

LHDNM MEDIA RELEASE

LHDNM MEDIA RELEASE – INCOME RECEIVED FROM EMPLOYMENT EXERCISED IN SINGAPORE AND TAX RESIDENCE STATUS

The Inland Revenue Board of Malaysia (“LHDNM”) has issued a [media release](#) dated 10 March 2019 which refers to a recent report in the Chinese newspaper, which has caused confusion regarding basic questions of income derived from Singapore and tax residence status.

The LHDNM media release provides the following clarification: -

- Income received from employment exercised in Singapore is not liable to tax in Malaysia. This is because that income is not derived from the exercising of employment in Malaysia.
- For an individual residing in Malaysia for a period of 182 days or more, the individual is deemed to be a resident for tax purposes in Malaysia under the Income Tax Act (“ITA”) 1967. However, if the said individual does not receive any income derived from Malaysia and only receives employment income derived from Singapore, then the individual is still not liable for tax in Malaysia. The resident status of an individual in Malaysia will not automatically result in the income received by the individual being subjected to Malaysian tax laws.
- Further to that, any income remitted to Malaysia from abroad is also exempt under Paragraph 28, Schedule 6 of the ITA 1967. (*Note: Paragraph 28(1), Schedule 6 of the ITA 1967 refers to: “Income of any person, other than a resident company carrying on the business of banking, insurance or sea or air transport, for the basis year for a year of assessment derived from sources outside Malaysia and received in Malaysia.”*)

For further clarification, taxpayers are advised to:

- i. Visit the nearest LHDNM Office; or
- ii. Contact Hasil Care Line LHDNM at 1-800-88-5436 or 603-7713 6666 (Overseas).

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

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