



# MEDIA RELEASE

For Immediate Release

## TAX TREATMENT ON DIGITAL ADVERTISING

The Inland Revenue Board of Malaysia (IRBM) would like to draw attention on a recent issue of the tax treatment on digital advertising. As is the case with other tax issues, the issue of digital advertising payments would be determined based on the facts of the case and the Income Tax Act 1967. The IRBM would like to stress that it has not issued any specific ruling regarding the tax treatment of digital advertising.

Each case, if applicable, will be assessed on the basis of the fact of the case in determining whether a transaction is royalty or service payment, and whether it is subject to withholding tax or falls under any other category of income. Assessment of the case includes a review of the terms of the agreement, the form of the actual transaction and other elements that could not be obtained or determined through a general review of the case.

Any questions regarding the issue of digital advertising can be referred directly to the Tax Policy Department of IRBM. As a reference, a guideline on this will be uploaded in IRBM's official portal in the near future.

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**THANK YOU**



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**Issued by:**

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