

BDO Tax Buzz

Issue (2) 2024

Income Tax
Transfer Pricing
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Incentives
Sales Tax
Service Tax
Others

This issue covers tax developments in
Malaysia from January to April 2024

Income Tax

Operational Guideline No. 1/2024: Monthly Tax Deduction (“MTD”) Under the Income Tax (Deduction from Remuneration) Rules 1994 [P.U. (A) 507/1994]

The Inland Revenue Board of Malaysia (“IRBM”) issued the above guideline on 2 January 2024. It explains the employer’s responsibilities in relation to the MTD from the monthly remuneration of their employees and the method of determining the MTD amount. It replaces Operational Guideline No. 4/2020 dated 17 November 2020.

The guideline can be found [here](#).

Operational Guideline No. 2/2024: Application Procedure for Tax Clearance Letter for Individuals

The above guideline was issued by IRBM on 1 April 2024. It outlines the application procedure for a tax clearance letter in cases where an individual who is ending their employment, has passed away, or plans to leave Malaysia for a period exceeding three months. The process starts from the date the application is received by IRBM from the employer until any outstanding taxes demanded in the tax clearance letter (if any) is fully settled. It replaces Operational Guideline No. 2/2016 dated 12 February 2016.

The guideline can be found [here](#).

Practice Note No. 1/2024: Tax Treatment on the Recognition of Actual Gross Profit or Loss from a Construction Contract

The above practice note was issued by IRBM on 29 March 2024. It explains that from the year of assessment (“YA”) 2023, where the final accounts of a construction contract are finalised after the basis period in which the contract is deemed to be completed, the contractor may ascertain the actual gross profit or loss from the contract in the basis period where the earlier of the following occurs:

- i. 12 months after the completion date of the contract; or
- ii. On the date the final accounts are agreed between the contractor and the customer

This is a relaxation of the requirement under the Income Tax (Construction Contracts) Regulations 2007 [P.U. (A) 276/2007], whereby the actual gross profit or loss from a contract must be ascertained for income tax purposes in the basis period when the contract is deemed to be completed, even though the contract’s final accounts are not yet available. A contract is deemed to be completed on a date the authorised certificate of practical completion (or other similar certification) is issued, or where no such certificate is issued, on the date where 95% of the total estimated construction costs have been incurred.

The practice note can be accessed [here](#).

Transfer Pricing

Frequently Asked Questions (“FAQ”) on Matters Arising from Section 140A(3C) of the Income Tax Act 1967

The above FAQ was released by IRBM on 18 January 2024 in respect of issues arising from the imposition of the transfer pricing surcharge. The topics/issues covered in the FAQ are:

- a. Rationale of imposing the surcharge for loss cases and tax-exempt cases
- b. Timing of implementation of the surcharge
- c. Mutual exclusivity with the penalty under section 113(2) of the Income Tax Act 1967
- d. Applicability to companies with tax incentives
- e. Right of appeal against the surcharge imposed
- f. Factors determining the surcharge rate

The FAQ can be accessed on IRBM’s Hasil website [here](#).

Advance Pricing Arrangement (“APA”) Guideline 2024

On 2 April 2024, IRBM issued the above guideline to supersede the APA Guideline 2012 dated 20 July 2012. The release of the new guideline follows the issuance of the Income Tax (Advance Pricing Arrangement) Rules 2023 [P.U. (A) 166/2023] which was gazetted on 29 May 2023 to update the rules for applications for APA. Please refer to BDO Tax Buzz Issue 2-2023 for a summary of the key changes in P.U. (A) 166/2023.

An APA is a binding arrangement between a taxpayer and IRBM (in the case of unilateral APA) or between competent authorities (for bilateral or multilateral APA) that establishes the transfer pricing methodology to determine the prospective arm’s length transfer prices of specified related party transactions between the taxpayer and its foreign affiliates over a defined period, subject to specified terms and conditions. The guideline explains how a taxpayer may apply for an APA and how such an application will be processed and administered by IRBM.

The guideline and other information relating to APAs can be accessed on IRBM’s Hasil website [here](#).



