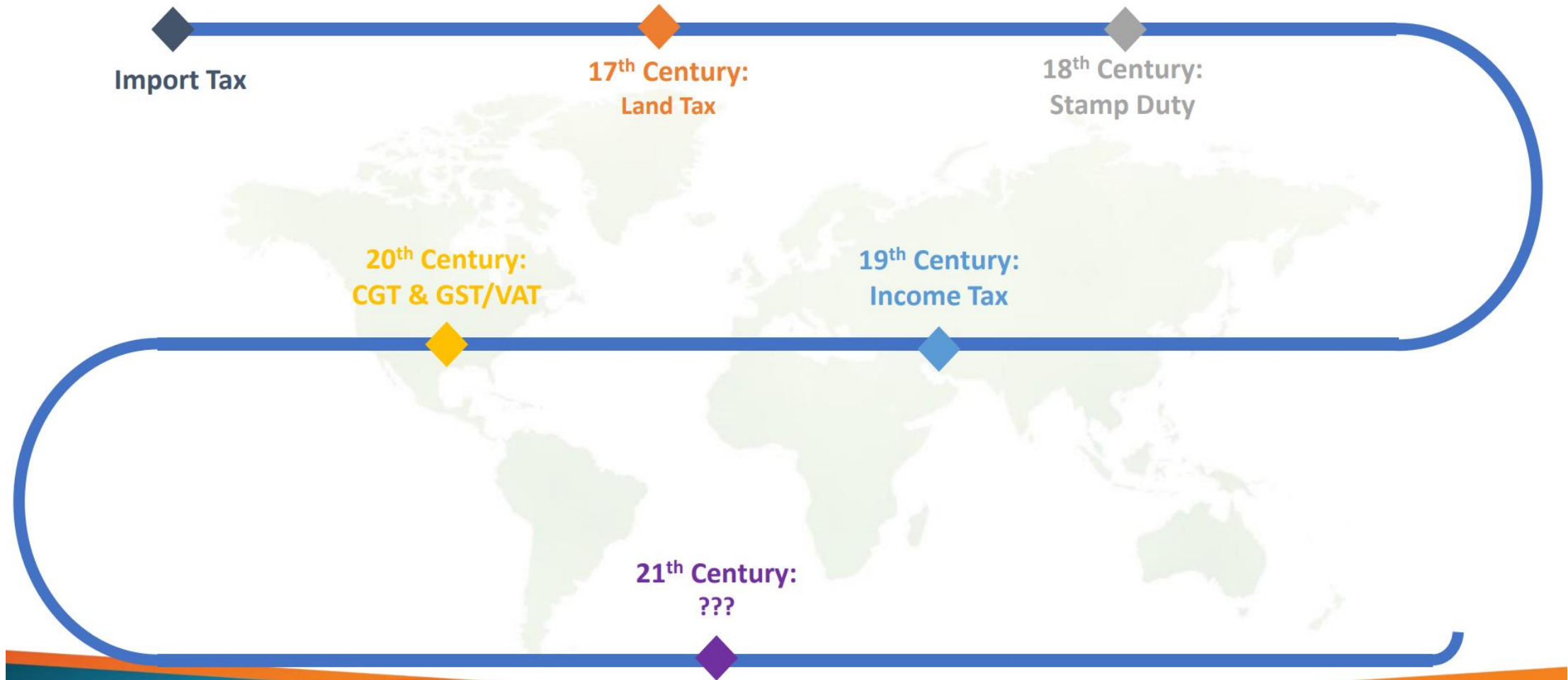


# Tax Reform & Society

23<sup>rd</sup> April 2024

# A big picture on Tax Reforms



