



SERVICE TAX 2018

GENERAL GUIDE

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INTRODUCTION

1. The General Guide is a reference material to help businesses with the implementation of service tax in Malaysia.
2. This guide does not cover provision of digital services by registered foreign service provider. For more information, please refer to the Guide on Digital Services Provided by Foreign Service Provider.

Legislation

3. Legislation related to the implementation of service tax for the provision of services in Malaysia are as follows:
 - (i) Service Tax Act 2018 (STA 2018)
 - (ii) Service Tax Regulations 2018 (STR 2018)
 - (iii) Service Tax (Customs Ruling) Regulations 2018
 - (iv) Service Tax (Compounding Of Offenses) Regulations 2018
 - (v) Service Tax (Tax Rate) Order 2018
 - (vi) Service Tax Order (Determination Of Effective Date) 2018
 - (vii) Service Tax Order (Imposition Of Tax For Taxable Service In Respect Of Designated Areas and Special Areas) 2018
 - (viii) Effective Date Setting Order for Imposing and Taxing Service Tax 2018
 - (ix) Service Tax (Person Exempted From Payment Of Tax) Order 2018
4. This guide also refers to related service tax policies to explain the service tax treatment based on the provisions of laws and policies issued by the Minister of Finance.

SCOPE OF TAX

5. Service Tax in Malaysia is a form of indirect tax that is imposed on certain services known as "taxable services". Service tax cannot be levied on any service that is not included in the list of taxable service prescribed by the Minister under the First Schedule of STR 2018.

6. Service tax shall be charged and levied on:

- (i) Any taxable service provided in Malaysia by a registered person in carrying on his business; or
- (ii) Any imported taxable service.

7. Service tax is also charged and levied on goods that have been prescribed under STR 2018.

8. STA 2018 applies throughout Malaysia and outside Malaysia. However, there are special provisions for services provided in designated areas (DA) and special areas (SA).

Imposition of Tax

9. Service tax is charged on any taxable service which are : -

- (i) provided in Malaysia by a registered person for carrying on his business; or
- (ii) imported

10. Service tax is not applicable for services related to:

- (i) goods or land located outside Malaysia
- (ii) matters outside Malaysia other than matters specified in (i)

Rate of Tax

11. The service tax rate is as determined under the Service Tax (Tax Rate) Order 2018 and effective on 1 September 2018.

12. The service tax rates are:
- (i) Six percent (6%) of the actual value of taxable service provided other than taxable services related to credit card or charge card as specified under section 9, STA 2018.
 - (ii) RM25 per annum on issuance of principal credit card, principal charge card, additional credit card or additional charge card as applicable. Service tax must be levied:
 - (i) when each card is activated and every twelve (12) months thereafter or part thereof after the card is activated; or
 - (ii) on card renewal and every twelve (12) months thereafter or part thereof after card renewal.

Taxable Person

13. Taxable person means a registered person or a person liable to be registered under section 12, STA 2018.

14. Taxable person includes any person who provide any taxable services whether individuals, companies, enterprises, partnerships, clubs, trusts, cooperatives, associations and others as listed under item (1), First Schedule, STR 2018.

Taxable Services

15. Taxable services are any services listed under column (2) of each group in the First Schedule of STR 2018.

16. Taxable person who provide taxable services which has exceeded the threshold value as specified under column (3) of each group in the First Schedule of STR 2018 is liable to be registered. Taxable services and threshold values are summarized as in Table 1.

Group	Category	Threshold
A	Accommodation	RM500,000
B	Food And Beverage	RM1,500,000
C	Night-Clubs, Dance Halls, Cabarets, Helath And Wellness Centres, Massage Parlours, Public Houses And Beer Houses	RM500,000
D	Private Club	RM500,000
E	Golf Club And Golf Driving Range	RM500,000
F	Betting And Gaming	RM500,000
G	Professionals	RM500,000
H	Credit Card And Charge Card	No Threshold (need to register upon approval of Bank Negara)
I	Customs Agent	No Threshold (need to register upon starting of business)
	Other Service Providers	RM500,000

Table 1

17. Any taxable service in Table 1 obtained by any person in Malaysia from any person outside Malaysia is an imported taxable service. Please refer to the Imported Taxable Service Guide.

