

A BILL

i n t i t u l e d

An Act to amend the Labuan Business Activity Tax Act 1990.

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ENACTED by the Parliament of Malaysia as follows:

Short title

1. This Act may be cited as the Labuan Business Activity Tax (Amendment) Act 2017.

Amendment of section 21

2. The Labuan Business Activity Tax Act 1990 [*Act 445*] is amended in section 21—

(a) by renumbering the existing section as subsection (1);

(b) in the renumbered subsection (1), in paragraph (b), by deleting the words “and prescribing penalties for any contravention or failure to comply with any of the provisions of any regulations made under this paragraph”; and

(c) by inserting after the renumbered subsection (1) the following subsection:

“(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.”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Labuan Business Activity Tax Act 1990 (“Act 445”).

2. *Clause 1* contains the short title of the proposed Act.

3. *Clause 2* seeks to amend section 21 of Act 445 to provide specifically the 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 regulations made under Act 445. At present, the penalty provided in section 27 of the Interpretation Acts 1948 and 1967 [*Act 388*] which is a fine not exceeding one thousand ringgit or imprisonment for a term not exceeding six months or both applies. Thus, this amendment will provide the same penalty for offences under Act 445 and offences under the regulations made under Act 445.

FINANCIAL IMPLICATIONS

This Bill will not involve the Government in any extra financial expenditure.

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