

# B9 TAX RATES – COMPANIES AND UNINCORPORATED BUSINESS

## INCOME TAX RATES — COMPANIES

Y/A 1988 and prior	–	40%
Y/A 1989 to Y/A 1992	–	35%
Y/A 1993	–	34%
Y/A 1994	–	32%
Y/A 1995 to Y/A 1997	–	30%
Y/A 1998 to Y/A 2002	–	28%
Y/A 2003		
<ul style="list-style-type: none"> <li>Resident company with paid up capital of RM2.5 million and below at the beginning of the basis period</li> </ul>		
On first RM100,000 chargeable income	–	20%
On subsequent chargeable income	–	28%
<ul style="list-style-type: none"> <li>Resident company with paid up capital above RM2.5 million at the beginning of the basis period</li> </ul>	–	28%
<ul style="list-style-type: none"> <li>Non-resident company/branch</li> </ul>	–	28%
Y/A 2004 to Y/A 2006		
<ul style="list-style-type: none"> <li>Resident company with paid up capital of RM2.5 million and below at the beginning of the basis period</li> </ul>		
On first RM500,000 chargeable income	–	20%
On subsequent chargeable income	–	28%
<ul style="list-style-type: none"> <li>Resident company with paid up capital above RM2.5 million at the beginning of the basis period</li> </ul>	–	28%
<ul style="list-style-type: none"> <li>Non-resident company/ branch</li> </ul>	–	28%
Y/A 2007		
<ul style="list-style-type: none"> <li>Resident company with paid up capital of RM2.5 million and below at the beginning of the basis period</li> </ul>		
On first RM500,000 chargeable income	–	20%
On subsequent chargeable income	–	27%
<ul style="list-style-type: none"> <li>Resident company with paid up capital above RM2.5 million at the beginning of the basis period</li> </ul>	–	27%
Non-resident company/ branch	–	27%
Y/A 2008		
<ul style="list-style-type: none"> <li>Resident company with paid up capital of RM2.5 million and below at the beginning of the basis period</li> </ul>		
On first RM500,000 chargeable income	–	20%
On subsequent chargeable income	–	26%
<ul style="list-style-type: none"> <li>Resident company with paid up capital above RM2.5 million at the beginning of the basis period</li> </ul>	–	26%
<ul style="list-style-type: none"> <li>Non-resident company/ branch</li> </ul>	–	26%

Y/A 2009 to Y/A 2015

- Resident company with paid up capital of RM2.5 million and below at the beginning of the basis period
  - On first RM500,000 chargeable income – 20%
  - On subsequent chargeable income – 25%
- Resident company with paid up capital above RM2.5 million at the beginning of the basis period – 25%
- Non-resident company/ branch – 25%

Y/A 2016 onwards

- Resident company with paid up capital of RM2.5 million and below at the beginning of the basis period
  - On first RM500,000 chargeable income – 19%
  - On subsequent chargeable income – 24%
- Resident company with paid up capital above RM2.5 million at the beginning of the basis period – 24%
- Non-resident company/ branch – 24%

Y/A 2017 to Y/A 2018

- Resident company with paid up capital of RM2.5 million and below at the beginning of the basis period
  - On first RM500,000 chargeable income – 18%
  - On subsequent chargeable income – 20 to 24%\*
- Resident company with paid up capital above RM2.5 million at the beginning of the basis period – 20 to 24%\*
- Non-resident company/ branch – 24%

\* Reduction in the income tax rate based on the percentage of increase in chargeable income as compared to the immediate preceding Y/A.

<i>Percentage of increase in chargeable income as compared to the immediate preceding year of assessment</i>	<i>Percentage point reduction</i>	<i>Income tax rate after reduction (%)</i>
Less than 5.00	NIL	24
5.00 to 9.99	1	23
10.00 to 14.99	2	22
15.00 to 19.99	3	21
20.00 and above	4	20

Note: “Y/A” refers to Year of Assessment  
 “pyb” refers to preceding year basis  
 “cyb” refers to current year basis

## INCOME TAX RATES — OTHERS

<i>Chargeable Person</i>	<i>Types of Income</i>	<i>Tax Rates</i>	<i>Year of Assessment</i>
Non-resident person, trust body, executor of deceased individual (not domiciled in Malaysia) and receiver appointed by the court	All types	40%	Y/A 1988 and prior
		35%	Y/A 1989 to Y/A 1992
		34%	Y/A 1993
		32%	Y/A 1994
		30%	Y/A 1995 to Y/A 1997
Non-resident person (other than companies)	All types	28%	Y/A 2002 to Y/A 2008
		27%	Y/A 2009
		26%	Y/A 2010 to Y/A 2014
		25%	Y/A 2015
		28%	Y/A 2016 onwards
Trust body, executor of deceased individual (not domiciled in Malaysia) and receiver appointed by the court	All types	28%	Y/A 1998 to Y/A 2006
		27%	Y/A 2007
		26%	Y/A 2008
		25%	Y/A 2009 to Y/A 2015
		24%	Y/A 2016 onwards
	20% to 24%	Y/A 2017 to Y/A 2018*	

