

TAX SERVICES

Whether your business operates in Malaysia or spans across international borders, it is crucial to understand and comply with the tax laws and regulations wherever you have activities.

Given the enhanced business complexities and an ever evolving tax landscape, staying up-to-date and compliant while ensuring an optimal tax strategy is becoming increasingly challenging.

Our experienced tax professionals understand the relevant tax issues involved and provide tax services that add value to business. We recognise the numerous challenges your business faces, particularly in managing the taxes you pay.



CORPORATE TAX COMPLIANCE AND ADVISORY

Under the Self Assessment System (SAS), taxpayers are required to self-assess their tax liabilities and ensure timely payment. From preparing tax computation worksheets to submitting statutory tax returns, our goal is to thoroughly understand the unique nature of our clients' businesses and provide comprehensive compliance services, regardless of their size or industry.

Every business decision has a potential tax impact. In a constantly evolving tax environment and with greater adoption of technology, strategies that were once considered efficient may no longer be effective. Our tax professionals are equipped to help you identify opportunities, navigate risks and stay ahead of change.

Our corporate tax advisory services include:

- ▶ Group tax efficiency diagnostic reviews
- ▶ Review of transactions for tax optimisation and applicable tax reliefs
- ▶ Tax planning on corporate and group restructuring
- ▶ Advice on tax efficient business financing and cash management
- ▶ Withholding tax and international tax advice on cross border investments/projects



PERSONAL TAX COMPLIANCE AND ADVISORY

The SAS extends to individual taxpayers, including expatriates, requiring them to accurately assess and meet their tax obligations annually. These obligations are becoming more challenging given the circumstances of certain individuals and increased transparency.

Regardless of the complexity of your tax matters, BDO can provide you with the assistance you need, such as:

- ▶ Ensuring compliance with all local and international tax regulatory requirements
- ▶ Protecting your personal wealth
- ▶ Enabling you to plan for your future financial matters



TAX INVESTIGATION AND FIELD AUDIT

Tax investigation and field audits are essential enforcement measures to ensure compliance with tax legislations, and can take place even without any suspicion of or actual wrongdoing. Prior to a tax investigation and field audit, notice may be given by the Inland Revenue Board of Malaysia (IRBM) and the required documents may be requested in advance. Despite this prior notification, it is crucial to be well-prepared for all possible outcomes.

Some of the ways we can help you through the process are:

- ▶ Performing tax health checks to highlight potentially contentious issues
- ▶ Acting as the bridge between you and IRBM during the tax investigation and field audit
- ▶ Liaising and negotiating with IRBM on your behalf
- ▶ Providing guidance and assistance throughout the whole process
- ▶ Setting out the options available, assessing the potential tax exposure and implementing a resolution plan for you
- ▶ Proving tax litigation defence support



TRANSFER PRICING

Transfer Pricing (TP) generally refers to intercompany pricing arrangements for the transfer of goods, services and intangibles between associate persons. TP is one of the key areas of scrutiny by IRBM.

Under current tax regulations issued by the authorities—aligned with the Organisation for Economic Co-operation and Development (OECD) guidelines requiring transactions between associated persons to be conducted at arm's length—businesses are required to maintain proper contemporaneous TP documentation, including clear explanations of value creation. BDO's TP team is well positioned to assist clients with planning, compliance, and tax dispute management including the following:

- ▶ TP documentation advisory, benchmarking & value chain optimisation
- ▶ Documentation & Base Erosion and Profit Shifting (BEPS) / Country-by-Country Reports (CbCR) compliance
- ▶ Financing, debt pricing and earnings stripping rules
- ▶ TP implementation and compliance management systems
- ▶ Dispute resolution and Advance pricing agreements (APAs)



STAMP DUTY

Stamp duty in Malaysia is imposed on a wide range of instruments of transfer and documents. We have an experienced team of tax professionals with comprehensive knowledge of the laws on stamp duty to comply with the stamp duty self-assessment requirements commencing on 1 January 2026, and the conditions and procedures for obtaining stamp duty exemptions that may translate into significant cost savings for our clients.

