

Financial Services

Recovery Planning Policy Document

Following feedback on its exposure draft, Bank Negara Malaysia has issued a revised policy document on recovery planning which are applicable to banks and investments banks licensed under the **Financial Services Act 2013**, Islamic banks licensed under the **Islamic Financial Services Act 2013** and financial holding companies of the foregoing mentioned licensed entities (collectively, the “FIs”).

The policy document, which came into effect on 28 July 2021, sets out the regulator’s expectations and policy requirements on the development and maintenance of recovery plans for FIs.

Pursuant to the policy document, FIs are required to identify and plan for the execution of a suite recovery options to restore long term viability under a range of idiosyncratic and system wide stress events.

Bank Negara Malaysia indicates that resolution planning seeks to facilitate the effective use of available resolution powers by Perbadanan Insurans Deposit Malaysia, as the enabling resolution authority, to identify in advance a feasible and credible resolution strategy for each FI and an operational plan for its implementation.

**CONTACT US FOR FURTHER INFORMATION REGARDING
FINANCIAL SERVICES MATTERS.**

Legal Updates

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Tax & Revenue

Tax Matters During the National Recovery Plan & Movement Control Order 3.0 Period

In view of the implementation of the National Recovery Plan in Malaysia, the Inland Revenue Board (“IRB”) has issued a list of Frequently Asked Questions on tax matters arising during this period. The FAQ ([updated as of 21 July 2021](#)) is accessible via this [link](#).

Income tax

The following public ruling has recently been published on the IRB’s official website:

- [Special Allowances for Small Value Assets \(Public Ruling No. 3/2021\)](#) issued on 21 July 2021 to replace Public Ruling No. 10/2014 dated 31 December 2014.

Sales tax

The following specific guide has recently been published on the Royal Malaysian Customs Department’s MySST website:

- [Panduan Pengecualian Cukai Jualan di bawah Butiran 5A, Jadual A Perintah Cukai Jualan \(Orang Yang Dikecualikan Daripada Pembayaran Cukai\) 2018](#) (as of 13 July 2021) — presently available in Malay language only.

CONTACT US FOR FURTHER INFORMATION REGARDING TAX & REVENUE LAW MATTERS.

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