\* Reduction in the income tax rate based on the percentage of increase in chargeable income as compared to the immediate preceding Y/A

<i>Percentage of increase in chargeable income as compared to the immediate preceding year of assessment</i>	<i>Percentage point reduction</i>	<i>Income tax rate after reduction (%)</i>
Less than 5.00	NIL	24
5.00 to 9.99	1	23
10.00 to 14.99	2	22
15.00 to 19.99	3	21
20.00 and above	4	20

Insurer	Inward reinsurance	5%	Y/A 1980 onwards
	Offshore insurance	5%	Y/A 1982 onwards
	Life fund	8%	Y/A 1985 onwards
Approved operational headquarters company	From rendering qualifying services (Effective from 21 Sep 2002, 100% exemption from tax)	10%	Y/A 1990 to 20 Sep 2002
Foreign fund management company	Income from provision of fund management services to foreign investors	10%	Y/A 1996 onwards
<i>Takaful</i> operator	Inward <i>retakaful</i>	5%	Y/A 2008 onwards
	Offshore <i>takaful</i>	5%	Y/A 2008 onwards
	Family fund	8%	Y/A 2008 onwards

<i>Chargeable Person</i>	<i>Types of Income</i>	<i>Tax Rates</i>	<i>Year of Assessment</i>
Limited liability partnership (LLP)	Resident LLP with capital contribution of RM2.5 million and below at the beginning of the basis period and the resident LLP is not controlled by or does not control another company with a capital contribution (whether in cash or in kind) and paid up share capital of more than RM2.5 million		9 Feb 2012 to Y/A 2015
	<ul style="list-style-type: none"> <li>On first RM500,000 chargeable income</li> </ul>	20%	
	<ul style="list-style-type: none"> <li>On subsequent chargeable income</li> </ul>	25%	
	Resident LLP with capital contribution above RM2.5 million at the beginning of the basis period	25%	
	Non-resident LLP	25%	
	Resident LLP with capital contribution of RM2.5 million and below at the beginning of the basis period and the resident LLP is not controlled by or does not control another company with a capital contribution (whether in cash or in kind) and paid up share capital of more than RM2.5 million		
<ul style="list-style-type: none"> <li>On first RM500,000 chargeable income</li> </ul>	19%		
<ul style="list-style-type: none"> <li>On subsequent chargeable income</li> </ul>	24%		
Resident LLP with capital contribution above RM2.5 million at the beginning of the basis period	24%		
Non-resident LLP	24%		

<b>Chargeable Person</b>	<b>Types of Income</b>	<b>Tax Rates</b>	<b>Year of Assessment</b>
	Resident LLP with capital contribution of RM2.5 million and below at the beginning of the basis period and the resident LLP is not controlled by or does not control another company with a capital contribution (whether in cash or in kind) and paid up share capital of more than RM2.5 million		Y/A 2017 to Y/A 2018
	<ul style="list-style-type: none"> <li>• On first RM500,000 chargeable income</li> <li>• On subsequent chargeable income</li> </ul>	18%	
	Resident LLP with capital contribution above RM2.5 million at the beginning of the basis period	20% to 24%*	
	Non-resident LLP	24%	

\* Reduction in the income tax rate based on the percentage of increase in chargeable income as compared to the immediate preceding Y/A

<i>Percentage of increase in chargeable income as compared to the immediate preceding year of assessment</i>	<i>Percentage point reduction</i>	<i>Income tax rate after reduction (%)</i>
Less than 5.00	NIL	24
5.00 to 9.99	1	23
10.00 to 14.99	2	22
15.00 to 19.99	3	21
20.00 and above	4	20

## Co-operative Society

All Types		Y/A 1995	Y/A 1996 to Y/A 2000 (pyb)	Y/A 2000 (cyb) to Y/A 2001	Y/A 2002 to Y/A 2008	Y/A 2009	Y/A 2010 to Y/A 2012	Y/A 2013 to Y/A 2014	Y/A 2015 onwards
RM 1	– RM 10,000	1%	0%	0%	0%	0%	0%	0%	0%
RM 10,001	– RM 20,000	3%	2%	1%	0%	0%	0%	0%	0%
RM 20,001	– RM 30,000	6%	5%	4%	3%	2%	2%	0%	0%
RM 30,001	– RM 40,000	9%	8%	7%	6%	6%	6%	5%	5%
RM 40,001	– RM 50,000	12%	11%	10%	9%	9%	9%	5%	5%
RM 50,001	– RM 60,000	16%	14%	13%	12%	12%	12%	5%	5%
RM 60,001	– RM 75,000	16%	14%	13%	12%	12%	12%	10%	10%
RM 75,001	– RM 100,000	20%	18%	17%	16%	16%	16%	10%	10%
RM 100,001	– RM 150,000	24%	22%	21%	20%	20%	20%	15%	15%
RM 150,001	– RM 250,000	27%	25%	24%	23%	23%	23%	20%	18%
RM 250,001	– RM 500,000	30%	28%	27%	26%	26%	26%	22%	21%
RM 500,001	– RM 750,000	32%	30%	29%	28%	27%	26%	24%	23%
RM 750,001	and above	32%	30%	29%	28%	27%	26%	25%	24%