Capital Gains Tax

Income Tax (Exemption) (No. 2) Order 2024 [P.U. (A) 57/2024]

The above order, which was gazetted on 23 February 2024, exempts a company, limited liability partnership (“LLP”), trust body or co-operative society from tax on gains arising from the disposal of shares to which section 15C of the Income Tax Act 1967 applies that were made during the period from 1 January 2024 to 29 February 2024.

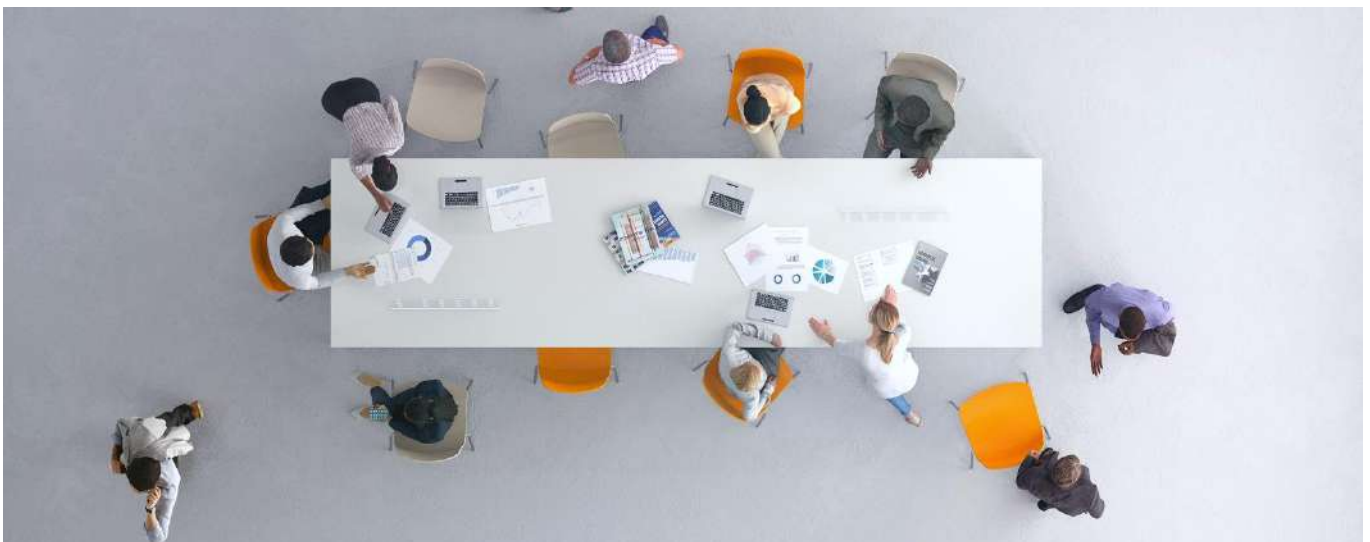
Under section 15C, gains arising from the disposal of applicable shares in a controlled company (referred to as the “relevant company”) incorporated outside Malaysia, which owns real property situated in Malaysia or shares of another controlled company or both, are deemed to be derived from Malaysia. Section 15C applies where at the date of acquisition of the shares of the relevant company, the market value of the Malaysian real property or shares in another controlled company or both owned by the relevant company is not less than 75% of the value of its total tangible asset.

The exemption will not apply if the gain is chargeable to tax as business income under section 4(a) of the Income Tax Act 1967.

Income Tax (Exemption) (No. 3) Order 2024 [P.U. (A) 75/2024]

P.U. (A) 75/2024 was gazetted on 4 March 2024 and is effective from 1 January 2024 to 31 December 2026. It exempts a company, LLP, trust body or co-operative society from tax on gains received in Malaysia from the disposal of foreign capital assets. The exemption is subject to meeting conditions imposed by the Minister of Finance as specified in the guidelines issued by IRBM (please refer to the Guideline on Tax Treatment on Gains from the Disposal of Foreign Capital Assets Received from Outside Malaysia that is covered later in this Issue), which includes employing an adequate number of employees in Malaysia and incurring an adequate amount of operating expenditure in Malaysia.

