



Created by  
**Compliance Department**

# Compliance Guideline

## Income Claims & Taxations

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**Enagic (Malaysia) Sdn Bhd**  
(201101042983) (Direct Sales License No.: AJL 931978)



# 1. Income Claims

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Distributors are **not allowed** to make any income claims, income projections, income representations or showing of commission checks to prospective distributors.

Why is it prohibited to make income claims?

- It is based on individuals' efforts and hard work.



# 1. Income Claims

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Distributors are only encourage to share how the marketing plan works.

What are the factors that differentiate each distributor's income potential?

- Time
- Effort
- Approach
- Technique
- Etc



## 2. Taxations

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Distributors are liable for any tax obligations that may result from their monetary commissions or any non-monetary revenues.

Distributors are required to comply with any tax obligations that may be impose to you whether you are a Malaysian or a foreigner.



## 2. Taxations

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### Withholding Tax (1st January 2022)

- Company is required to apply a withholding tax at a rate of 2% on the gross amount payments made in monetary form to agents, dealer or distributors (ADD), arising from the sales, transactions or schemes carried out by ADD.



# 2. Taxations

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## Withholding Tax (1st January 2022).

Who is subjected to WHT?

- Agents, dealers and distributors – Individuals & sole proprietor, tax resident in Malaysia who has received more than RM100,000 (in monetary and/or non-monetary form) from the said company in the immediate-preceding year.

Who is not subjected to WHT?

- Businesses such as limited liability partnership (PLT), private company (Sdn Bhd) & association are excluded.



# 2. Taxations

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## Withholding Tax (1st January 2022).

What would happen if you are subjected to the WHT?

- You are subjected for 2% tax on every earning for the whole year.

When is the 2% withholding tax deduction payable to IRB?

- The 2% withholding tax deduction should be remitted to IRB within 30 days after payment has been made to you.



## 2. Taxations

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### Withholding Tax (1st January 2022).

What is your responsibility as a distributor?

- You are required to notify Enagic of your income tax number.
- If you do not have a tax file, company will still deduct the WHT and pay to IRB, but since you do not have income tax number, there will be no tax account attributable to you.



# 2. Taxations

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## Withholding Tax (1st January 2022)

Where can I provide my income tax number?

- New application

<b>B. <u>PRINCIPAL BANK INFORMATION.</u></b>		<b>**FILL OUT IF APPLICANT REGISTER AS DISTRIBUTOR**</b>	
Account Holder Name:			
Name of the Bank:			
Account No.:			
NRIC No.:		Old NRIC No.:	
Company Registration No.:		Income Tax No.:	



## 2. Taxations

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### Withholding Tax (1st January 2022)

Where can I provide my income tax number?

- Existing application
  - Sent an email to [accounts@enagic-my.com](mailto:accounts@enagic-my.com) with the your full name, ID Number and Income Tax Number.



## 2. Taxations

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### Withholding Tax (1st January 2022)

Where can I register my income tax number?

- online via e-Registration <https://edaftar.hasil.gov.my/>

Can i refuse to register or provide Enagic with my income tax number?

- Not registering for income tax number or refuse to provide your income tax number despite having taxable income is an offence.



# Contact Us

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Should you need further assistance,  
please contact us



[compliance@enagic-my.com](mailto:compliance@enagic-my.com)



[www.enagic-my.com](http://www.enagic-my.com)



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