

# Withholding Tax; Clearing The Myths

Date : 20 December 2017  
Venue : Sheraton Imperial, Kuala Lumpur  
Time : 9.00am to 5.00pm  
Event Code : 17WS/053

## Course description

Malaysian businesses must observe withholding tax requirements when making payment to foreign entities.

In January 2017, the withholding tax provisions were amended to widen the scope of tax. In particular, offshore services were subject to tax, and the definition of royalty and public entertainer were broadened.

Subsequently, an exemption for offshore services was provided effective September 2017. While the exemption is welcomed by businesses, the changes has led to some confusions and myths – such as:

- All service payments after 6th September 2017 subject to withholding tax;
- No withholding tax on any payment after 6th September 2017 unless the supplier is physically present in Malaysia;
- With the exemption, we have now completely reverted to the pre-January 2017 position;
- Double tax agreements are irrelevant from September 2017; and
- It is suffice if 10% withholding tax is remitted in respect of service fee for works performed in Malaysia.

All of the above statements are incorrect. This course provides the participants comprehensive knowledge of the various withholding tax provisions, and the potential overlaps. It is suitable both for participants with prior knowledge on the subject and for participants from finance background with limited or no knowledge on the withholding tax matters.

## Who should attend?

- Tax Agents
- Accountants
- Finance Managers and Finance Executives

## Course outline

- Overview of the various withholding tax requirements
- Overview of Double Tax Agreements (“DTA”)
- Payments for technical and non-technical services etc.:
  - ▶ The true scope of the provision in Section 4A
  - ▶ Finance Act 2017 and the transitional issue in January 2017
  - ▶ Exemption Order and the transitional issue in September 2017 – with case studies (e.g. payment to be made now in respect of services in August 2017).
  - ▶ Case study with real life DTAs
  - ▶ Discussion of Federal Court’s decision on Alam Maritim and its relevance in the present regime
  - ▶ Application of withholding tax on disbursement and reimbursements for the non-residents flight cost and so on.
- Royalty:
  - ▶ Overview of recent tax cases – Damco Logistics, Alcatel-Lucent, Thomson Reuters, Mudah.my.
  - ▶ Thorough examination of the new definition in Finance Act 2017
  - ▶ Does withholding tax apply on payments to acquire intellectual property (capital transactions)?
  - ▶ Case study with real life DTAs
- Withholding tax for contract payments – i.e. scenarios whereby payments for work done in Malaysia are subject to 13% withholding tax (not just 10%) !
- Withholding tax for payments in respect of other gains or profits (section 4(f)) – e.g. commissions and guarantee payments are subject to withholding tax even after September 2017 (unless certain criteria are met).
- Withholding tax on payments to compere, model, lecturer, speaker, sportsperson, artiste etc., and the potential impact of the exclusion from the 60-days exemption rule.
- Withholding tax for interest payments to non-residents
- Permissibility of re-grossing of payments
- Key actions during preparation of 2017 tax computation
- Disallowed of expenses due to withholding tax non-compliance and the related legitimate tax planning tips.

## Speaker’s Profile

### THENESH KANNA

Thenesh Kannaa is a partner at Thenesh, Renga & Associates (a.k.a. TraTax Malaysia), a firm of independent tax advisors. The firm advises clients from diverse industries – including manufacturing, professional services, trading, construction, property development, healthcare, shipping, financial services, telecommunications, societies, Government-linked companies (GLCs) and statutory bodies. Thenesh is a licensed tax agent, fellow member of the Association of Chartered Certified Accountants (FCCA, UK), and the Chartered Tax Institute of Malaysia (CTIM) and a member of the Malaysian Institute of Accountants (MIA) and the International Fiscal Association (IFA, Netherland). He holds a diploma in International Taxation from the Leiden University, Netherlands.

Thenesh has presented on numerous tax topics in various forums, conferences and seminars organised by professional bodies, Bar Council and associations. In particular, in April 2017 he has presented in a panel session with OECD representative and other international tax practitioners on a BEPS topic at IFA’s Regional Tax Conference in New Delhi.