Gains or profits from the disposal of intellectual property rights are disregarded for the purpose of the exemption, provided that the company, LLP, trust body or co-operative society is the owner or licensee of the intellectual property rights. The exemption does not apply to a person carrying on the business of banking, insurance, sea transport or air transport.



Capital Gains Tax

Guideline on Capital Gains Tax for Unlisted Shares

On 1 March 2024, IRBM issued the above guideline to explain the imposition of capital gains tax on a company, LLP, trust body or co-operative society in relation to their disposal of the following capital assets:

- a. unlisted shares in a company incorporated in Malaysia
- b. shares in a relevant company in which section 15C of the Income Tax Act 1967 applies

Notable statements in the guideline are as follows:

1. Capital gains tax is imposed on the disposal of shares that are equity in nature which includes:
 - a. no fixed right to receive dividends
 - b. in a liquidation, the right of the shareholder to the residual assets is after other claims have been satisfied
 - c. no maturity date
 - d. carries voting rights
2. Market value refers to the reasonable or appropriate price for a disposal transaction. Among the criteria for determining a market value that is reasonable and appropriate are:
 - a. existence of acquirer and disposer
 - b. disposer and acquirer are not connected persons
 - c. the disposal transaction is at arm's length
 - d. no compulsion in the disposal transaction
 - e. both parties have sufficient knowledge
3. Among the methods that can be used to determine a reasonable and appropriate market value for shares is the net tangible assets method.
4. Holdings of shares in a real property company as defined under the Real Property Gains Tax Act 1976 are deemed to be holdings of shares in a relevant company.



The guideline can be accessed on IRBM's Hasil website under Technical Guidelines [here](#).

Capital Gains Tax

Guideline on Tax Treatment on Gains from the Disposal of Foreign Capital Assets Received from Outside Malaysia

The above guideline was issued by IRBM on 27 March 2024, with amendments made on 26 April 2024. It explains the tax treatment on gains from the disposal of foreign capital assets received in Malaysia by a Malaysian tax resident.

Key points in the guideline are:

1. Gains from the disposal of foreign capital assets situated outside Malaysia that are subject to tax refers to those that occur on or after 1 January 2024.
2. Based on the examples in the guideline, a gain from the disposal of foreign capital asset is to be declared in the annual income tax return of the chargeable person of the YA when the gain is received in Malaysia. The gain is included in the computation to determine the person's chargeable income for that YA.
3. Further clarification is provided in respect of the conditions for the tax exemption under P.U. (A) 75/2024 (that is covered earlier in this Issue) given to a company, LLP, trust body or co-operative society on gains received in Malaysia from the disposal of foreign capital assets as follows:
 - a. The conditions for the exemption are:
 - i. employ an adequate number of employees with the necessary qualifications to carry out the specified economic activities in Malaysia; and
 - ii. incur an adequate amount of operating expenditure for carrying out the specified economic activities in Malaysia.
 - b. Due to different operating methods between industries, the determination of any minimum threshold value for the conditions is based on the facts of each case. Factors that will be considered include:
 - i. the number of employees considering the type of activity involved, for example whether it is a capital or labour-intensive industry
 - ii. whether the employee works full-time or part-time
 - iii. whether office premises have been used to carry out related activities and whether the premises are sufficient for those activities
 - c. "Specified economic activities" means:
 - i. for investment holding entity:
 - holding and managing its equity participation in other entities; or
 - making necessary strategic decisions in respect of any assets the entity acquires, holds or disposes of, and managing and bearing principal risks in respect of such assets
 - ii. for entities other than investment holding entity, the business operations carried out in Malaysia.

Capital Gains Tax

- d. Only a service director who is employed under a contract of service is considered an employee. A non-service director is not considered as an employee.
- e. Outsourcing of specified economic activities to outsourced entity is allowed provided the following conditions are fulfilled:
 - i. the specified economic activities are carried out by the outsourced entity in Malaysia;
 - ii. there is sufficient monitoring and control implemented by the outsourcing entity over the implementation of specified economic activities by the outsourced entity;
 - iii. the outsourced entity is generally expected to charge the outsourcing entity for the specified economic activities carried out subject to the application of transfer pricing rules;
 - iv. the number of qualified employees employed and total operating expenses incurred by the outsourced entity is equivalent to the level of specified economic activities carried out by the outsourced entity; and
 - v. there is no double counting if the outsourced entity provides services to more than one outsourcing entity.



