027**.



07

GRANT



Matching Grants for Childcare Ecosystem Support and Caregiver Training

RM100 mil for Childcare Ecosystem Support and Caregiver Training



Yayasan GLIC GLC will provide **RM100 million** in matching grants for purposes that include strengthening the childcare ecosystem and providing training for 6,000 caregivers in more than 50 new areas across nine states.

Rental Support for Small Traders and Festive Bazaars

50% discount

More than 10,000 small traders renting DBKL premises will receive a **50%** rent discount throughout 2027, including traders at public markets, food courts and hawker centres.

Rates as low as **RM400** will apply to bazaars during festive seasons.

Matching Grants for First-Time Halal Certification

RM5,000 for First-Time Halal Certification

The Government will provide matching grants of up to **RM5,000** to MSME companies seeking halal certification for the first time. The measure responds to entrepreneurs with quality products facing difficulty obtaining halal certification and reaching wider markets.

Grants to Strengthen Halal MSMEs

RM25,000 To Strengthen
Halal MSMEs

Grants of **RM25,000** will also be provided to strengthen halal MSMEs in fields such as cosmetics and pharmaceuticals.

First-Year MediAsas Premium Subsidy for SMEs

As part of MediAsas, to be launched from January 2027, the Government will subsidise first-year premiums by **RM200** per employee for SMEs with fewer than 75 employees, limited to 50 employees per company. The measure is expected to benefit up to 200,000 employees.

Paddy Farmer Assistance and Higher Harvesting Incentive

The Government will provide **RM2.62 billion** in assistance for paddy farmers, representing about **RM4,300** per hectare of paddy land. This includes subsidies for seeds, fertiliser, pesticides, ploughing costs and paddy prices.

The paddy harvesting incentive will increase from **RM50** to **RM100** per hectare per season. The ploughing incentive, which has already been increased to **RM300**, will be maintained and extended to paddy farmers in Sabah and Sarawak.



Aquaculture Grants for Fishermen

Grants will be provided for aquaculture projects to increase fishermen's income. These include the provision of biofloc systems for tilapia farming.

Geran Sejahtera MADANI for Equipment and Training

RM200 mil for Equipment and Training

The Government will provide **RM200 million** for Geran Sejahtera MADANI to supply equipment and training to 40,000 recipients, particularly women. The initiative responds to people who have skills but lack capital to buy equipment such as sewing machines or ovens.

Cradle Grants for Prototype Development and Commercialisation

RM41 mil for Prototype Development and Commercialisation

RM41 million will be provided to Cradle Fund for implementation of the Startup Ecosystem Roadmap and grants for prototype development and commercialisation.



Matching Grants for Malaysia–Hong Kong Dual Listing Costs

The Securities Commission and Hong Kong regulators have established cooperation to facilitate Malaysian companies listing shares in both markets. Matching grants will be provided to cover listing costs.

Incentive Grants to Promote and Organise Tourism Events

RM935 mil to Promote and Organise Tourism Events

The Visit Malaysia Year campaign has been extended to next year, with **RM935 million** allocated for tourism and culture.

As part of this allocation, incentive grants will be provided to industry players to promote and organise tourism events.



Matching Grants for International Flights and Other Inbound Tourist Transport

Matching grants for international and charter flights will be provided to develop new direct flight routes from China, India, Central Asia and Europe.

The grant scope will be expanded to cover cruise ships, ferries and excursion buses bringing international tourists to Malaysia.

Rebates for Event Organisers at Large-Capacity Venues

Rebates will be provided to event organisers at venues with capacity for at least 10,000 spectators, towards making Malaysia a preferred destination for major international events.

One-Off Assistance for Taxi and School Bus Drivers

RM1,000 one-off financial assistance

Following the recent sale of special H registration plates, the Government will provide one-off financial assistance of **RM1,000** to 38,000 taxi drivers, including hired-car drivers, and 15,000 school bus drivers nationwide.

The assistance will be disbursed next week.



08

FINANCING PACKAGE



08 Financing Package



BSN and Agrobank Business Financing for Gig Workers

RM270 mil for gig workers' business activities and first-home purchases

BSN and Agrobank will provide **RM270 million** in financing for gig workers' business activities and first-home purchases.

Business financing forms part of this shared amount.

TERAJU Financing and Bumiputera Project Monitoring

RM1 bil for Financing and Bumiputera Project Monitoring

TERAJU will provide financing of up to **RM1 billion**. Its capacity will also be strengthened to monitor Bumiputera projects more effectively across all departments, agencies and companies.

