

TECHNICAL

Direct Tax

Labuan Business Activity Tax (Amendment) Bill 2017

The above Bill seeks to amend Section 21 of Labuan Business Activity Tax 1990 [Act 445], which was amended by Section 39 of [Finance Act 2017](#) recently, by prescribing the limit of penalty imposed for committing an offence under the Section. The above Bill was passed in the Dewan Rakyat on 5 April 2017. The Bill proposed amendments as follows:

21. Power of Minister to make regulations

- 1) The Minister may make regulations—
 - a) generally for the purpose of carrying out, or giving effect to, the provisions of this Act;
 - b) for the purpose of implementing or facilitating the operation of an arrangement having effect under section 132B of the Income Tax Act 1967 ~~and prescribing penalties for any contravention or failure to comply with any of the provisions of any regulations made under this paragraph.~~
- 2) The regulations made under this section may prescribe a penalty of a fine not exceeding one million ringgit or imprisonment for a term not exceeding two years or both for any contravention or failure to comply with any of the provisions of the regulations.

Members may read the [Bill](#) in full at the official website of the [Parliament of Malaysia](#).

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