The guideline can be accessed on IRBM's Hasil website under Technical Guidelines [here](#).

Capital Gains Tax

Capital Gains Tax Return Form (“CGTRF”) Filing Programme

On 15 January 2024, IRBM released the CGTRF Filing Programme. The salient points of the CGTRF Filing Programme are as follows:

1. The CGTRF is used for the disposal of the following capital assets:
 - a. shares of a company incorporated in Malaysia not listed on the stock exchange
 - b. shares to which section 15C of the Income Tax Act 1967 applies
2. The e-filing system for the CGTRF is made available from 1 March 2024 to companies, LLPs, unit trusts/property trusts, co-operative societies, trust bodies, real estate investment trusts and business trusts. This includes Labuan entities that have elected to be taxed or are subjected to tax under the Income Tax Act 1967.
3. The due date for submission of the CGTRF is within 60 days from the date of disposal of the capital asset. Submission of the CGTRF, whether by the taxpayer or through a tax agent, must be made via e-filing using the e-CKM Form in the MyTax portal.
4. The filing of CGTRF in respect of disposals of capital assets during the period from 1 January 2024 to 29 February 2024 is not required as the disposals of capital assets mentioned in point 1 within this period are exempted from capital gains tax.
5. Worksheets and supporting documents are not required to be submitted together with the CGTRF but must be kept for seven years after the end of the year in which the CGTRF is submitted and furnished to IRBM only upon request during a tax audit.
6. Where an assessment is raised by IRBM, the tax/balance of tax shall be paid within 30 days from the date of assessment. However, a grace period of seven days is given.

The CGTRF Filing Programme can be viewed [here](#).

Incentives

Income Tax (Deduction for Investment in a BioNexus Status Company) (Amendment) Rules 2024 [P.U. (A) 23/2024]

The above amendment rules were gazetted on 30 January 2024 and is deemed to have come into operation on 1 January 2023. It amends the principal rules to extend the tax deduction for investments in BioNexus status companies made from 1 January 2023 to 31 December 2024.



Income Tax (Exemption) Order 2024 [P.U. (A) 37/2024]

The above order, which was gazetted on 2 February 2024, gives a tax exemption on statutory income from a qualifying activity that is equivalent to a 100% allowance on the qualifying expenditure incurred by an Iskandar Development Region (“IDR”) status company for a period of five years commencing from the date of the first qualifying capital expenditure incurred as determined by the Iskandar Regional Development Authority (“IRDA”). The grant of the exemption is subject to compliance with all the conditions imposed by the Minister as specified in the approval letter, otherwise the exemption may be withdrawn.

Applications for the exemption must be received by the Minister through IRDA on or after 24 October 2013 but not later than 31 December 2024 and comply with all the conditions imposed by the Minister for the application.

The order is deemed to have come into operation on 24 October 2013 except for the following qualifying activities:

Qualifying activity	Deemed to have come into operation on
Qualifying activities under the global business services sector	1 November 2016
<ul style="list-style-type: none"> Wellness and assisted living Qualifying activity under the digital business and services sector 	1 January 2021

Incentives

An IDR status company is a company which:

is incorporated in Malaysia under the Companies Act 2016

is tax resident in Malaysia

undertakes a qualifying activity in an approved node

approved by the Minister

An approved node is an area within the Iskandar Development Region as approved by IRDA.

The qualifying activity must be approved by the Minister and carried on in the approved node on or after 24 October 2013 but not later than 31 December 2024.

The qualifying capital expenditure must be in respect of building, machinery or plant used in an approved node solely for the purpose of the qualifying activity. Capital expenditure on any building used as living accommodation or any machinery or plant wholly or partly used by a director or a member of the management or administration or clerical staff are, unless otherwise stated, excluded as qualifying capital expenditure. The date of the first qualifying capital expenditure incurred must not be earlier than three years before the date of the exemption application and not earlier than 24 October 2013.



