

Fundamental of Malaysia Taxation

Do you know that there are two things in life we cannot avoid—death and tax?

Did you know that whether you earn an income or not, you still end up paying taxes directly or indirectly?

Introduction

In today's competitive and uncertain business environment, managing costs has become more challenging than ever. Among these costs, taxation plays a critical role. For both individuals and corporations, understanding the fundamentals of taxation is not only about compliance but also about protecting business sustainability and long-term growth. Taxation impacts how businesses manage their cash flow, allocate resources, and plan for future investments. A company may run its operations efficiently, yet a single overlooked tax obligation can result in costly audits, penalties, or even reputational damage. Many organisations in Malaysia face this dilemma when tax audits by the Inland Revenue Board (LHDN) reveal gaps in reporting or non-compliance, leaving businesses scrambling to find funds to settle unexpected liabilities. Beyond compliance, taxation also presents opportunities. Legal tax planning—such as understanding allowable deductions, incentives, exemptions, and reliefs—can significantly reduce liabilities and free up resources for reinvestment. Unfortunately, many taxpayers miss out simply due to lack of knowledge, insufficient information, or sheer ignorance. This program provides participants with a structured understanding of Malaysia's taxation framework. It covers the essentials of direct and indirect taxes, tax reporting requirements, and strategies for mitigating liabilities within the legal framework. By the end of the program, participants will gain clarity on their obligations as taxpayers, confidence in managing tax-related risks, and practical insights into leveraging taxation as a tool for better financial planning and decision-making.

Program Objectives

This program aims to:

- Gain knowledge of the fundamental of Malaysia taxation
- Various tax imposes by Inland Revenue Board Malaysia
- Gain knowledge on the tax administrative
- Knowing the difference between tax deductible or non-tax-deductible expenditures

Learning Outcomes

After completing this module, participants should be able to:

- Knowing the tax treatment for various sources of income
- Preparation of tax computation
- Understanding of fundamental concept of income tax in Malaysia
- Knowing business income subjected to income tax
- Understanding expenditures entitled for tax deductions

- Computation of capital allowance for businesses

Who should attend?

Executives and daily operators, Managers and team leaders, anyone involved in preparing or reviewing financial results of an organisation.

Methodology

Interactive lecture, videos, presentation, discussion, case study, case simulation, Socratic questioning, flipped classroom, brain-storming, worksheet, problem solving, inductive method, team exercise, peer to peer, action learning, coaching and mentoring

Program Outline

Time	Day One
9.00am–10.30am	Fundamental of Malaysia Taxation It is important for management staff or business owners to understand the fundamentals of Malaysia taxation in order to utilise the tax benefits available to mitigate the tax liabilities.
10.30am-11.00am	Morning Break
11.00am-1.00pm	Distinguish Between Capital Gain And Revenue Gain Taxpayers need to understand the difference between capital and revenue gains in order to determine the tax treatment and amount that is subjected to tax.
1.00pm-2.00pm	Lunch
2.00pm-3.30pm	Tax Treatment On Various Sources Of Income It is always useful for management staff or entrepreneurs to understand the tax treatment of various sources of income in their business or personally in order for proper tax planning.
3.30pm-4.00pm	Tea Break
4.00pm-5.00pm	Distinguish Between Capital Expenditures And Revenue Expenditures It is always useful for management staff or entrepreneurs to learn a simple method as initial screening of financial health of a business for further decision making.
	Day Two

9.00am –10.30am	<p>Tax Deductible And Non-Tax-Deductible Expenditures</p> <p>Business incurred plenty of expenditures. It is important to understand what kind of business expenditures entitled for tax deduction and which are not in order to maximise the tax deduction and minimise the tax liabilities.</p>
10.30am-11.00am	Morning Break
11.00am-1.00pm	<p>Preparation Of Tax Computation</p> <p>In-order to determine the amount of tax payable, it is always important to know the format of preparing tax computation so that taxpayers are able to determine the amount of tax payable accurately.</p>
1.00pm-2.00pm	Lunch
2.00pm-3.30pm	<p>Compute Of Capital Allowance</p> <p>Capital expenditures are not able to claim tax deduction. However, qualifying capital expenditures are allowed to claim capital allowance to reduce the income and indirectly reduce the tax payable.</p>
3.30pm-4.00pm	Tea Break
4.00pm-5.00pm	<p>Tax Administrative</p> <p>There are various deadlines and compliances when come to taxation. Therefore, it is important to know the tax administrative so that you will not miss out any important deadlines or compliances that trigger the tax penalty.</p>