# What did the 'society' want a decade ago?



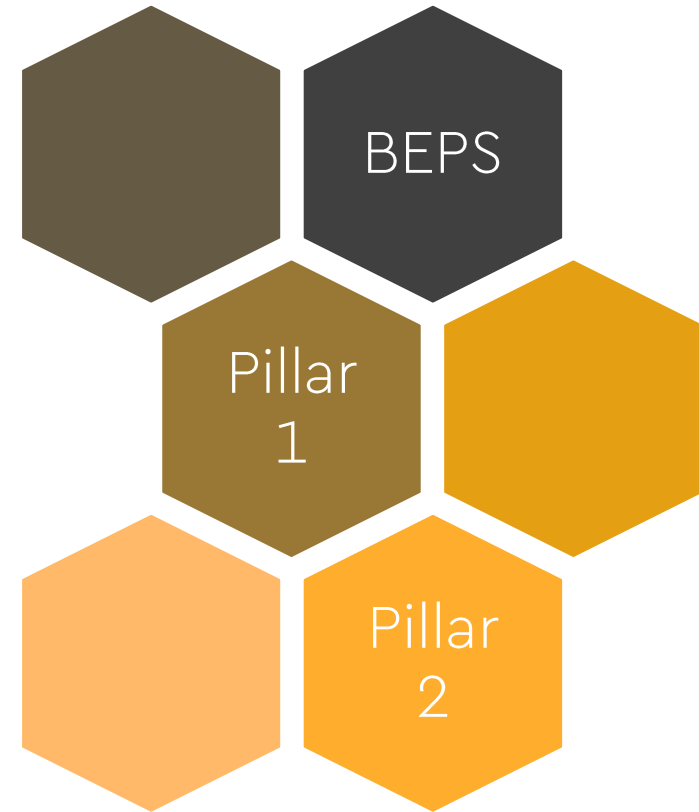
Dec 8, 2012 -  
London, UK