Higher PUNB Financing Fund

RM350 mil to RM500 mil

The financing fund provided by Perbadanan Usahawan Nasional Berhad (PUNB) will be increased from **RM350 million** to **RM500 million**.



08 Financing Package



Agrobank Financing for Aquaculture Projects

RM40 mil for Aquaculture Projects

Agrobank will provide **RM40 million** in financing for aquaculture projects as part of the support for fishermen.

Financing for Agricultural Entrepreneurs

Agricultural entrepreneurs will be able to access more than **RM1 billion** in financing through Agrobank, Bank Rakyat and the Malaysia Co-operative Societies Commission to support increased agricultural output, including through the use of technology.

Hybrid Financing for Oil Palm Replanting by Smallholders

RM100 mil for Oil Palm Replanting by Smallholders

RM100 million in hybrid financing will be provided to assist oil palm replanting for 4,500 smallholders. Under the hybrid approach, smallholders need to repay only half of the financing.



08 Financing Package



Expanded Microfinancing for Small Entrepreneurs in 2027

RM6.6 bil to help small entrepreneurs raise their income through business

Microfinancing will increase to **RM6.6 billion** in 2027 to help small entrepreneurs raise their income through business. The announced components are:

- Amanah Ikhtiar Malaysia (AIM): **RM3 billion** available in 2027 to support 360,000 entrepreneurs.
- TEKUN: financing funds will increase to **RM1.3 billion**, focusing on Bumiputera entrepreneur development.
- Indian small entrepreneurs: financing under TEKUN and AIM will increase to **RM150 million** to help them expand their businesses.
- BSN: **RM1.7 billion** in microfinancing, with specific allocations for youths, gig workers, hawkers and vulnerable groups.

Soft Financing for Replanting Costs

RM200 mil for Replanting Costs

RM200 million in soft financing will be introduced to finance replanting costs for areas of up to 40 hectares. Repayment will be deferred for four years while waiting for the trees to bear fruit. Growers will bear interest of only **2%**, with the Government bearing the remaining interest.



ENTREPRENEUR

08 Financing Package



Additional BNM Financing for SMEs Affected by the West Asia Conflict

Bank Negara Malaysia (BNM) has provided up to **RM5 billion** in financing to assist SMEs affected by the West Asia conflict. Following an encouraging response, BNM will add a further **RM5 billion** to this financing fund.

Expanded SJPP and CGC Financing Guarantees

In 2027, SJPP and CGC will provide financing guarantees of up to **RM32 billion**.

SJPP coverage will expand to mid-tier companies in all sectors, with the guarantee limit increased to up to **RM50 million**. **RM1 billion** of SJPP guarantees will be reserved to support local companies' expansion through mergers and acquisitions (M&A).

BPMB Export Financing for Local MSMEs

BPMB will provide **RM1 billion** in financing to support local MSMEs in exploring export markets in 2027.

Funding Through ECF and P2P Platforms

RM270 mil to support SMEs, mid-tier companies and social enterprises

RM270 million will be provided to support SMEs, mid-tier companies and social enterprises, with the aim of attracting private capital through equity crowdfunding (ECF) and peer-to-peer (P2P) platforms.

09 OTHERS



Expansion of Sumbangan Asas Rahmah (SARA) Purchases and Participation by Small Grocery Stores

The Government has agreed to allow SARA to be used to purchase fresh produce and wet-market goods at 216 farmers' markets or tamu operated under FAMA nationwide.

Minimum Wage Increased to RM2,000 Effective June 2027

RM1,700 to RM2,000

The Government has agreed to increase the minimum wage from **RM1,700** to **RM2,000**, effective June 2027.

Micro, small and medium enterprises (MSMEs) with sales revenue below **RM50 million** are exempted.

Minimum Wage of RM2,500 for Semi-Skilled Jobs and Graduates

The reform addresses skilled workers' wages that remain out of line with their qualifications, beyond the income floor provided by the general minimum wage.

The Government will reform the employee income framework by introducing a starting minimum wage of **RM2,500** per month for semi-skilled jobs and graduates.



SALARY

RM160 Million Package for E-Hailing and P-Hailing Workers

RM160 mil For E-hailing and p-hailing workers

While awaiting the finalisation of the gig-worker arrangements, the Government and Grab have agreed to jointly fund a **RM160 million** package starting in 2027 to increase net income and improve the welfare of e-hailing and p-hailing workers.