Taxable Service in the same Group of Companies.

18. Taxable services in Group G (a, b, c, d, e, f, g, h, i or l) First Schedule, STR 2018 provided between companies in the same group of companies is not a taxable service if fulfill the conditions as specified under paragraphs 3 to 9, First Schedule, STR 2018. For the purposes of this guide, the service tax treatment will be referred to as **group relief**.

19. In accordance to paragraph 3, First Schedule, STR 2018, two or more companies are eligible to be treated as companies within a group of companies if one company controls each of the other companies and a company shall be taken to

control another company if the first mentioned company holds:

- (i) Directly;
- (ii) Indirectly through subsidiaries; or
- (iii) Together directly or indirectly through subsidiaries,
 - (i) More than fifty percent of the issued share capital of the second mentioned company; or
 - (ii) From twenty percent to fifty percent of the issued share capital by the second mentioned company and the first mentioned company has exercisable power to appoint or remove all or a majority of directors in the board of directors in the second mentioned company.

20. The shares mentioned in paragraph 19 shall be treated as not held if the shares are held: -

- (i) through nominees;
- (ii) in a fiduciary capacity; or
- (iii) by virtue of provision of debenture holdings, trust deeds for securing debentures or money lending activities.

21. In relation to paragraph 19, if a company is controlled by two or more companies, the company (the second company mentioned) shall be deemed to be controlled by the first company which has the executive power to appoint or remove all or a majority of the directors in the board of directors second mentioned company.

Example 1

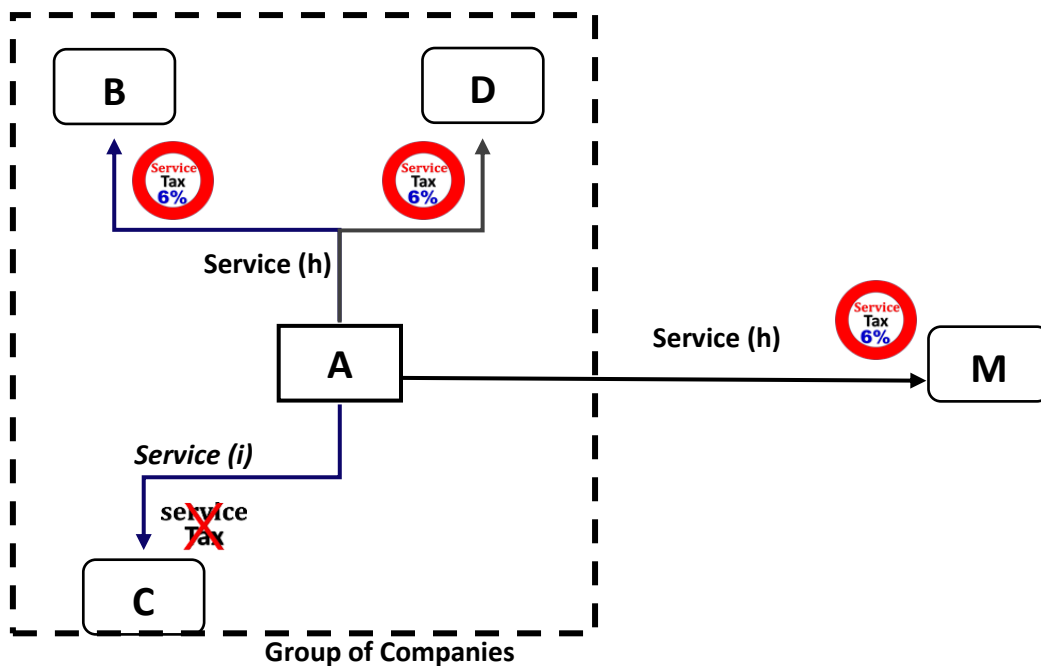
PP Sdn Bhd is a consulting company and has direct control (holding 90% of shares) to QQ Sdn Bhd. QQ Sdn Bhd provides architectural services to PP Sdn Bhd. The services provided to PP Sdn Bhd are not subject to service tax as the services are provided to companies within the same group of companies.