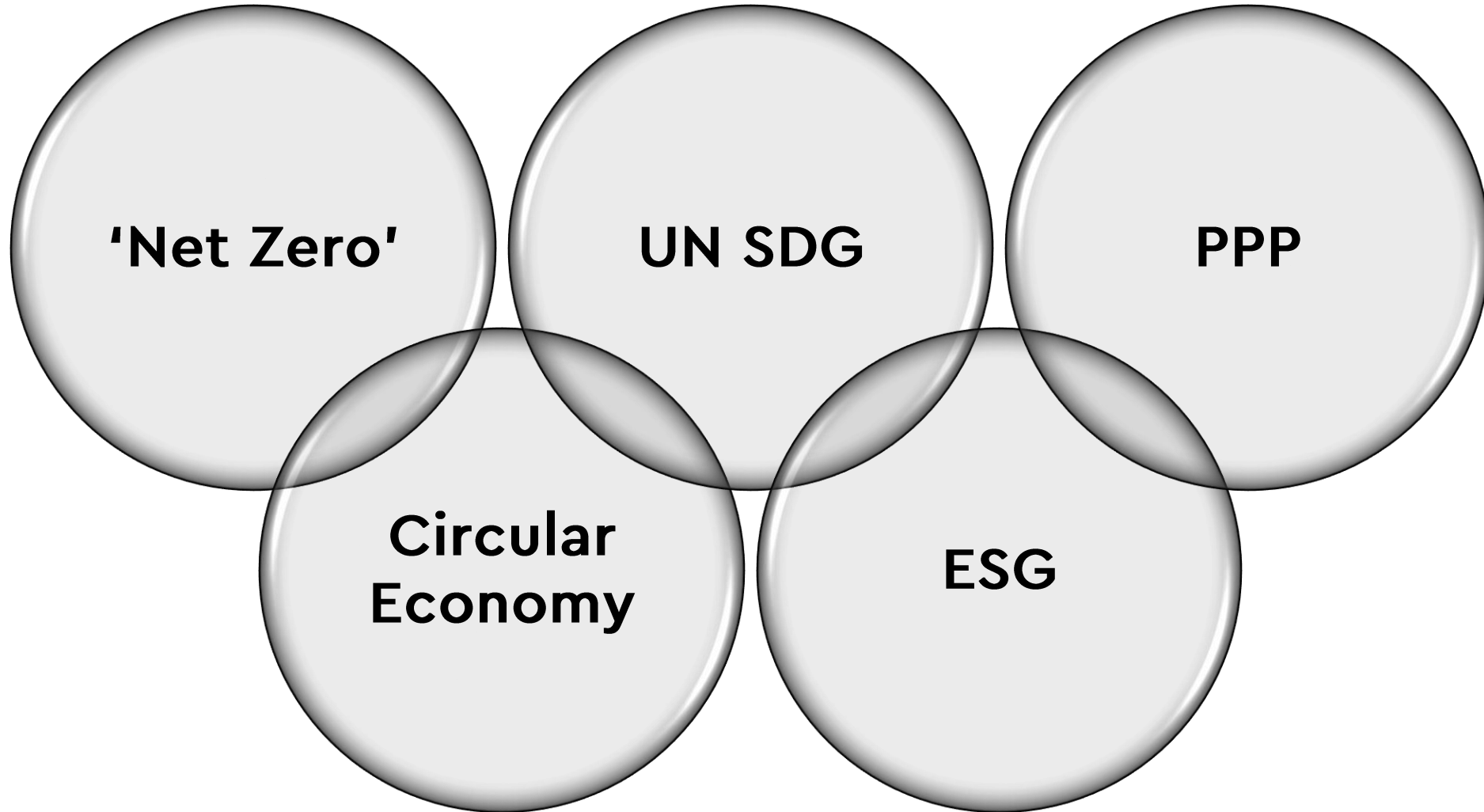
May 25, 2012 -  
Seattle



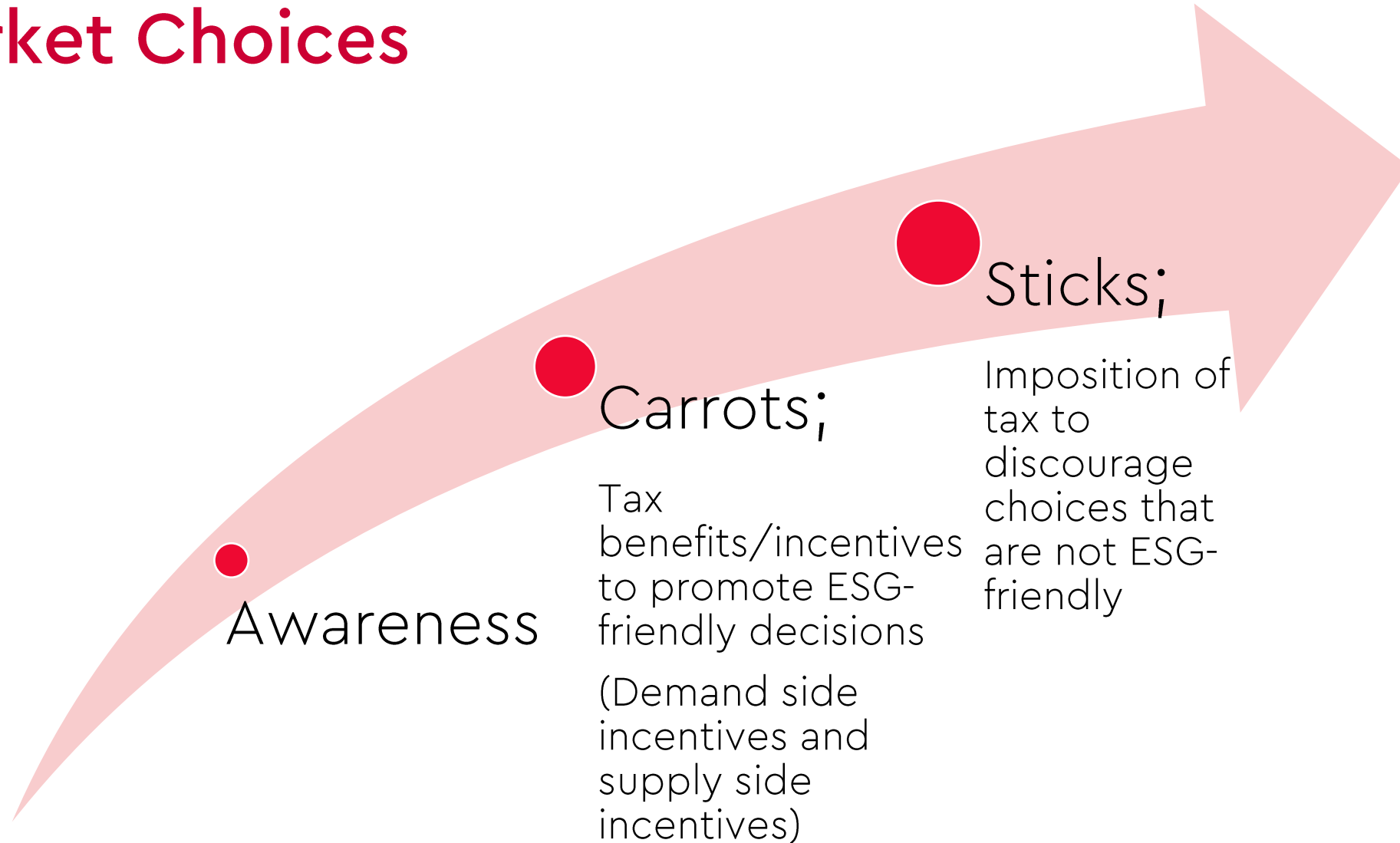
Nov 15, 2012 -  
London, UK.



