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Trade agreements with Cambodia, Malaysia, and Thailand include commitments to refrain from imposing DSTs on U.S. companies

The trade agreements with [Cambodia](#) and [Malaysia](#) and the trade framework with [Thailand](#), announced by the White House on October 26, 2025 ([read TradeNewsFlash](#)), include commitments by those countries to refrain from imposing digital services taxes (DSTs) or similar measures on U.S. companies.

The agreements with Cambodia and Malaysia specifically state that those countries “shall not impose digital services taxes, or similar taxes, that discriminate against U.S. companies in law or in fact.”

Similarly, the framework with Thailand states that “Thailand commits to refrain from imposing digital services taxes or measures that discriminate against U.S. digital services or digital products.”

KPMG observation

Malaysia has not enacted a DST per se, but does impose and withhold income tax on any income in relation to electronic commerce (e-commerce) transactions associated with any activities in Malaysia, regardless of whether that income is received in Malaysia or otherwise. Thailand also has not enacted a DST or similar tax, but has proposed a 5% withholding mechanism for the taxation of e-commerce supplies of goods and services in the country, including online advertising, gaming, shopping, and others. Finally, Cambodia has not enacted a DST, and it is not clear whether the country is considering enactment of a DST or similar tax.

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