Thenesh is the author of numerous books and articles on taxation published locally and internationally. He has also been interviewed on contemporary tax matters by Traxx.fm (RTM 4, 90.3 fm), THR Raaga (99.3 fm), the V’Buzz show (Astro), the New Straits Times and the Malaysia SME newspaper.

## Withholding Tax; Clearing The Myths


### \*Registration Fees


- |  |          |
|--|----------|
| <input type="checkbox"/> CTIM/ACCA Member    | RM424.00 |
| <input type="checkbox"/> Member's Firm Staff | RM530.00 |
| <input type="checkbox"/> Non-Member          | RM636.00 |

\* The above registration fees are inclusive of 6% GST

- \* Seats are limited and based on first-come, first-served basis
- \* Registration of participants will be confirmed upon registration, receipt of full payment or an acceptable employers guarantee and settlement of previous outstanding dues.
- \* All outstanding payment must be received on or prior to the date of the event for participants to be allowed to attend. The institute reserves the right to cancel the registration if no payment is received prior to or on the date of the event.
- \* Walk-in participant registration and attendance is subject to availability of seats and full payment.
- \* Certificate of attendance will only be released upon participant signing the attendance register before 10.30am, full attendance and after completion of the event.

### Enquiries

 Tel: 03-2162 8989  
 Fax: 03-2161 3207  
 03-2162 8990  
 Email: cpd@ctim.org.my

 B-13-1, Block B, Level 13, Unit 1,  
 Megan Avenue II,  
 No 12, Jalan Yap Kwan Seng,  
 50450 Kuala Lumpur

### Contact Person:

*For Klang Valley events:*  
 Ms Yus (ext 121 / yusfariza@ctim.org.my)  
 Ms Jaslina (ext 131 / jaslina@ctim.org.my)  
*For Outstation events:*  
 Mr Jason (ext 108/ jason@ctim.org.my)  
 Ms Ramya (ext 119 / ramya@ctim.org.my)  
*General enquiries:*  
 Ms Ally (ext 123 / ally@ctim.org.my)

### Participant's Contact Details

Full Name : _____	Company : _____
I/C Number : _____	Designation : _____
CTIM/ACCA Membership No : _____	Tel : _____
Company Address : _____	Fax : _____
_____	Email : _____
<input type="checkbox"/> Vegetarian	Mobile : _____

### Payment Method

- Online Payment** via JomPAY



**Billor Code:** 21790  
**Ref-1:** Event Code  
**Ref-2:** Mobile Number

JomPAY online at Internet and Mobile Banking with your Current, Savings or Credit Card account

- Cash** for Amount of RM \_\_\_\_\_

- Cheque No.** \_\_\_\_\_  
 For Amount of RM \_\_\_\_\_  
 \*All cheque should be made payable to "CTIM-CPE"

- MASTER / VISA Credit Card**

For amount of RM \_\_\_\_\_

Card No

□□□□-□□□□-□□□□-□□□□

Expiry Date

Authorised Signature

(month/year)

Cardholder's Name ( as per credit card )

#### Replacements

Please note registrations for the event are not interchangeable but replacements are acceptable. Please notify us at least three days prior to the event if you intend to send a replacement. CPD points will be allocated to the designated attendee. If the replacement is not a Member but a Member's Firm Staff or Non-Member, the appropriate fees will apply.

#### Cancellations

The Chartered Tax Institute of Malaysia must receive cancellations in writing five working days prior to the event. Refund amount is subject to deduction of administration and finance charges. No refund will be given for cancellations received within less than five working days of the event.

#### Confirmation of Registration

The confirmation letter will be emailed 5 days before the commencement of the event upon receipt of full payment. In the event you do not receive the confirmation letter 5 days before the event, please contact us immediately.

#### Disclaimer

The Organiser reserves the right to change the speaker, date, venue or to cancel the event if the number of participants is less than 20. A minimum of 3 days notice will be given.

#### Recording

Video / Sound recording is strictly prohibited.