

DIGITAL CURRENCIES : WHAT YOU NEED TO KNOW?

FEATURES :

- BLOCKCHAIN TECHNOLOGY
- DECENTRALIZATION
- 24 HOURS / 7 DAYS / 365 DAYS RECEPTION

TAX TREATMENT MAIN CONCEPT :

- REVENUE IN NATURE VS. CAPITAL IN NATURE
- REVENUE EXPENDITURE VS. CAPITAL EXPENDITURE

DOCUMENTING METHOD :

- ACQUISITION COST
- DIGITAL CURRENCIES WITH UNREALIZED VALUE
- RECORD KEEPING



1. DIGITAL CURRENCY : WHAT YOU NEED TO KNOW ?

Digital currency is a digital financial asset based on distributed ledger technology (DLT). Digital representation value of cryptographic securities or contractual rights that can be electronically transferred, stored or traded.

HASiL has issued Guidelines on Tax Treatment of Digital Currency Transactions to provide guidance on income tax treatment in respect of e-commerce transactions (e-CT) which include general tax treatment of digital currencies or digital tokens.

Several things that need to be emphasized in relation to digital currency are :

- i) Treatment to digital currency requires emphasis on :
 - a. Tax treatments on digital currencies trade or using digital currencies in business
 - b. Tax treatments on investment in digital currencies and other transactions involving digital currencies
- ii) Determination of cost acquisition for taxation purposes, especially involving international transactions
- iii) Record keeping
- iv) Badges of trade

Badges of trade will be determined by :

- i) Frequency of transactions
- ii) Supplementary works
- iii) Circumstances of the realization
- iv) Motive
- v) Mode of financing
- vi) Length of ownership
- vii) Nature of subject matter
- viii) Other factors

For further information on guidelines, log on to HASiL Official Portal, www.hasil.gov.my > Legislation > Guidelines > Technical Guidelines.

2. CALCULATOR PCB

Calculator PCB is a support system for calculating MTD. This system allows employees to be aware of estimated MTD calculated by employer every month. The estimated displayed amount is almost accurate because the employee has to enter information related to income and deductions from monthly salary.

Advantages of this system includes :

- i) Easy to use
- ii) Saves time
- iii) Equal or nearest to the actual tax
- iv) No advance or underpaid tax if all demands for additional deduction were taken into account in the calculation
- v) Calculations can be performed at any time
- vi) No MTD Schedule
- vii) No manual calculation for additional remuneration
- viii) Employee can check the calculation made by the employer

This system can be accessed via MyTax at <https://mytax.hasil.gov.my> / > Calculator PCB

3. TEMPORARY CLOSURE OF CREDIT CARD PAYMENT SERVICES AT ByrHASiL

Starting October 1, 2022, HASiL will temporarily stop accepting tax payments using credit cards via ByrHASiL portal to give way to the bank for implementation of service improvement process. During this period, taxpayers can still make payments through the following medium ;

- i) FPX medium in ByrHASiL ;
- ii) Commercial banks appointed by HASiL : Internet banking portal and counter, and
- iii) Credit card at Kuala Lumpur, Kota Kinabalu and Kuching Payment Counters.

For more information regarding provided payment services, taxpayers can refer to HASiL Official Portal, www.hasil.gov.my and opt for :

- i) Individual : Service > Individual > Individual Life Cycle > Payment > Mode of Payment ; or
- ii) Company : Service > Company > Tax Payment > Payment Method.

4. CERTIFICATE OF RESIDENCE

Certificate of Residence (COR) is issued to confirm the residence status of the taxpayer, enabling them to claim tax benefits under the Double Taxation Agreement (DTA) and to avoid double taxation on the same income. Hence, a COR is issued for these purposes only and is specifically for Malaysia's treaty partners.

Application for COR can be made either manually or via [e-Residence](#).

The COR will be ready within 10 working days, provided that all of the required documents and information have been submitted.

Further information on COR can be obtained from HASiL Official Portal at www.hasil.gov.my > International > Certificate of Residence.

BEWARE OF SCAMMER:

HASiL WILL NOT PROVIDE BANK ACCOUNT NUMBER VIA PHONE CALL/EMAIL/LETTER FOR THE PAYMENT OF INCOME TAX. PLEASE USE ByrHASiL FOR TAX PAYMENT IF APPLICABLE.

BE CAREFUL AND DON'T BE FOOLED.