## PETROLEUM INCOME TAX RATES

Y/A 1993 and prior	–	45%
Y/A 1994 to Y/A 1997	–	40%
Y/A 1998 onwards	–	38%
Joint Development Areas:	–	
• First 8 years of production	–	0%
• The next 7 years	–	10%
• Subsequent years of production	–	20%

## WITHHOLDING TAX RATES

<i>Reference</i>	<i>Chargeable Person</i>	<i>Types of Income</i>	<i>Tax Rates</i>	<i>Year of Assessment</i>
S. 109 ITA 1967	Non-resident person	Interest (except as exempted)	15%	Y/A 1985 and prior
			20%	Y/A 1986 to 27 Oct 1994
			15%	28 Oct 1994 onwards
S. 109 ITA 1967	Non-resident person	Royalties	15%	Y/A 1973 to 27 Oct 1994
			10%	28 Oct 1994 onwards
		Royalties for franchised education scheme	Nil	20 Oct 2001
S. 109A ITA 1967	Non-resident person	Remuneration of public entertainer	15%	Y/A 1973 onwards
S. 109B ITA 1967	Non-resident person	Special classes of income under S. 4A ITA 1967 – Technical fee, installation fee and rental of moveable property	15%	Y/A 1984 to 27 Oct 1994
			10%	28 Oct 1994 to 20 Sep 2002
		– Technical fee and installation fee for services performed in Malaysia and rent of moveable property	10%	21 Sep 2002 onwards
		– Technical fee and installation fee for services performed outside Malaysia	Abolished	21 Sep 2002 onwards
S. 107A ITA 1967	Non-resident contractor, consultant or professional	Service portion of contract payments	20% (15% and 5%)	1 Jan 1983 to 20 Sep 2002
			13% (10% and 3%)	21 Sep 2002 onwards

Reference	Chargeable Person	Types of Income	Tax Rates	Year of Assessment
S. 109C ITA 1967	Resident individual	Interest received from approved bank, finance company or institution	5%	1 Jan 1986– 29 Aug 2008  Effective 30 Aug 2008, the interest income received from an approved bank, finance company or institution by resident individuals is exempt from tax – Income Tax (Exemption) (No. 7) 2008.
S. 109D ITA 1967	Non-resident unit holder	Distribution of income by Real Estate Investment Trust / Property Trust Fund which is exempted under S. 61A ITA 1967	28%	Y/A 2005 to 31 Dec 2006
	Foreign institutional investors		20%	1 Jan 2007 to 31 Dec 2008
			10%	1 Jan 2009 to 31 Dec 2016
	Non-corporate investor		15%	1 Jan 2007 to 31 Dec 2008
			10%	1 Jan 2009 to 31 Dec 2016
	Non-resident company investor		27%	1 Jan 2007 to Y/A 2007
			26%	Y/A 2008
			25%	Y/A 2009 to 2015
			24%	Y/A 2016 onwards
S. 109E ITA 1967	Non-resident company participants	Distribution of profits by a <i>takaful</i> operator if the operator has claimed the profits distributed as deduction under S. 60 AA ITA 1967	26%	Y/A 2008
			25%	Y/A 2009 onwards
	Other participants (excluding resident company)		8%	Y/A 2008 onwards
S. 109F ITA 1967	Non-resident person	Gains or profits falling under S. 4(f) ITA 1967	10%	1 Jan 2009 onwards



<i>Reference</i>	<i>Chargeable Person</i>	<i>Types of Income</i>	<i>Tax Rates</i>	<i>Year of Assessment</i>
S. 109G ITA 1967	Individual	Contributions withdrawn from a deferred annuity or a Private Retirement Scheme before reaching the age of 55 (other than by reason of permanent total disablement, serious disease, mental disability, death or permanently leaving Malaysia)	8%	Private Retirement Scheme - 1 Jan 2013 onwards  Deferred Annuity – 23 Jan 2014 onwards

**Note:** With regard to interest, royalties and special classes of income, please refer to the relevant double tax agreement for any variation, if applicable.  
“ITA 1967” refers to the Income Tax Act 1967.

## REAL PROPERTY GAINS TAX (RPGT) RATES

Please refer to Section C3.