Our services in this area include:

- ▶ Stamp duty documentation reviews and advice on compliance with self-assessment of stamp duty
- ▶ Analysis of tax structuring options to assess and quantify the potential stamp duty exposure
- ▶ Assistance in determining the appropriate valuation for instruments subject to ad valorem duty
- ▶ Identification of instruments that are eligible for stamp duty exemption
- ▶ Assisting clients in the preparation of documentation required for application for stamp duty exemption
- ▶ Assisting clients with any technical disputes with the IRBM



INCENTIVE AND INVESTMENT VENTURE ADVISORY

Malaysia is an ideal investment destination for many investors as it has a unique combination of a well-developed infrastructure, comprehensive pool of talent and a stable business environment. The cost of doing business is also comparatively lower making it an attractive investment location.

Various fiscal and non-fiscal incentives are available including:

- ▶ Income Tax Exemption
- ▶ Pioneer Status/Investment Tax Allowance Incentive
- ▶ Indirect Tax Exemption
- ▶ Grants e.g.: Infrastructure grants, Development grants, etc.
- ▶ Johor-Singapore Special Economic Zone, Malaysia Digital and Pre-packaged Tax Incentives

Our services include:

- ▶ Identifying eligible tax incentives and/or government grants and maximising the benefits in line with your commercial objectives
- ▶ Reviewing your business case
- ▶ Liaising with the relevant authorities to obtain approval



INDIRECT TAX COMPLIANCE AND ADVISORY

Malaysia is increasing its focus on indirect taxes. The expansion of sales and service tax means businesses need to pay closer attention to their tax obligations and processes, and to address any price cascading effects.

Sales Tax and Service Tax

Classifying the types of taxable goods and services is not always clear. It is therefore crucial for businesses to manage their exposure to sales tax and service tax and prevent unnecessary penalties, especially during a customs audit.

Our services include:

- ▶ Registration for sales tax and/or service tax
- ▶ Review of sales tax and service tax returns
- ▶ Health checks
- ▶ Retainer services
- ▶ Advisory services pertaining to sales and service tax implications for business activities and/or specific transactions

- ▶ Managing customs audits
- ▶ Managing customs ruling applications

Customs Duties

Businesses can incur significant compliance and administrative cost dealing with the Royal Malaysian Customs Department (RMCD) for declaration of imports and exports.

Structuring transactions to achieve correct classification, valuation, customs rate of goods amongst others, would reduce the cost of doing business.

Our services include:

- ▶ Applications for indirect tax exemption and refund, tariff classification and trade facilitation arrangements
- ▶ Reviewing of agreements, transactions, voluntary declarations, etc.
- ▶ Customs valuation and transfer pricing reviews
- ▶ Retainer services
- ▶ Managing customs audits and investigations
- ▶ Making representations to RMCD for rulings and dispute resolutions



e-INVOICING ADVISORY & MIDDLEWARE SOLUTIONS

BDO's e-Invoicing services focus on helping businesses comply with Malaysia's e-invoicing regulations, with our Middleware solutions.

Our team of tax professionals are able to:

- ▶ Perform a gap analysis to identify the tax and technology actions required
- ▶ Manage the implementation and integration of e-Invoicing with your accounting software
- ▶ Assess system readiness to comply with IRBM's requirements



CAPITAL ALLOWANCES STUDY

In Malaysia, building and renovation costs are generally not tax-deductible. However, certain assets classified as plant and machinery may qualify for Capital Allowances (CA). Identifying these requires specialist expertise.

BDO provides the following services:

- ▶ Detailed expenditure analysis and site visit
- ▶ Preparation of comprehensive CA study reports
- ▶ Documentation and managing tax compliance risks



PILLAR TWO GLOBAL MINIMUM TAX COMPLIANCE AND ADVISORY

Malaysia has implemented Global Minimum Tax (GMT) starting from 2025, aligning its tax framework with the OECD's Global Anti-Base Erosion (GloBE) Model Rules under Pillar Two of BEPS 2.0. GMT ensures that large multinational enterprise (MNE) groups are subject to a minimum effective tax rate (ETR) of 15% in every jurisdiction they operate in.

MNEs in Malaysia are required to comply with two additional tax filings.

We can help you navigate the rules and their impact through:

- ▶ Assessment & planning, including safe harbour review
- ▶ Compliance & implementation
- ▶ Training & advisory

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