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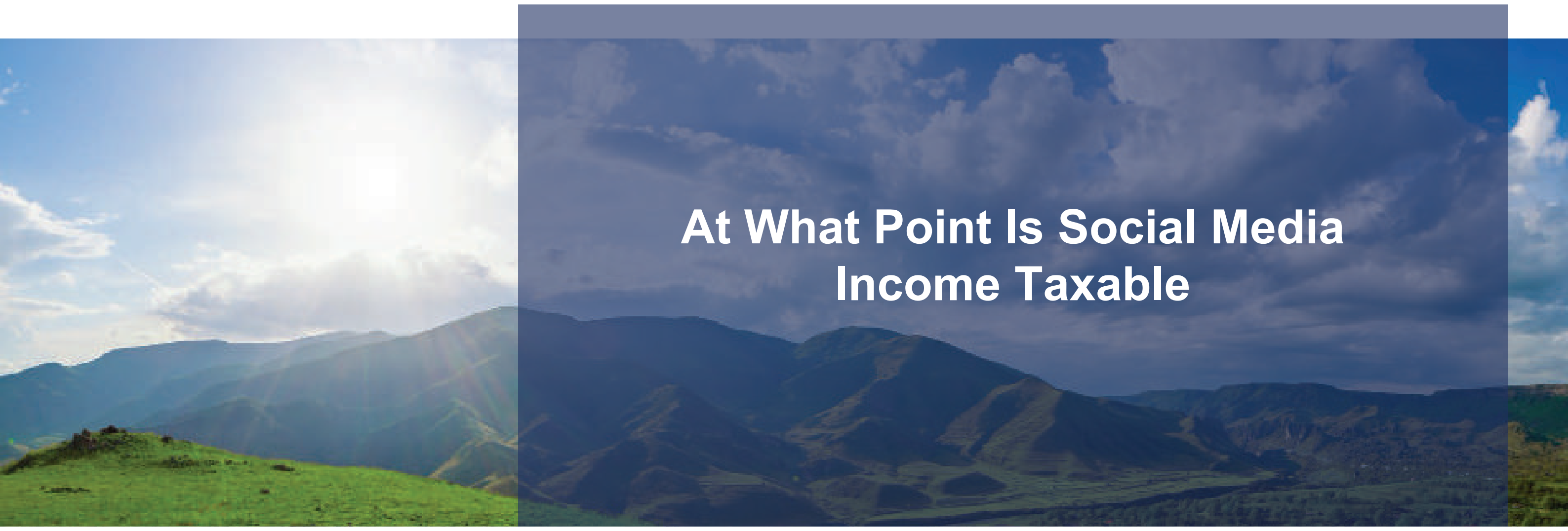
ideas & insights



At What Point Is Social Media Income Taxable

Key Takeaway

- Influencer income is taxable under Section 4(a) of the ITA, whether received in cash or in kind, and whether from local or overseas platforms.

With the rapid growth of the creator economy, the Inland Revenue Board of Malaysia ("IRBM") has issued the Guidelines on the Tax Treatment of Income Derived by Social Media Influencers on 14 January 2026, providing clearer guidance on how income arising from influencer activities is treated for income tax purposes.

Income earned through social media cannot be overlooked simply because it is received through digital platforms, paid by overseas companies, or provided in non-cash form. From platform monetisation and brand sponsorships to promotional fees, free products and other benefits, influencers may have income tax obligations that extend well beyond their cash receipts.

This Tax Newsletter highlights the key tax considerations under the Guidelines.

Who Is a Social Media Influencer for Tax Purposes?

Under the Guidelines, an individual may be regarded as a social media influencer if they use their influence, knowledge, position or relationship with users to influence others through social or digital media. In simple terms, the Guidelines may apply to individuals who use social media to create content, promote products or services, or generate income through their online influence.

Influencer activities may include:

Creating content
producing, recording, publishing, uploading or displaying written, audio or video content.

Making appearances
participating in programmes, activities or events through social media.

Promoting products or services
advertising, endorsing or marketing products or services online.

Receiving income or benefits
earning money or receiving gifts, products, services or other benefits from social media activities.

The Guidelines recognise two broad categories of social media influencers:

Category	Examples	Tax Treatment
Individual Influencer	Artistes, athletes, professionals, students, homemakers and other content creators	Income earned by individual influencers is generally treated as business or professional income under Section 4(a) of the ITA. This applies whether the income is earned under a formal contract or an informal arrangement.
Object-Based Influencer	Animated or cartoon characters; film or drama characters; logos, symbols; or names associated with an organisation or company (Eg; Upin & Ipin and BoBoiBoy)	The account or character owner receiving the income is generally subject to tax. If the copyright owner and account owner are different, the tax applies to the party that ultimately receives the income.

Types of Income Subject to Tax

Income Type	Examples
Social Media Monetisation	Payments based on views, likes, followers, advertisements, subscriptions and clicks
Brand Collaborations	Sponsorship, endorsement, promotional and campaign fees
Sale of Products	Merchandise and other products sold through social media
Sale of Social Media Accounts	Sale or transfer of social media accounts or IDs
Royalties	Royalties from characters or content used on social media
Non-Cash Benefits	Free products, services, vouchers, discounts and other benefits
Income from Overseas Platforms	Payments received from foreign social media platforms
Overseas Promotional Activities	Promotional work carried out overseas as part of the influencer's Malaysian profession

Claimable expenses

Influencers may claim tax deductions under Section 33(1) of the Income Tax Act 1967 ("ITA") for expenses wholly and exclusively incurred in generating their influencer income. These may include internet and data costs, filming and editing fees, content production costs and other expenses directly related to the influencer's income-generating activities.

Capital Allowance

Influencers may claim capital allowances under Schedule 3 of ITA on qualifying assets used in their influencer activities, such as cameras, lighting equipment and other content production equipment, subject to the applicable conditions.

For more details, please refer to :
Source : Inland Revenue Board of Malaysia ("IRBM"), Guidelines on the Tax Treatment of Income Derived by Social Media Influencers dated 14 January 2026.

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