

e-CTIM TECH-DT 24/2018

30 March 2018

TO ALL MEMBERS

TECHNICAL

Direct Taxation

LHDNM'S PRACTICE NOTE NO. 1/2018 ON TAX TREATMENT ON DIGITAL ADVERTISING PROVIDED BY A NON-RESIDENT

The Inland Revenue Board of Malaysia (LHDNM) has recently uploaded the [Practice Note No.1/2018](#) (issue date: 16 March 2018) on its website:

Practice Note No.	Brief Description
1/2018	<p><u>Tax Treatment on Digital Advertising Provided By A Non-Resident</u></p> <p>This Note is issued to provide guidance regarding withholding tax on income from digital advertising provided by a non-resident and includes the following:</p> <ul style="list-style-type: none">• The tax treatment on payment to non-residents in relation to digital advertising where:<ul style="list-style-type: none">➢ The non-resident has no permanent establishment (PE) (where a Double Taxation Agreement applies) or where there is no business presence in Malaysia.➢ The non-resident has a PE or a business presence in Malaysia.• The main criteria to determine whether withholding tax under section 109 or 109B of the Income Tax Act 1967 applies.

Members may read the Practice Note in full at the websites of the [Institute](#) and the [LHDNM](#).

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concern or comments you may have on the [Practice Note No.1/2018](#) so that we may raise them to the LHDNM.

sclaimer

This document is meant for the members of the Chartered Tax Institute of Malaysia (CTIM) only. CTIM has taken all reasonable care in the preparation and compilation of the information contained in this E-CTIM. CTIM herein expressly disclaims all and any liability or responsibility to any person(s) for any errors or omissions in reliance whether wholly or partially, upon the whole or any part of this E-CTIM.