Incentives

The qualifying activities and qualifying capital expenditure are as follows:

No.	Sector	Qualifying activity	Qualifying capital expenditure
1.	Creative industries and related services	<ul style="list-style-type: none"> a. creative and design services b. creative talent management services c. film and television: <ul style="list-style-type: none"> i. pre-production ii. production iii. post-production iv. distribution d. games and animation: <ul style="list-style-type: none"> i. content creation ii. production iii. post-production iv. distribution e. online and mobile content generation and advertising f. online and mobile content aggregation and enablers g. creative research and development h. distribution and marketing of creative content i. integrated media and content services j. visual and performing arts 	Construction or purchase of building, machinery or plant.
2.	Educational services	<ul style="list-style-type: none"> a. universities b. colleges c. skills training institutions d. research and development institutions- e. regional training centres 	Construction or purchase of building, machinery or plant.
3.	Healthcare and related services	<ul style="list-style-type: none"> a. hospitals and alternative medicine centres (traditional and complementary medicine) b. integrated dental and orthodontic services c. healthcare research and development d. integrated laboratory services e. wellness and assisted living 	Construction or purchase of building, machinery or plant.
4.	Logistics services	<ul style="list-style-type: none"> a. integrated supply chain services b. high value supply chain services and solutions 	Construction or purchase of building, machinery or plant.

Incentives

No.	Sector	Qualifying activity	Qualifying capital expenditure
5.	Tourism	<ul style="list-style-type: none"> a. hotels b. theme parks, amusement and family entertainment centres and cultural centres c. conference centres and exhibition centres d. regional operation of hotel and leisure services 	<ul style="list-style-type: none"> a. clearing and preparation of land b. planting of trees and plants c. construction of roads and other infrastructure facilities within the area of tourism project d. provision of birds, animals and other exhibits e. provision of machinery or plant f. construction or purchase of buildings (including those provided for the purposes of welfare of employees or as living accommodation for employees) g. structural improvements on land and other structures on land, forming part of the land area of tourism project
6.	Global business services	<ul style="list-style-type: none"> a. information technology outsourcing b. business process outsourcing c. knowledge process outsourcing 	Construction or purchase of building, machinery or plant.
7.	Digital business and services	Emerging digital technologies.	Construction or purchase of building, machinery or plant.

Income Tax (Determination of Approved Individual and Specified Year of Assessment Under the Returning Expert Programme) (Amendment) Rules 2024 [P.U. (A) 45/2024]

The above amendment rules were gazetted on 7 February 2024. It amends the principal rules by extending the application period for the tax incentive under the Returning Expert Programme for another four years from 1 January 2024 to 31 December 2027. The tax incentive is a flat tax rate of 15% on the Malaysian employment income of an approved individual for a period of five consecutive YAs.

Incentives

Income Tax (Exemption) (No. 10) (2018) (Amendment) Order 2024 [P.U. (A) 84/2024]

The above amendment order was gazetted on 8 March 2024. It amends the principal order relating to the tax exemption given to companies awarded the Multimedia Super Corridor (“MSC”) status, which has been rebranded as Malaysia Digital (“MD”) status.

The key changes made by the amendment order are:

- the qualifying company is not eligible for tax exemption on the core income generating activities if a related company has been granted tax exemption in respect of the same activities
- the qualifying company is allowed to surrender the tax exemption if it fails to comply with the conditions imposed
- an existing qualifying company and an existing qualifying company which exemption period has ended may add any additional activity which is approved by the Minister as core income generating activities
- deletion of the condition for the location where the core income generating activities are carried out

The amendment order is deemed to have come into operation on 1 January 2019, except for the amendment relating to the deletion of the location condition, which is effective from 25 March 2022.

Income Tax (Exemption) (No. 5) Order 2021 (Amendment) Order 2024 [P.U. (A) 106/2024]

Gazetted on 5 April 2024, the above amendment order amends the principal order relating to the tax exemption on the business income from providing fund management services to a sustainable and responsible investment fund in Malaysia by extending the exemption period for another four years from YA 2024 to YA 2027.

