What is Withholding Tax?

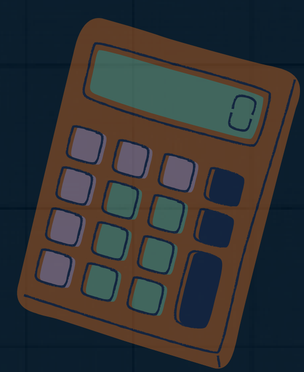
Before you pay someone overseas,

hold back what is due to LHDN.

WHO PAYS?

If you're a Malaysian business paying

- Foreign consultant for services
- Facebook/Google for ads
- Foreign YouTuber/artist for promotions

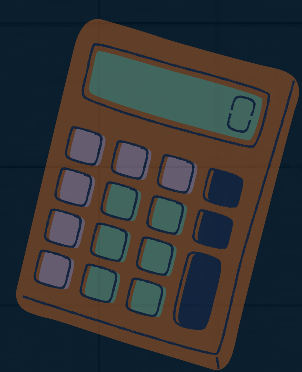


👉 **You may need to deduct WHT.**

Why?

Because income is earned from Malaysia, even if the person is not here.

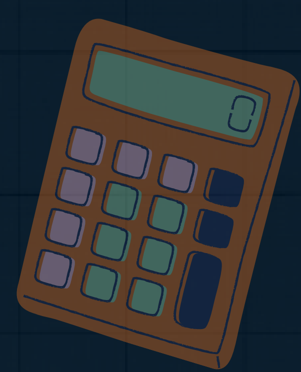
Malaysia law (ITA 1967 – Section 109, 109B, 109A) requires you to withhold and pay to LHDN.



How It Works?

💰 You pay RM100,000 to a foreign IT expert.

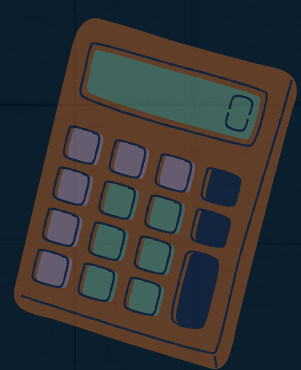
* Rates depend on services & countries



- ➡️ 10%* WHT applies.
- 📌 RM10,000 → LHDN
- 📌 RM90,000 → Foreign expert

Key Rules

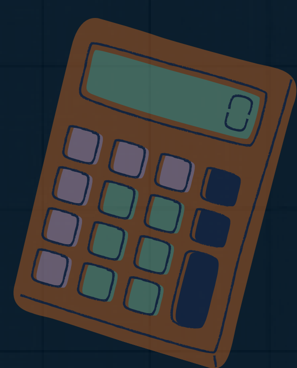
- Submit WHT within 1 month of payment date.
- Rates: usually 8%–10% (depending on service & country).
- Check Double Taxation Agreements (DTA) for reduced rates.



Penalties

⚠️ **If you skip WHT:**

- ❌ Penalties & extra tax payable.
- ❌Cannot claim the expense as deductible in Malaysia (ITA Section 39).



Takeaway

1. ✓ Always check if WHT applies when paying overseas.
2. ✓ Saves you from big penalties later.

- 📌 When in doubt → Ask a tax agent.

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Business Hours

- Mon – Fri: 9.00am – 6pm
- Lunch Hours: 1.00pm – 2.00pm
- Sun & Public: Closed