The package covers:

- An increase in minimum income rates;
- Assistance with vehicle maintenance and insurance costs;
- SOCSO contributions; and
- EPF contributions

SOCSSO Matching Contribution Incentives for E-Hailing, P-Hailing and Self-Employed Workers

The Government will offer a **35%** PERKESO matching contribution incentive to e-hailing and p-hailing workers. The incentive will increase to **50%** if the platform company also contributes towards the workers' contributions.

In addition, the Government will offer a **70%** PERKESO matching contribution incentive to more than 200,000 self-employed persons across 17 non-mandatory sectors, excluding e-hailing and p-hailing workers.



EPF Matching Contributions for E-Hailing and P-Hailing Drivers

To encourage retirement savings among e-hailing and p-hailing drivers, the Government is offering an EPF matching contribution incentive of up to **RM600** per year or **RM6,000** over a lifetime.

Zakat Payments Directly From EPF Shariah Savings Dividends

EPF members who choose Simpanan Shariah can now pay zakat directly from their dividends, in line with the facilities available at Permodalan Nasional Berhad (PNB) and Lembaga Tabung Haji.

Monthly EPF Withdrawals Under the i-Emas Scheme

EPF members who reach the aged 55 and 60 may opt for the i-Emas scheme for monthly withdrawals, allowing their remaining savings to continue earning dividends.



Higher Bankruptcy Threshold and Expanded Second-Chance Measures

RM100,000 to RM150,000

Starting from 2027, the bankruptcy threshold will be increased from **RM100,000** to **RM150,000**.

To accelerate discharge from bankruptcy, the Dasar Peluang Kedua Prihatin will be expanded to cover primary caregivers of family members with disabilities, chronic patients, senior citizens, gig workers and individuals without fixed income.

Automatic discharge as early as three years under Section 33C of the Insolvency Act will continue to be strengthened to expedite the discharge of bankrupt individuals who meet the requirements.

EPF Savings for MediAsas Premiums

The Government will launch the affordable MediAsas scheme starting January 2027. Under this plan, hospital charges will be standardised by type of diagnosis and treatment to ensure cost predictability and control.

EPF members below the age of 55 will be allowed to pay MediAsas premiums through Akaun Sejahtera.



Proposed E-Commerce Bill and Review of Enforcement Measures

The Government is examining legislative and enforcement measures to protect local MSMEs from unfair competition involving foreign e-commerce companies and to ensure goods purchased by the public are safe.

An E-Commerce Bill will be tabled at the next parliamentary meeting to strengthen the accountability of online platforms and sellers.

Work Permission for Spouses of Category I Employment Pass Holders

Effective 1 January 2027, spouses of expatriates holding Dependant Passes under Category I Employment Pass will be allowed to work in Malaysia, subject to prescribed conditions

Additional Stay for Existing (Digital Economy) DE Rantau Nomad Pass Holders

Existing DE Rantau Nomad Pass holders who have reached the two-year limit will be given an additional two years to continue staying and working remotely in Malaysia, subject to prescribed conditions.



Malaysian ASEAN Business Entity (MyABE) Status to Facilitate Regional Expansion and Talent Mobility

The Government has proposed the introduction of MyABE status to support Malaysian companies in expanding across ASEAN. The Securities Commission Malaysia and TalentCorp will collaborate to facilitate the initial Employment Pass application process for listed MyABE companies, with a targeted approval timeline of five working days.

Enhancing Education Support for Students and Families

RM150 to RM200



The Government has proposed to increase the Bantuan Awal Persekolahan from **RM150** to **RM200** for each student **effective for the 2027 school session**.

The Government has agreed to provide a living allowance of **RM2,500** to Form Six students, aligning their allowance with that of matriculation students.

FlySiswa MADANI 2027 Flight Ticket Assistance

RM400 to RM500



The government has proposed to increase the FlySiswa MADANI flight ticket assistance for 2027 from **RM400** to **RM500**. The proposed increase is expected to benefit more than 60,000 students at public higher education institutions (IPTAs).

BUDI Belia Programme to Promote Youth Volunteerism

RM100 e-wallet incentive

The Government has proposed the BUDI Belia programme to encourage youth volunteerism. Under the programme, youths who complete the required volunteer hours with selected non-governmental organisations (NGOs) will receive an e-wallet incentive of **RM100**.

Minimum Monthly Pension Increased from RM1,000 to RM1,350

RM1,000 to **RM1,350**

The Government has proposed to increase the minimum monthly pension from **RM1,000** to **RM1,350**. The proposed increase is expected to benefit nearly 59,000 pensioners, Malaysian Armed Forces (ATM) veterans, and derivative pension recipients.



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