



Tax developments



15 February 2023

KPMG in Malaysia

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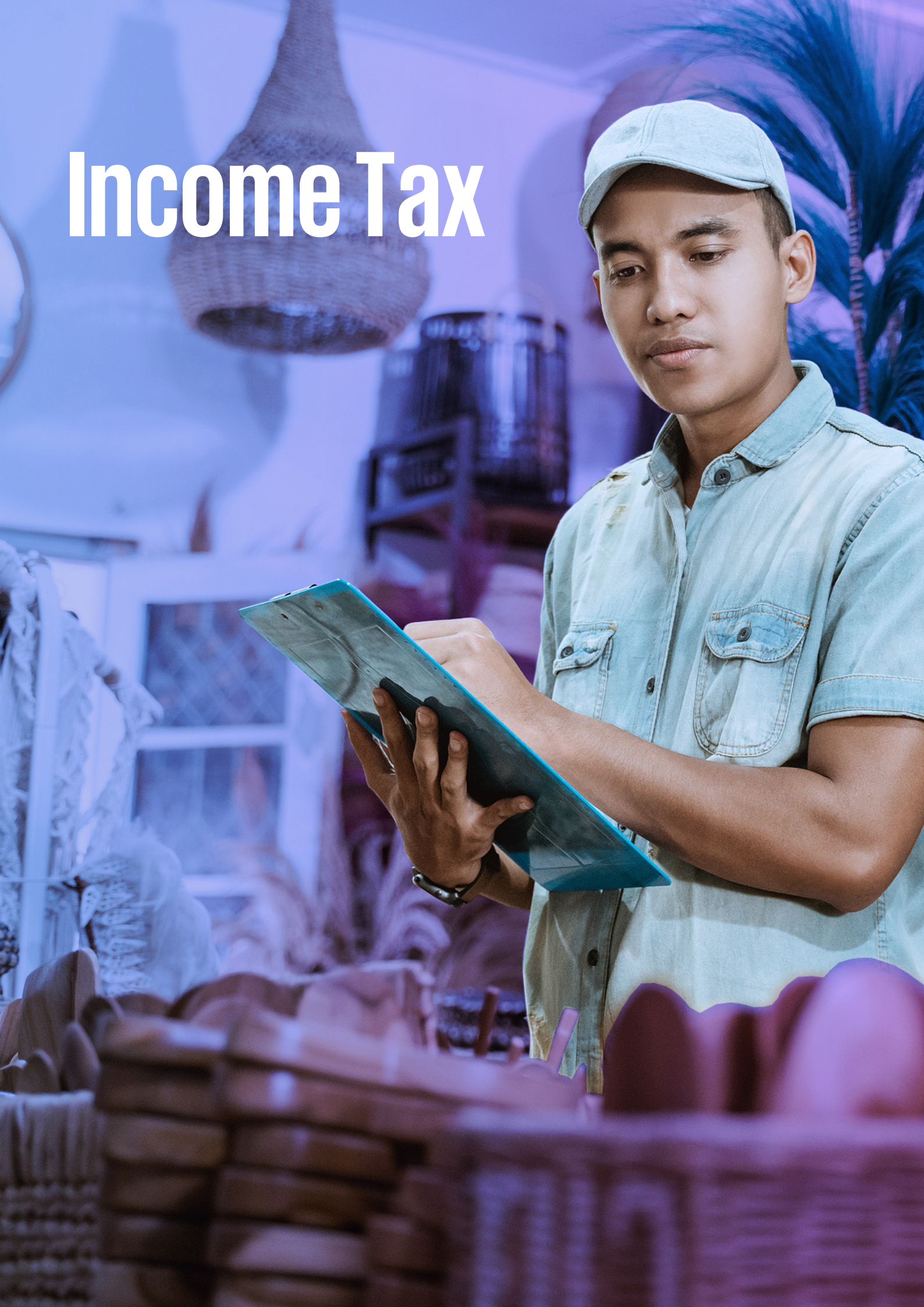
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Income Tax



Income Tax

The relevant authorities have issued the following:

MIRB's amended guideline on RPGT

The MIRB has revised the RPGT guideline (only available in the Malay Language) on 6 January 2023. The [revised guideline](#) provides clarity with more examples and incorporates legislative changes subsequent to the issuance of the earlier guidelines. The earlier guidelines remain applicable for past disposals.

