

Global Minimum Tax in Malaysia

With the enactment of the **Finance (No. 2) Bill 2023** on 29 December 2023, the **Global Anti-Base Erosion (GloBE) Rules**, i.e., **Global Minimum Tax (GMT)** have been incorporated into Malaysian tax law. **Multinational Top-up Tax (MTT)** and the **Domestic Top-up Tax (DTT)** are effective from **the financial year beginning on or after 1 January 2025**.

This adoption reflects Malaysia's commitment to curbing tax base erosion and profit shifting while maintaining its competitiveness in the global market. By aligning with international tax standards, Malaysia supports fair taxation and at the same time safeguards its tax revenue base.

GloBE Rules set out the scope and mechanism to collect at least 15% corporate income tax (CIT) on MNE Groups. The first-year filing of 2024 will be due on 30 Jun 2026 in certain countries and jurisdictions.

[Regulations about Global Minimum Tax in Malaysia are available now and still developing.](#)



Salient points of Malaysia GMT, Guidelines and FAQs are as follows:

Salient Points	Descriptions
In-scope MNEs	<p>MNE Groups with consolidated revenues of EUR 750 million or more in at least two of the four consecutive Financial Years immediately preceding the tested Financial Year.</p> <p>Where MNE Groups: With at least one entity or permanent establishment (PE) not located in the same jurisdiction as the Ultimate Parent Entity (UPE).</p>
Effective	<p>In-scope MNE Groups with the financial year beginning on or after 1 January 2025.</p>
Filing requirements	<ol style="list-style-type: none"> 1. GloBE Information Return (GIR) – Information Return. 2. Elections. 3. Top-up Tax Return: Each Constituent Entity (CE)
<i>Due date of returns and payment</i>	<p>No later than 15 months after the end of the Financial Year</p> <p>First filing transition year, no later than 18 months after the end of the Financial Year.</p>
Penalty Provisions and Transition Penalty Relief	<ul style="list-style-type: none"> • GIR/Information Return: From RM20,000 to RM100,000, or imprisonment for up to six months, or both. • DTT Return: From RM20,000 and not more than RM100,000 and a special penalty of double the amount of undercharged tax • Where no prosecution, a penalty equal to the amount of undercharged tax. • Relief: applicable to the CE has taken “reasonable measures” to ensure the correct application of the GMT legislation.

We would like to highlight that the Malaysia GMT Guideline and FAQs may be subject to changes. For further details, please click on the links above or please contact your respective Grant Thornton tax adviser should you require further guidance.

Contact us to discuss how we can assist you with GMT matters



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