

SERVICE TAX AMENDMENTS 2019

Please be informed that effective 1st of January 2019, there will be amendments to service tax treatment as follows –

1. EXEMPTION FROM PAYMENT OF SERVICE TAX UNDER THE SERVICE TAX (PERSONS EXEMPTED FROM PAYMENT OF TAX) ORDER 2018.

(a) The exemption is applicable for service tax registered person in Group G who acquires taxable services under Group G item (a), (b), (c), (d), (e), (f), (g), (h) and (i) from another service tax registered person in Group G. The exemption is not applicable for taxable services under item (j) and (k) of Group G.

(b) This exemption is also applicable for service tax registered person in item 8 of Group I who acquires taxable services under item 8 of Group I (advertising services) from another service tax registered person in item 8 of Group I.

2. MINISTER'S EXEMPTION FOR IMPORTED TAXABLE SERVICE IN GROUP G (PROFESSIONALS);

This exemption will be applicable to any company in Malaysia who acquires taxable services of Group G item (a), (b), (c), (d), (e), (f), (g), (h) and (i) from any company within the same group of companies outside Malaysia.

3. MANAGEMENT SERVICES IN GROUP G (PROFESSIONALS);

The provision of management services in item 9 of Group G has been itemised as described in **Appendix** for clarity.

4. ADDITIONAL TAXABLE SERVICES IN GROUP I (OTHER SERVICE PROVIDER);

- a) Taxable services of Group I has been expanded by inserting new services as follows;
 - i- Amusement park services,
 - ii- Brokerage and underwriting services,
 - iii- Cleaning services.
 - iv- Training or coaching services will be under consultancy services in Group G.

- b) The threshold for the additional taxable services is RM500,000 in a year.

5. REGISTRATION AND CHARGING FOR THE NEW TAXABLE SERVICES;

- (a) Any person who provides the new taxable services before 1st January 2019 shall apply for registration not later than 28th February 2019 in accordance with section 13 of the Service Tax Act 2018 if there are reasonable ground for believing that the total value of his taxable services provided in the month of January 2019 and eleven month immediately succeeding the month of January 2019 will exceed the total value of RM500,000.**

- (b) The registration will take effect from 1st March 2019** as provided under section 13 (3) of the Service Tax Act 2018.

- (c) The registered person shall start charging service tax from 1st March 2019.**

MANAGEMENT SERVICES IN ITEM 9 OF GROUP G (PROFESSIONALS)

9. Provision of the management services:

- (i) project management services, full or part of the project;
- (ii) tourism management services;
- (iii) logistics management services;
- (iv) maintenance management services;
- (v) warehousing management services;
- (vi) collection and debt management services;
- (vii) car park management services;
- (viii) sports facilities management services;
- (ix) secretarial management services;
- (x) any management services other than specified in (i) to (ix) made on behalf of another person,

excluding the provision of such services in connection with—

- (xi) goods or land situated outside Malaysia; or
- (xii) matters outside Malaysia other than matters specified in (xi).”