



MEDIA RELEASE

For Immediate Release

Issuance of New Transfer Pricing Guidelines and Advance Pricing Arrangement Guidelines

Cyberjaya, 10 August - In line with the introduction of the newly gazetted Income Tax (Transfer Pricing) Rules 2012 and Income Tax (Advance Pricing Arrangement) Rules 2012, the Inland Revenue Board of Malaysia has issued a new Transfer Pricing Guidelines and Advance Pricing Arrangement Guidelines. While the Rules cover the application of Sections 140A and 138C of the Income Tax Act 1967, the Guidelines are intended to explain administrative aspects of the Rules.

While the issue of transfer pricing is more prevalent within multinational companies, it should be noted that Section 140A not only covers cross-border transactions but also transactions between related companies within Malaysia. In considering the burden of compliance for Malaysian taxpayers, the Guidelines has introduced thresholds which exclude certain categories of taxpayers from its requirements. It is, however, advisable for all taxpayers involved in transactions with related parties to maintain proper records.

Section 138C, on the other hand, only deals with Advance Pricing Arrangements (APA) for cross-border related party transactions. The APA Guidelines elaborate on the APA processes as well as administrative requirements pertaining to an APA application.

Both Guidelines can be obtained from the IRBM website. To help companies and taxpayers have a better understanding of these Guidelines, the IRBM will organize a series of Transfer Pricing Seminars at various locations throughout the country. Speakers will be officers from Multinational Tax Department of Inland Revenue Board who are directly involved with transfer pricing and APA cases. For more information about the seminars, please log on to the IRBM website at www.hasil.gov.my.

THANK YOU

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