

FREQUENTLY ASKED QUESTIONS (FAQs)

1. Q : I recover from my client expenses in excess of the amount I have paid to the third party. Do I have to charge service tax on the excess amount?

A : If you recover from your client an amount in excess of the amount you have paid to the third party, service tax should be charged on the excess amount.

2. Q : My company has signed a building maintenance agreement with private companies for building maintenance activities including maintenance and building cleanliness. Should I charge service tax on the building maintenance services to my client?

A : Yes, building maintenance services are regarded as management services and subject to service tax. However, if the same services are provided by Joint Management Body, the services will not be subjected to service tax.

3. Q : MZB Sdn Bhd was appointed by a private bank to manage and collect outstanding debts not being paid by credit card customers and impose fees to private banks for the services provided. Is the fee charged for such services subject to service tax?

A : Yes, any fee charged by MZB Sdn Bhd on his services as a debt collector to the private bank is subjected to service tax.

4. **Q : I am a registered person providing warehousing services such as maintenance, warehousing, storage, packaging services as well as warehouse rental services to Fairus Sdn Bhd. Is warehouse rental charge subjected to service tax?**

A : Fee charged on warehousing management services is subjected to service tax, while warehouse rental charge is not subjected to service tax. However, if such fee and charge are not being itemized in the same or separate invoice, the lump sum amount charged on the invoice is subjected to service tax.

5. **Q : My company which is registered to provide event management services has been appointed by a local film company to manage the promotion of the latest film product to the public. My company also provides equipment for rental such as tents / booths and PA systems including master of ceremony and a group of famous artists to enliven the atmosphere of the promotional ceremony according to the demand of the film company. Are the charges billed to the film company for the provision of such services subjected to service tax?**

A : Event management fee is subjected to service tax while rental charges charged on the tents, PA systems, master of ceremony and artists are not subjected to service tax. However, if the event management fee and the rental charges are not being itemized in the same or separate invoice, the lump sum amount charged on the invoice is subjected to service tax.