One of the notable points in the revised guideline is that the grant of an irrevocable power of attorney for a valuable consideration for a real property is viewed as a disposal for RPGT purposes.

Source for the amended guideline: Official portal of [MIRB](#)

MIRB's flow chart and guide on submission of form for Section 107D WHT

The MIRB has uploaded a [flow chart](#) and [guide](#) on payments made to resident individual agents, dealers and distributors.

A company can only proceed to pay WHT after receiving an email from the MIRB which attaches the verification slip on submission of the Appendix 107D(2) ["Slip Pengesahan Penghantaran Lampiran 107D(2)"]. The company should take note that the amount paid to the MIRB must be the same as per the verification slip as a different amount will result in the payment being rejected.

The flow chart and guide are only available in the Malay Language.

Source for the flow chart and guide: Official portal of [MIRB](#)

MDEC's guideline on transition of MSC Malaysia Status company to Malaysia Digital Status

MDEC has issued a [guideline](#) for the transition from MSC Malaysia Status to Malaysia Digital Status, including the benefits and incentives thereunder, applicable conditions and post approval matters. It includes relevant information from the previous guidelines issued in June 2022 and [announcements](#) made under the revamped initiative.

Source for the guideline: Official portal of [MDEC](#)

KPMG's 2022 guide on Global Withholding Taxes

KPMG has issued the annual guide on [Global Withholding Taxes](#) which contains tables that summarise the taxation of income and gains derived from listed securities. The 2022 Guide encompasses 127 countries and territories.

Source for the guide: Official portal of [KPMG US](#)



Indirect Tax

Indirect Tax

Q&A from RMCD's webinar – Update on SToDS and implementation of Sales Tax on LVG

The RMCD recently conducted a webinar on 17 January 2023 to share update on SToDS and the implementation of Sales Tax on LVG.

Further to the webinar session, the RMCD has uploaded a list of Q&A consisting of questions posed by participants during the webinar and RMCD's responses.

Please click [here](#) for a copy of the Q&A.

The Q&A includes amongst others, the following in relation to Sales Tax on LVG:



- LVG sold through own website vs online marketplace

Q16 indicated that in cases where, the seller sells LVG directly through his own website, the seller would be responsible in charging and collecting Sales Tax on LVG (if liable to be registered). On the other hand, if the LVG are sold through an online marketplace, the online marketplace operator would then be responsible in charging and collecting the Sales Tax (if liable to be registered).

Q30 further indicated that, for LVG sold through e-commerce platforms e.g. Lazada (i.e. online marketplace), the online marketplace operator is liable to register and charge Sales Tax on LVG.

- Goods sold delivered locally vs from overseas

Q23 indicated that in cases where, a seller sells goods directly through his own website, and the goods may be delivered to customers locally or from overseas (imported), the seller is required to identify the source of the goods and Sales Tax on LVG is only applicable on goods that are sent from outside Malaysia (i.e. imported).

- Goods imported by the seller

Q26 indicated that in cases where, a seller sells goods online (the goods are imported by the seller and the seller then delivers the goods to his customer locally), the goods sold and delivered to his customer locally do not fall within the ambit of Sales Tax on LVG. However, the goods purchased and imported by the seller (in the first place) if they meet the definition of LVG and purchased from a registered seller should be subject to Sales Tax.

Source for the document: [Official Portal of RMCD - MySST \(Announcements\)](#)

The table below sets out the various abbreviations and references used in this publication.

| Abbreviation | Reference |
|--------------|---------------------------------------|
| LVG | Low Value Goods |
| MDEC | Malaysian Digital Economy Corporation |
| MIRB | Malaysian Inland Revenue Board |
| MSC | Multimedia Super Corridor |
| Q&A | Question and Answer |
| RMCD | Royal Malaysian Customs Department |
| RPGT | Real Property Gains Tax |
| SToDS | Service Tax on Digital Services |
| WHT | Withholding Tax |

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