Income Tax (Exemption) (No. 6) Order 2021 (Amendment) Order 2024 [P.U. (A) 107/2024] Income Tax (Exemption) (No. 7) Order 2021 (Amendment) Order 2024 [P.U. (A) 108/2024] Income Tax (Exemption) (No. 8) Order 2021 (Amendment) Order 2024 [P.U. (A) 109/2024]

Gazetted on 5 April 2024, the above amendment orders amend the principal orders relating to the tax exemption on the business income from providing shariah-compliant fund management services to business trust, real estate investment trust, local investors and foreign investors by extending the exemption period for another four years from YA 2024 to YA 2027. However, from YA 2024 the exemption is restricted to 60% of the statutory income from such a business.

Public Ruling No. 1/2024: Investment Tax Allowance - Promoted Product Under the Manufacturing Sector

Public Ruling No. 1/2024 was issued by IRBM on 24 January 2024. It explains the investment tax allowance that can be applied by a company which participates or intends to participate in a business in the manufacturing sector in relation to the production in Malaysia of a promoted product under the general list, or under the list for high technology companies, small scale companies, selected industries and reinvestment in particular industries respectively.

The public ruling can be accessed [here](#).

Sales Tax

Guide on Exemption from Registration Under the Sales Tax Act 2018

The above guide was issued by the Royal Malaysian Customs Department (“RMCD”) on 5 February 2024 to assist industries to identify their manufacturing operations that are exempted from registration under section 20(1) of the Sales Tax Act 2018. Section 20(1) empowers the Minister to exempt any person from registration by orders published in the Gazette, such as the Sales Tax (Exemption from Registration) Order 2018.

The guide is available on RMCD’s MySST website [here](#).

Guide on Furnishing LVG-02 Return and Payment of Sales Tax on Low Value Goods (“LVG”)

With the implementation of sales tax on LVG effective from 1 January 2024, the above guide was released by RMCD on 27 March 2024 to provide information to registered sellers regarding the requirements for submission of the LVG-02 return and paying the sales tax on LVG.

The guide can be accessed on RMCD’s MyLVG website [here](#).

Guide on Approved Major Exporter Scheme (“AMES”)

Issued by RMCD on 29 March 2024, the above guide explains the sales tax legislation and policies regarding AMES. The scheme was introduced by the government on 1 July 2020 to improve the competitiveness of export-oriented approved traders and manufacturers in Malaysia. It grants to an approved person sales tax exemption on the importation or purchase of taxable goods subject to the prescribed conditions.

The guide is available on RMCD’s MySST website [here](#).

Guide on Sales Tax Exemption Under Schedule C, Sales Tax (Persons Exempted from Payment of Tax) Order 2018

The above guide was issued by RMCD on 18 April 2024 and replaces the guide with the same name previously issued on 29 December 2023. The key amendments are as follows:

- insertion of the requirement for a registered manufacturer who produces exempted goods for export to prepare a report every three months in the prescribed format
- insertion of the requirement to obtain prior approval from RMCD for the export, transport or return of exempted goods

The guide is available on RMCD’s MySST website [here](#).

Sales Tax

Guide on Sales Tax Exemption Under Item 33A, 33B, 55, 63, 64 and 65, Schedule A, Sales Tax (Persons Exempted from Payment of Tax) Order 2018

The above guide was issued by RMCD on 25 April 2024 to explain the conditions and procedures to obtain the sales tax exemption from RMCD under Items 33A, 33B, 55, 63, 64 and 65 of Schedule A to the Sales Tax (Persons Exempted from Payment of Tax) Order 2018. These exemptions under the said items are granted to companies endorsed by the Malaysian Investment Development Authority (“MIDA”) for the purchase or importation of machinery and equipment used directly in the manufacture of promoted products, hotel business, haulage operations and aerospace maintenance, repair and overhaul (“MRO”) activities, subject to conditions prescribed in the guide.

The guide can be accessed on RMCD’s MySST website [here](#).

Guide on Disposal

The above guide was issued by RMCD on 30 April 2024 to explain the procedures that need to be complied with in relation to the disposal of imported or purchased goods with sales tax exemption or facility under sections 35, 41A and 61A of the Sales Tax Act 2018, as well as the disposal of goods manufactured with such imported or purchased goods.

