



TRANSFER PRICING & WITHHOLDING TAX ESSENTIALS FOR CROSS-BORDER BUSINESSES IN MALAYSIA

HRD Corp Claimable Courses

Duration: 1 day

Time: 9.00am to 5.00pm

INTRODUCTION

In recent years, Malaysia has experienced a significant increase in foreign direct investment and service activities originating from China-based companies. This rapid growth has created more complex cross-border business arrangements, particularly involving intercompany transactions, shared services, and technology transfers. In response, the Inland Revenue Board (IRB) has intensified its oversight on the arm's length pricing of such transactions, as well as the correct application of withholding tax (WHT) on payments made to non-residents.

Payments for management fees, technical services, interest, royalties, and software licensing are now more closely scrutinized than ever, often triggering both Transfer Pricing (TP) documentation requirements and WHT obligations under Malaysian tax laws. Non-compliance not only risks triggering tax audits but may also lead to disallowed tax deductions, reputational damage, and substantial financial penalties. Many businesses underestimate these risks until they are confronted with backdated assessments, leaving little room for corrective measures.

This training program is designed to equip tax managers, finance professionals, accountants, and business owners with the practical skills and up-to-date knowledge needed to navigate TP and WHT requirements in the China–Malaysia business context. Through real-life case studies, regulatory updates, and best-practice compliance strategies, participants will gain the confidence to manage cross-border transactions effectively, reduce tax exposure, and safeguard their organisation against costly disputes with the tax authorities.

LEARNING OBJECTIVE

BY THE END OF THIS COURSE, PARTICIPANTS WILL BE ABLE TO:

1. **Identify** the types of intercompany transactions that fall under Malaysia's **Transfer Pricing (TP) rules** and **Withholding Tax (WHT)** obligations.
2. **Understand** the arm's length pricing principles and compliance requirements set out in Malaysia's TP regulations.
3. **Determine** the circumstances under which WHT applies to payments made to **China-related entities**, including management fees, technical services, royalties, and interest.
4. **Interpret and apply** the relevant provisions of the **Malaysia–China Double Tax Agreement (DTA)** to minimise tax exposure and avoid double taxation.
5. **Prepare and maintain** TP documentation that meets IRB standards, while managing WHT obligations in a timely and compliant manner.

WHO SHOULD ATTEND?

- ✚ China-based companies with operations in Malaysia
- ✚ Malaysian companies engaging China group entities
- ✚ CFOs, Financial Controllers, Tax and Finance Managers
- ✚ Accountants, Consultants, and Compliance Officers

METHODOLOGY

- ✚ Interactive Lectures
- ✚ Real-Life Case Studies
- ✚ Worked Examples
- ✚ Group Discussions & Q&A Session

PROGRAM OUTLINE

Module 1: Overview of Transfer Pricing in Malaysia

- ✓ Legal framework: Income Tax Act, TP Rules, and Guidelines
- ✓ Who is affected: Related party definitions and controlled transactions
- ✓ Common transactions: Goods, services, financing, intangibles
- ✓ Importance of TP documentation and deadlines
- ✓ Penalties for non-compliance and audit red flags

Module 2: Practical TP Scenarios for Businesses

- ✓ Services from HQ in China to Malaysian subsidiary: How to justify fees
- ✓ Contract manufacturing and limited-risk distributors
- ✓ Intercompany loans
- ✓ Royalty payments for branding or IP rights
- ✓ Benchmarking and arm's length pricing methods

Module 3: Withholding Tax in Malaysia

- ✓ Scope of WHT under Income Tax Act Sections 107A, 109, 109B
- ✓ Payments to non-residents subject to WHT:
 - Technical or management fees
 - Royalty, interest, software payments
 - Contract payments (public works, services)
- ✓ Filing CP37 / CP37A and penalty exposure

Module 4: Managing TP + WHT Compliance Together

- ✓ Aligning intercompany agreements with TP & WHT rules
- ✓ Proper invoicing, contracts, and supporting documentation

TRAINER'S PROFILE

Angeline Chua

(Bachelor's of Science (Hons) Accounting and Finance)

Transfer Pricing Trainer | Tax Educator | Simplifying TP for Malaysian

Angeline is a Transfer Pricing and Tax Trainer dedicated to helping businesses in Malaysia navigate complex transfer pricing (TP) regulations and maintain compliance with confidence. She is the founder of her own advisory and training firm, where she specialises in transforming intricate tax concepts into clear, practical, and actionable knowledge for finance and tax professionals.

With over seven years of hands-on experience in TP advisory, compliance, and audit support, Angeline delivers training that is relevant, engaging, and tailored to real business challenges. Her expertise covers the full TP compliance cycle—from preparing documentation that meets IRB requirements, to handling queries during tax audits, to upskilling in-house teams for ongoing compliance.

Angeline's training approach blends technical accuracy with practical case studies, ensuring participants gain the skills and confidence to apply their knowledge effectively in day-to-day operations.

Angeline's Core Values

Angeline believes in delivering impactful training that makes a tangible difference in how participants approach transfer pricing and tax compliance. She strives to create a meaningful learning experience by ensuring every session is relevant to real business situations and challenges. Her approach is always practical and actionable, equipping participants with strategies and tools they can immediately apply in their work. At the same time, she keeps her sessions engaging and fun, fostering an interactive environment where learning is both enjoyable and effective.

Most recent trainings covered

- ✓ ***Get Ready for E-invoicing***
- ✓ ***E-invoicing Hands-On Practical Guide***
- ✓ ***Strategic E-invoicing for Business Success***
- ✓ ***Transfer Pricing Hands-On Practical Guide on Updating Your TP***
- ✓ ***Doc Before Filing of Form C***
- ✓ ***Introduction to Transfer Pricing***
- ✓ ***Transfer Pricing 101: What Every Business Must Know***
- ✓ ***Transfer Pricing Bootcamp for SMEs in Malaysia: Practical***
- ✓ ***Compliance & Risk Mitigation***
- ✓ ***Transfer Pricing & Withholding Tax Essentials for Cross-Border***
- ✓ ***Businesses in Malaysia***
- ✓ ***Navigating the Expanded SST Framework for Construction,***
- ✓ ***Rental, and Leasing Industries***
- ✓ ***SST Compliance - Practical Insights &***

PARTICIPATION REGISTRATION & FEE

To register and to obtain the latest participation fees either for Public Training or In-House Training Series, please email to marketing department at mytrain2@mytrainingmalaysia.com

Registration via online can be done thru our website at www.eliteedge.com.my

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