

# TaxNewsFlash

United States

No. 2025-308  
October 28, 2025

## 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.

[kpmg.com/socialmedia](http://kpmg.com/socialmedia)



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)