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News Release

"Budget 2017 - a *rakyat*-centric Budget, with some sweeteners for corporates amid a challenging economic landscape"

Reactionary Statement by Yvonne Beh, Partner in the Tax, Trade and Wealth Management Practice of Wong & Partners, member firm of Baker & McKenzie International

"Budget 2017 appears to be largely targeted with particular incentives and reliefs focused on certain segments and communities in Malaysia and small and medium enterprises. From a corporate perspective, the maintenance of the Goods and Services Tax ("GST") rate at 6% and reduction in the corporate tax rate albeit based on a percentage increase in income are much welcomed. The decrease in corporate tax rate is in line with the general trend from other jurisdictions that there will be a decrease in corporate tax whenever GST is introduced. However, with the 3% increase in revenue collection target for 2017 and the volatility in global oil prices, it is expected that revenues will be derived largely from corporate taxes and GST and this is indicative that tax and GST audits will likely be on the rise."

- Ends -

About Wong & Partners

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