- Section 35 relates to the power of the Minister to exempt and refund sales tax
- Section 41A is in relation to the application for deduction of sales tax by registered manufacturer
- Section 61A relates to the AMES.

The guide sets out the procedures for applications of disposal of the following goods:

1. Raw materials, components, manufacturing aids, cleanroom equipment, packing or packaging material
2. Finished goods
3. Scrap
4. Waste and residue
5. Any goods other than the above that is imported or purchased with sales tax exemption or facility

The guide can be accessed on RMCD’s MySST website [here](#).

Public Ruling No. 2/2024 (Amendment) - Manufacturing Aids and Cleanroom Equipment

The above amendment was issued by RMCD on 24 April 2024. It amends the original public ruling issued on 29 December 2023 by inserting additional items to the list of manufacturing aids that are given sales tax exemption.

The public ruling amendment can be accessed on RMCD’s MySST website [here](#).

Service Tax

Service Tax (Amendment) Regulations 2024 [P.U. (A) 62/2024]

Service Tax (Persons Exempted from Payment of Tax) (Amendment) Order 2024 [P.U. (A) 66/2024]
Service Tax (Imposition of Tax for Taxable Service in respect of Designated Areas and Special Areas) (Amendment) Order 2024 [P.U. (A) 65/2024]

The above amendment regulations and orders, which were gazetted on 23 February 2024 and 26 February 2024 respectively, relates to the expansion to the scope of service tax from 1 March 2024. Please refer to our publication *What's New: Sales Tax and Service Tax* dated 29 February 2024 for further details of the amendments.

Service Tax (Rate of Tax) (Amendment) Order 2024 [P.U. (A) 64/2024]

Service Tax (Rate of Digital Services Tax) (Amendment) Order 2024 [P.U. (A) 67/2024]

The above amendment orders, which were gazetted on 26 February 2024, relates to the increase in the service tax rate from 6% to 8% from 1 March 2024. Please refer to our publication *What's New: Sales Tax and Service Tax* dated 29 February 2024 for further details of the increase in the service tax rate.

Service Tax Policies

The service tax policies issued by RMCD during the period from January to April 2024 are as follows:

Service Tax Policy No.	Date Issued	Matters Covered
1/2024	28 February 2024	Determination of date imposition of service tax on new taxable services.
2/2024	28 February 2024	Service tax treatment on traditional and complementary medicine services.
3/2024	28 February 2024	Determination of service tax rate for multiple taxable services by the same service provider.
3/2024 (Amendment No. 1)	29 March 2024	
4/2024	29 March 2024	Improvement of service tax policy on logistics services.
5/2024	1 April 2024	Service tax treatment on maintenance services in relation to residential houses.
6/2024	30 April 2024	Exemption from paying and charging service tax on maintenance and repair services for MRO activities.

The service tax policies can be accessed on RMCD's MySST website [here](#).

Service Tax

Guide on Transitional Rules for the Change in Service Tax Rate to 8% on Digital Service Provided by Foreign Registered Person

The above guide was issued by RMCD on 14 February 2024 and relates to the increase in the service tax rate from 6% to 8% from 1 March 2024 for digital services. Please refer to our publication *What's New: Sales Tax and Service Tax* dated 29 February 2024 for further details regarding this guide.

The guide can be accessed on RMCD's MySToDS website [here](#).