# What does the 'society' want now?



# Role of Taxation in Influence of Market Choices



# Tax Incentives for Environmentally Friendly Options; the Malaysian case

Carbon Capture &  
Storage (CCS)

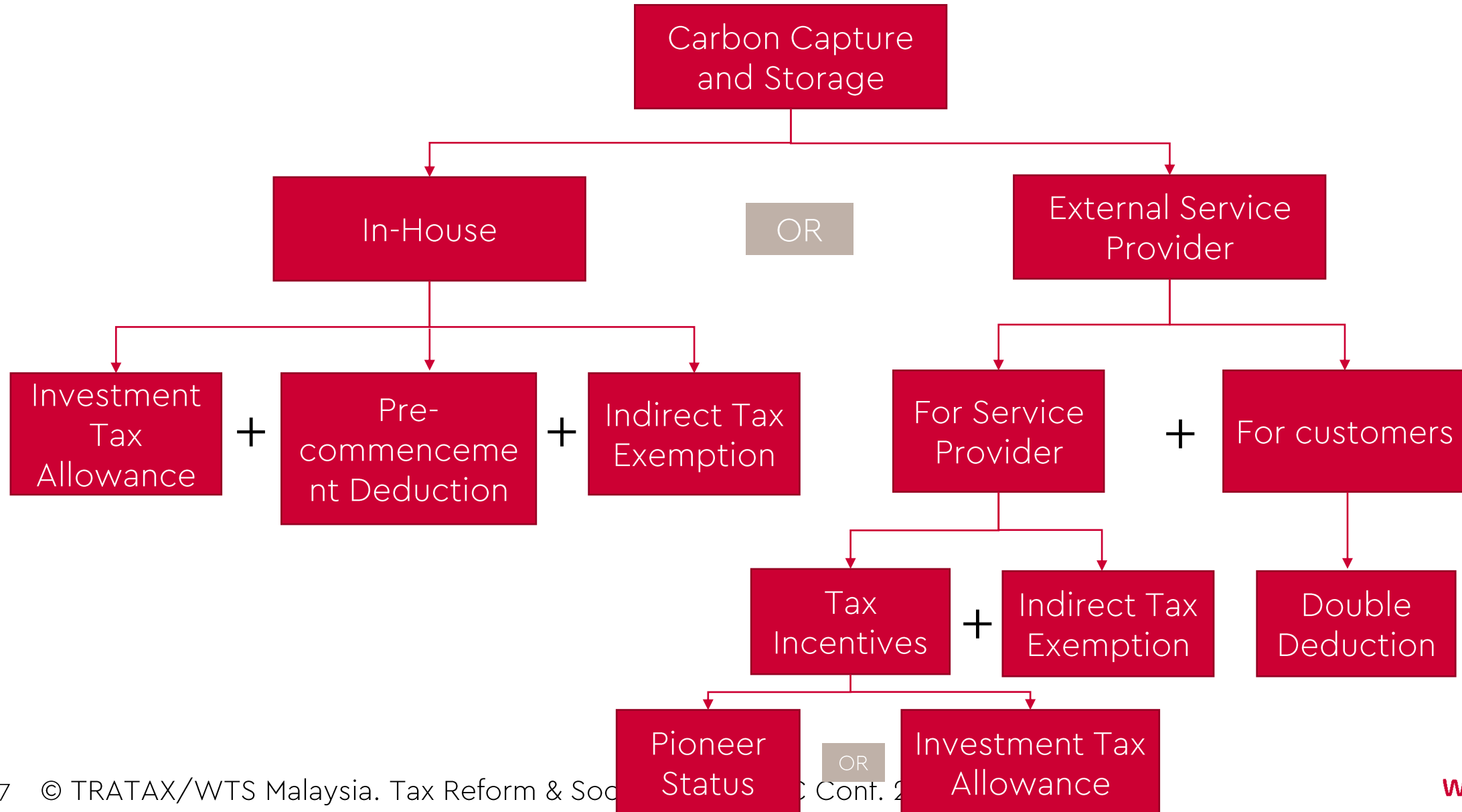
EV Vehicles &  
Charging  
Equipment

Reverse Vending  
Machines

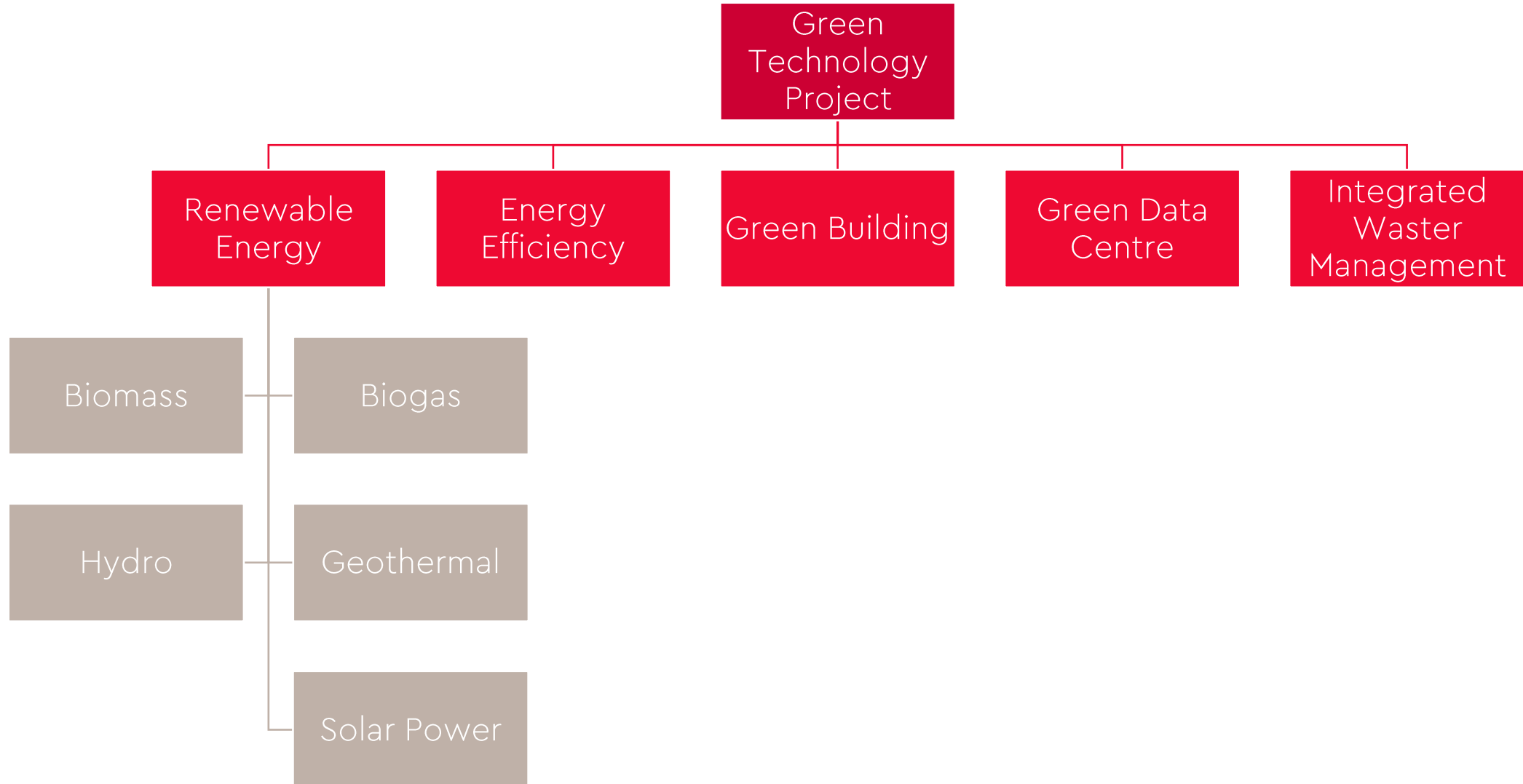
SRI-linked  
financing

Green Investment  
Tax Allowance /  
Exemption  
(GITA/GITE)

# Overview of tax incentive for CCS



# Green Investment Tax Allowance (100% allowance of qualifying capital expenditure)





# The 'sticks' on less environment-friendly options; the Malaysian case



## Present

- Excise duty on petrol/diesel vehicles
