

## Newsletter

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## Tax Newsletter Volume 1

This circulation is aimed at providing you with recent tax updates and developments in Malaysia. In this edition, we highlight recent updates on Malaysia's signing of the BEPS Multilateral Convention and the ongoing studies being conducted by Malaysia with respect to the taxation of the digital economy from a direct and indirect tax perspective. We also discuss the updated Mutual Agreement Procedure Guidelines released in January 2018, as well as the launch of the Malaysia GST Compliance Assurance Programme.

In selected articles, you may click to read a more detailed summary.

We hope that you find these updates useful, and please feel free to contact us if you have any queries or require any assistance.

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### Direct Tax

## Malaysia signs BEPS Multilateral Convention

On 24 January 2018, Malaysia signed the BEPS Multilateral Convention ("**MLI**"). Malaysia proposes to adopt some of the proposed changes relating to permanent establishments, in addition to the mandatory minimum standards on prevention of treaty abuse and the mutual agreement procedures. [Click here to read more.](#)

## Malaysia studying proposals to introduce tax model for online businesses

According to updates made by the [Finance Minister II Datuk Seri Johari Abdul Ghani](#) to the House of Representatives on 19 March 2018, The Ministry of Finance is currently conducting a detailed analysis of the suitable mechanism and model for the imposition of taxes on online businesses. [Click here to read more.](#)

## IRB releases updated Mutual Agreement Procedure ("**MAP**") Guidelines

The Malaysian Inland Revenue Board ("**IRB**") published updated MAP Guidelines on 11 January 2018, to incorporate the recommendations of the OECD BEPS Action 14 final report on "Making Dispute Resolution Mechanisms More Effective". [Click here to read more.](#)



## Clarification on tax audits

In November 2017, the minutes of the working group meeting between the IRB with accounting and tax bodies (DESIRE Dialogue No. 1/2017) was published. The minutes contain, amongst others, comments from the IRB in response to queries regarding the operation of tax audits by the IRB. [Click here to read more.](#)

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## Goods and Services Tax (GST)

### Proposal to introduce GST registration requirements for foreign companies supplying digital services

During the recent National GST Conference 2018, the Royal Malaysian Customs Department announced that proposed amendments to the GST laws are currently being considered, to impose GST on digital services supplied by foreign companies to Malaysian consumers. [Click here to read more.](#)

### Launch of the Malaysia GST Compliance Assurance Programme ("MyGCAP")

On 24 January 2018, the [Prime Minister Datuk Seri Najib Tun Razak](#) officiated the launch of MyGCAP. Under MyGCAP, certified GST-registered businesses will be entitled to special benefits, including expedited GST input tax refunds. [Click here to read more.](#)

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