

Axcelasia Inc. is an integrated professional services firm providing tax advisory, business consulting, enterprise management system applications and business process outsourcing services to public listed companies, private companies, multinational corporations and government-linked entities.

FINANCE ACT 2017

- This was gazetted on 16 January 2017
- Important changes to take note of:
 - Withholding tax (“WHT”) will apply on technical services rendered in or outside Malaysia (subject to the relevant double tax agreement, where applicable). Whilst the law has taken effect from 16 January 2017, the Inland Revenue Board (“IRB”) has verbally confirmed that in relation to services performed by a non-resident outside Malaysia, the new WHT provision will apply where services are performed on or after 16 January 2017.
 - Any payments to non-residents for the use of or the right to use software will be treated as royalties which will be subject to WHT (subject to the relevant double tax agreement, where applicable).
- [Have you reviewed your payments to Non-Residents?](#)
- [Discover more >](#)

COUNTRY BY COUNTRY REPORTING (“CbCR”)

- Malaysia issued the Income Tax (Country-by-Country Reporting) Rules 2016 which took effect from 1 January 2017
- The CbCR Rules apply to a multinational corporation (“MNC”) group where
 - constituent entities have cross border transactions with other constituent entities.
 - its ultimate holding company is incorporated and resident in Malaysia with total consolidated group revenue of RM3 billion in the financial year preceding the reporting financial year.
 - its constituent entities are incorporated and registered in Malaysia or any other territory outside Malaysia.

- The CbCR is required to be filed no later than 12 months after the last day of the reporting financial year. The reporting year should commence on or after 1 January 2017.
 - A MNC Group, with a December financial year (“FY”) end, will have the first reporting year as FY2017 (CbCR to be filed by 31 December 2018).
 - A MNC Group with a non-December year end will have the first reporting year as FY2018. For example, a July year end Group’s first reporting FY will be 1 August 2017 to 31 July 2018 (CbCR to be filed by 31 July 2019).

OTHER ADMINISTRATIVE MATTERS

- Tax credits will not be allowed to be set-off against future tax instalments. According to the IRB, set-off of tax credits can be allowed in the following situations:
 - To settle the taxpayers outstanding tax (excluding tax instalments)
 - To settle outstanding tax for other types of taxes (e.g. real property gains tax)
 - For cases where a set-off was approved prior to 25 November 2016
- The IRB has recently uploaded the following:
 - Filing program for 2017 tax returns
 - 2016 version of Forms EA, EC and CP 8D (employer related) [Discover more >](#)
- All companies (including Labuan companies) are required to furnish the Form E (Return Form of Employer) via e-filing with effect from the year of assessment 2016.

Employers other than companies are allowed to manually furnish the Form E to the IRB.

ANNOUNCEMENT

We wish to inform that Ms Renuka Bhupalan has stepped down from her role as Managing Director but remains a Consultant handling special projects.

Ms Leow Mui Lee has been appointed Managing Director of Axcelasia Taxand with effect from 1st January 2017. Mui Lee leads the Transfer Pricing Service Line and has extensive experience in matters involving corporate tax & GST advisory.

Axcelasia Taxand is committed to providing the highest quality tax services and to be your global tax partner. Our clients are our top priority.

Please note that with effect from 1st January 2017, Taxand Malaysia Sdn Bhd is known as Axcelasia Taxand Sdn Bhd.

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Disclaimer: This newsletter contains general information only, all of which are subject to change, possibly on a retrospective basis. Independent professional advice should be obtained on any tax matters.

Axcelasia Inc.

A company incorporated in Labuan and listed on the Singapore Stock Exchange.

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