- Subsidy rationalisation on fuel etc.
- Environmental factors considered in evaluation of tax incentive applications



## Future (*Potential; no announcements as of now*)

- Certain environmental best practices being imposed on entities approved with tax incentives (as part of the incentive conditions)
- Carbon tax
- Plastic packaging tax

# Broader ESG perspective; the Malaysian case

## Social Perspective

- Excise duty on sugar sweetened beverages, 3-in-1 mix *etc.*
- Personal reliefs for lifestyle expenses
- Double deduction for remuneration of disabled, senior citizens, ex-convicts, parolees *etc.*
- Women: personal relief for breastfeeding equipment + tax incentive to encourage women to return to workforce

## Governance Perspective

- Tax Governance Framework (direct tax initiative but drives overall tax transparency and tax risk management)
- Implementation of e-Invoicing, in phases from June 2024 to July 2025.

# Key Takeaways

When economic aspirations evolve, re-think the entire tax policy (not just the tax incentives)

Indirect tax policy and measures vital amid 'trade war'

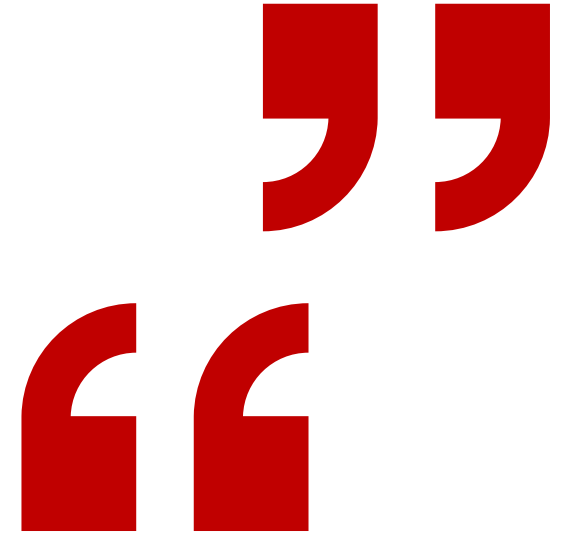
Role of tax beyond fiscal needs (e.g. addressing the income/wealth gap)

Tax policy plays a role in achieving 'net zero', circular economy; but observe the ACS sequence

Tax systems should be agile and evolve to keep up with time

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