

RI – WEEKLY NEWS

WEEK 25 | 14 - 20 June 2025

ECONOMY

Six Business Groups Urge Government to Delay Sales and Service Tax (SST) Expansion The Edge – 17 June 2025

Six business associations have called on the Government to defer the planned expansion of the SST, particularly objecting to the proposed 8% tax on commercial rental and leasing services. The Small and Medium Enterprise (SME) Association of Malaysia, Malaysia Retail Chain Association, Malaysia Retailers Association, Bumiputra Retailers Organization Malaysia, Malaysia Shopping Malls Association and the Federation of Malaysian Business Associations criticised the timing as "gravely misguided," warning it could worsen inflation, hurt SMEs, deter investment, and dampen consumer confidence during a fragile economic recovery.

SST on Imported Goods Up for Review

The Star - 20 June 2025

Deputy Prime Minister, Datuk Seri Dr Ahmad Zahid Hamidi stated that the expansion of the SST on several imported goods will be reviewed, noting that it is reasonable for the new SST rate on certain goods to be reconsidered, with potential adjustments to the classification of specific materials as taxable.

GOVERNMENT

SST Exemption for Residential Properties under Housing Development Act The Edge – 15 June 2025

Residential properties sold under the Housing Development Act, including serviced apartments built on commercial land intended for residential use, will be exempted from the updated SST, according to Housing and Local Government Minister, Nga Kor Ming. The exemption comes in response to concerns from the construction industry over escalating costs.

Works Minister Says SST Expansion Will Have Minimal Impact on House Prices

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The Edge − 19 June 2025

Works Minister, Datuk Seri Alexander Nanta Linggi stated that the upcoming expansion of SST, effective July 1, 2025, is expected to have a limited impact on house prices. He explained that the Government has adopted a measured approach to mitigate any effect on housing construction costs, with public and residential housing developments exempted from the tax to help control price increases.

Government Will Provide Detailed Explanation on SST Amendments

The Star - 19 June 2025

Prime Minister, Datuk Seri Anwar Ibrahim announced that the Government will provide a more detailed explanation on the review and expansion of the SST scope, which is set to take effect on July 1, 2025. He acknowledged public confusion surrounding the implementation but assured that the Government's initiatives are designed not to burden the lower-income group.

PROPERTY

Proposed Urban Renewal Act (URA) To Benefit Property Owners Instead of DevelopersThe Edge – 16 June 2025

The proposed URA by the Ministry of Housing and Local Government (KPKT), scheduled to be tabled during the July parliamentary sitting, is expected to prioritise the interests of property owners rather than private developers, according to the **Real Estate and Housing Developers' Association** (**REHDA**) **Institute.** This was conveyed during the Executive Dialogue held on May 26, 2025, centred on the Position Paper titled "Urban Renewal: Making It Work". In his welcoming remarks, **REHDA Institute Chairman, Dato' Jeffrey Ng Tiong Lip** noted that with approximately 75% of Malaysia's population now residing in urban areas, many urban centres and townships, especially those developed between the 1960s and 1980s are grappling with serious issues such as ageing infrastructure, declining liveability, inefficient land use and socioeconomic deterioration.

International Green Build Conference (IGBC) 2025 to Focus on Green Innovations *The Edge − 18 June 2025*

The IGBC 2025, themed "Adaptation Through Sustainable Innovation," aims to spotlight real-world green innovations, academic collaboration and policy leadership. Co-organised by **Real Estate and Housing Developers' Association (REHDA) Institute and GreenRE**, the conference will be held on August 19, 2025, at One World Hotel, Petaling Jaya, featuring local and international experts who will address key challenges including climate resilience, flood adaptation, water management, sustainable logistics and waste management.

Penang Extends 5% Discount for Overhang Units

The Edge – 18 June 2025

The Penang State Executive Council has agreed to extend the 5% discount on overhang property purchases to all buyers, with the existing conditions remaining unchanged. Chief Minister, Chow Kon Yeow announced that the discount will continue to be offered for one year under the Madani Home Ownership Campaign.

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