

Introduction of New Tax Instalment Payment Schedule Effective YA 2028



Key Takeaway

- ❖ From YA 2028, instalments start in the first month, with revisions allowing payments to align with updated tax estimates.

Under the existing rules, companies generally commence payment of their estimated tax from the second month of the basis period. Following the amendment, instalment payments will commence from the first month of the basis period.

Effective Date

The amendment will apply from Year of Assessment ("YA") 2028 onwards. A transitional provision applies to YA 2027, under which companies will continue to commence their instalment payments from the second month of the basis period.

Year of Assessment	Commencement of instalment payments
YA 2027	Second month
YA 2028 onwards	First month

The change effectively brings forward the first tax instalment by one month and should therefore be considered in the company's cash-flow planning.



Example:

Current Treatment			YA2028 and Subsequent years of assessment		
The first instalment payment for the tax estimate shall be made in the second month of the taxpayer's basis period and shall end in the first month of the basis period for the following year of assessment			1st instalment will be amended as the 1st month of the basis period and the last instalment ends in the same YA Transitional period applicable for YA 2027 where the 1st instalment shall commence in the 2nd month and ended within the number of months in the basis period for YA 2027 (less one month)		
1	458.00	15/02/2026	1	500.00	15/02/2027
2	458.00	15/03/2026	2	500.00	15/03/2027
3	458.00	15/04/2026	3	500.00	15/04/2027
4	458.00	15/05/2026	4	500.00	15/05/2027
5	458.00	15/06/2026	5	500.00	15/06/2027
6	458.00	15/07/2026	6	500.00	15/07/2027
7	458.00	15/08/2026	7	500.00	15/08/2027
8	458.00	15/09/2026	8	500.00	15/09/2027
9	458.00	15/10/2026	9	500.00	15/10/2027
10	458.00	15/11/2026	10	500.00	15/11/2027
11	458.00	15/12/2026	11	500.00	15/12/2027
12	462.00	15/01/2027			
TOTAL	5,500.00				

Key considerations for businesses

The earlier commencement of instalment payments from YA 2028 onwards may have a direct impact on companies' tax cash-flow requirements.

Companies should consider:

- updating their tax payment calendars for YA 2028 onwards;
- incorporating the first-month instalment into cash-flow forecasts;
- monitoring projected taxable profits throughout the basis period; and
- reviewing whether a CP204A revision is appropriate where the original tax estimate is no longer representative.

For more details, please refer to :

Source : Sec 107C(5) of Income Tax Act 1967.

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