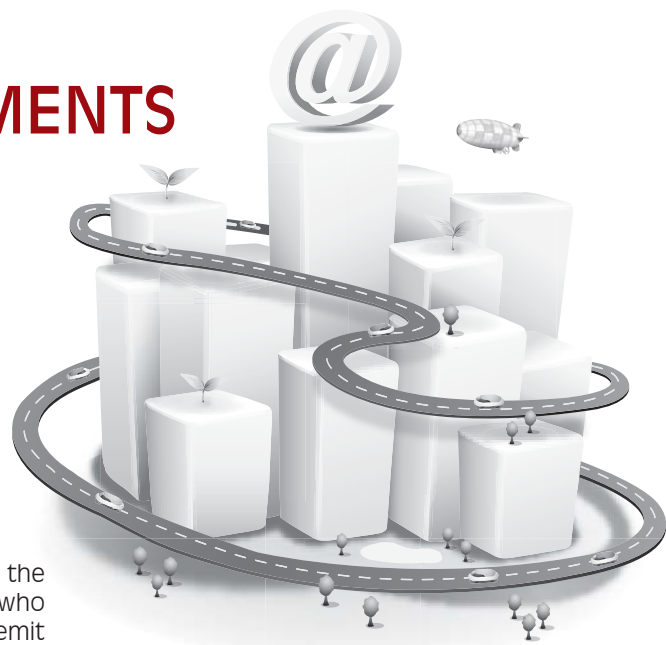


# WITHHOLDING TAX ON PAYMENTS TO NON-RESIDENTS

Date : 27 January 2014  
Venue : CTIM Training Room, Kuala Lumpur  
Time : 9.00am to 5.00pm  
Event Code : WS/008



## Workshop Overview

Although income tax is a direct tax, in certain circumstances the payer has the responsibility to withhold the tax when making payment to the person who bears the tax, often a non-resident. The payer must deduct the tax and remit it to the tax authorities within the stipulated time period. If the payer fails to do so, he will suffer penalties and be prohibited from claiming a tax deduction against his own income for the payment to the other party unless and until the tax withheld and any penalty has been remitted. Further penalties can be incurred if the payer makes a claim for the expense in his tax computation before he has remitted the tax withheld to the tax authority. Ignorance is no excuse and it is imperative for any person managing the day-to-day payments and accounts of a business to understand their obligations under the withholding tax provisions, and the cost of non-compliance.

## Benefits of Attending

- Understand the payments for which the withholding taxes obligations should be considered.
- Understand the withholding taxes obligation that arises from reimbursements and disbursements in respect of services rendered by non-residents.
- Avoid penalties that may arise if deductions or capital allowances are wrongfully claimed in respect of payments for which the withholding taxes has not been remitted to the authority.

## Course Contents

- The scope and rates of withholding tax
- Responsibilities of the payer
- Non-deductibility of expenses and disallowed capital expenditure
- Permissibility of re-grossing of payments
- Withholding tax for royalty payments
- Withholding tax for interest payments to non-residents
- Withholding tax for public entertainers' remuneration
- Withholding tax for special classes of income (section 4A)
- Withholding tax for contract payments
- Non-finality of tax on contract payments
- Withholding tax for payments in respect of other gains or profits (section 4(f))
- Rules for determination of residence status of the payee
- A brief introduction to the role of tax treaties
- Additional tax or tax refund for the payee (tax overpaid/underpaid due to misunderstandings over residence status)

## Who Should Attend

- Tax agents
- Tax advisors and consultants
- Accountants in the corporate sector
- Those involved in making payments to non-residents
- Tax lecturers and scholars

## Speakers' Profile

**Richard Thornton** has extensive experience of Malaysian taxation. He has been an approved tax agent under the Income Tax Act 1967. Richard regularly contributes tax-saving ideas on property and other tax issues in his published works and has been a frequent speaker at seminars and conferences. He is the author of Thornton's Malaysian Tax Commentaries and the 100 Ways to Save Tax in Malaysia series.

**Thenesh Kannaa** is the managing partner of Thenesh, Renga & Associates, a firm of chartered accountants dedicated to providing tax advisory services. Thenesh is also adjunct to a university ranked within the top 100 in the World. His works have been published in various local and international newsletters. Recently, he has co-authored the Manual of Capital Allowances and Charges with Mr. Richard Thornton.