Guide on Change of Service Tax Rate

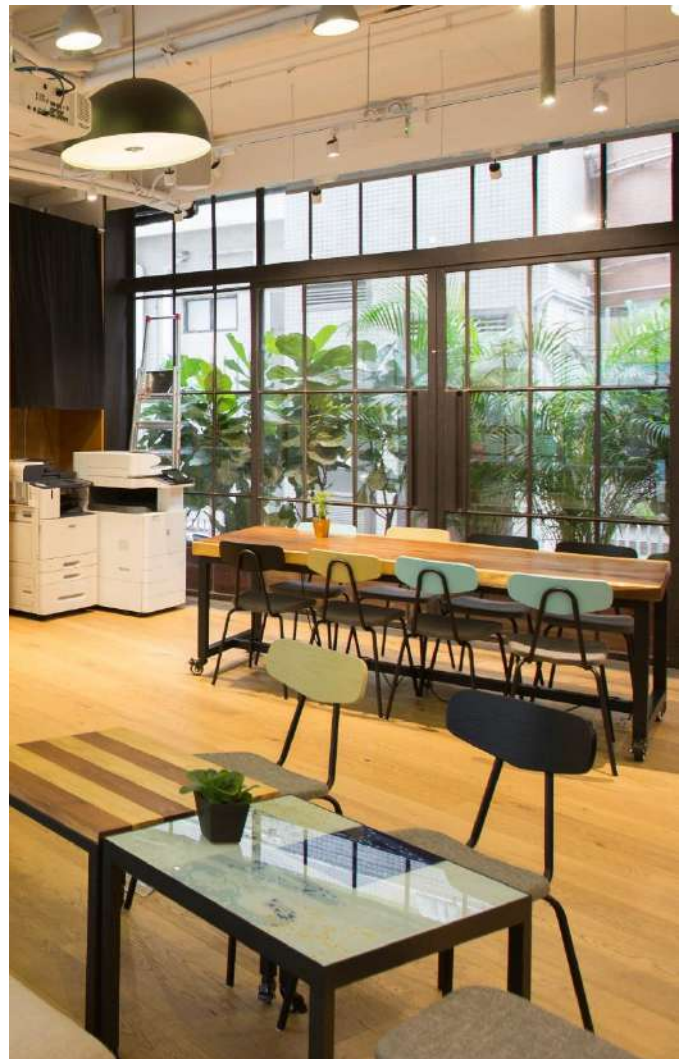
The above guide was issued by RMCD on 26 February 2024 and relates to the increase in the service tax rate from 6% to 8% from 1 March 2024 for taxable services. Please refer to our publication *What's New: Sales Tax and Service Tax* dated 29 February 2024 for further details regarding this guide.

The guide can be accessed on RMCD's MySST website [here](#).

General Guide on Service Tax Act 2018

The above guide was issued by RMCD on 27 February 2024 and replaces the previous guide dated 4 August 2021. It provides general guidance on the imposition of service tax on taxable services, other than digital services, based on the laws and policies as of the date the guide is issued.

The guide can be accessed on RMCD's MySST website [here](#).



Service Tax

Industry Guides

The service tax industry guides issued by RMCD during the period from January to April 2024 are as follows:

Title	Date Issued	Remarks
Accommodation	26 February 2024	Replaces previous guide dated 27 June 2023.
Brokerage and Underwriting	26 February 2024	New guide.
Telecommunication Services	27 February 2024	Replaces previous guide dated 31 October 2018.
Transmission and Distribution of Electricity Services	27 February 2024	Replaces previous guide dated 4 August 2021.
Consultancy, Training and Coaching Services	29 February 2024	New guide.
Parking Services	29 February 2024	Replaces previous guide dated 10 January 2022.
Group C, D and E Services	29 February 2024	Replaces previous guide dated 30 July 2021.
Maintenance and Repair Services	29 March 2024	New guide.
Logistics Services	5 April 2024	Replaces previous guide on Courier Services and Warehouse Management dated 21 August 2019 and 6 October 2020 respectively.
Food and Beverages	19 April 2024	Replaces previous guide dated 16 April 2023.

The guides can be accessed on RMCD's MySST website [here](#).

Others

Updated Guideline and FAQ on Tax Corporate Governance Framework (“TCGF”)

IRBM has issued the updated Guideline on TCGF on 23 February 2024 to replace the previous guideline that was issued on 27 July 2022. The main updates made are as follows:

- revision to the eligibility criteria to participate in the programme to include companies with established tax control framework
- additional guidance on continuous monitoring for the tax control framework
- additional guidance on aspects to be considered in reviewing the effectiveness of the tax control framework
- new guidance on reporting control testing new guidance on reporting tax governance, control and risk management

The FAQ on TCGF has also been updated on the same date.

The updated TCGF Guideline and FAQ can be accessed from IRBM’s Hasil website under Tax Corporate Governance Framework (TCGF) [here](#).



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