

## ADMINISTRATIVE CHANGES TO SUBMISSION OF 2% TAX DEDUCTED BY PAYER COMPANIES FROM PAYMENTS TO AGENTS, DEALERS OR DISTRIBUTORS FROM JULY 2022

During the tabling of the National Budget 2022, the Government of Malaysia has introduced a new Section 107D to the Income Tax Act 1967 ("ITA"). Companies are responsible to withhold and remit withholding tax in respect of monetary payments made to resident individual agents, dealers or distributors ("ADD"). Click [here](#) to refer the previous announcement.



On 9th July 2022, the Inland Revenue Board of Malaysia (HASiL) has issued a media release announcing that they have made administrative changes to the submission of withholding tax effective July 2022 as follows:

1. The payer company is required to deduct the 2% tax from payments to ADDs for every transaction on an accumulated basis by month.
2. The above - mentioned 2% tax deduction amount is required to be remitted to HASiL latest by the end of the following month.

### Example

2% Tax Deduction Accumulated by Month	The Deadline to remit to HASiL
1 July 2022 – 31 July 2022	31 August 2022
1 August 2022 – 31 August 2022	30 September 2022
1 September 2022 – 30 September 2022	31 October 2022

3. The payer company must complete the latest Form CP107D - Pin 2/2022 in PDF format and Appendix CP107D(2) in excel format and submit them via email to the payment centres as listed below before making the payments. This email submission is necessary for payments made via payment counters or post. The respective email addresses of the payment centres are as follows:

#### Payment Centre

Kuala Lumpur Payment Centre

Kuching Branch

Kota Kinabalu Branch

#### Email Address

[pbkl-cp107d@hasil.gov.my](mailto:pbkl-cp107d@hasil.gov.my)

[pbkc-cp107d@hasil.gov.my](mailto:pbkc-cp107d@hasil.gov.my)

[pbkk-cp107d@hasil.gov.my](mailto:pbkk-cp107d@hasil.gov.my)

If the above - mentioned email submission is sent to the Kuala Lumpur Payment Centre, payment can be made at the Kuala Lumpur Payment Centre only.

4. A copy of the email submission sent to HASiL's payment centres must be presented by the payer company for verification and checking purposes when making payment at the payment centres, before the receipt is issued.
5. Ensure that the number of recipients, the amount of the 2% tax deduction and the cheque number in the Form CPI07D - Pin 2/2022 and Appendix CPI07D (2) are the same and accurate.
6. Before filling out the Appendix CPI07D(2), the payer company needs to ensure that the recipient has an income tax number. If the recipient does not have an income tax number, registration may be made online through e - Register at <https://edaftar.hasil.gov.my/>.



The 2% tax deduction for 2022 applies to ADDs which have received a total sum of payments of more than RM100,000 in monetary or non-monetary form in 2021 from the payer company.

#### Reference

1. HASiL Media Release - Administrative changes to submission of 2% tax deducted by payer companies from payments to agents, dealers or distributors.
2. Form CPI07D - Pin 2/2022
3. Appendix CPI07D(2) -  
(inExcel\_ <https://www.hasil.gov.my/en/forms/download-forms/downloadformwithholdingtax/?subKategoriCukaiPegangan=Semua&tahun=Semua>)

#### CONSULT US NOW !



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