Example 2

JSK Group Company operates a food and beverage business operating several restaurants, food courts, nightclubs and private clubs under its various subsidiaries (more than 50% shareholding). The provision of services provided to companies within the same group of companies are subject to service tax as the services provided are not services under Group G (a, b, c, d, e, f, g, h, i or l) First Schedule, STR 2018.

22. For the period of 1 September 2018 until 31 December 2019, if the same taxable service is provided to any person outside the group of company (hereinafter referred to as a third party), the group relief is no longer applicable and the taxable service provided to the group members to be a taxable (*Picture 1*).

No Group Relief Granted When Services Are Provided To Third Parties

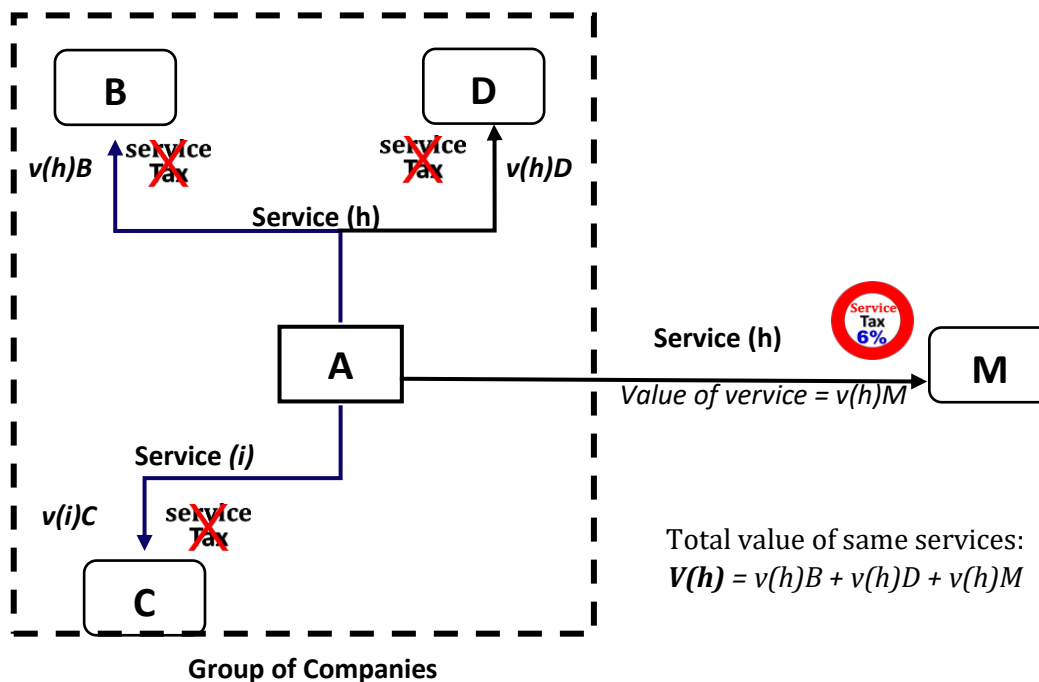


Picture 1

23. Effective 1 January 2020, the group relief facility is given an improvement where the group relief is still given despite the occurrence of the provision of taxable services to third parties provided that the total value of taxable services to third parties within twelve (12) months does not exceed an amount equal to the value five percent (5%) of the total value of the same taxable services (*Picture 2*). Paragraphs 8(1) and 8(2),

First Schedule, STR 2018 are relevant.

Group Relief Tax Treatment



With condition:

$v(h)M \leq 5\% V(h)$ within the period of twelve (12) months

Picture 2

24. The method of calculating the period of twelve (12) months is based on the future method that is, in that month and the eleven months immediately succeeding that month. The calculation of the value of services of five percent (5%) should take into account the total value of the same services provided to third parties compared to the total value of the same services provided.

25. Eligible services for group relief are services in items (a), (b), (c), (d), (e), (f), (g), (h), (i) or (l), column (2), Group G First Schedule, STR 2018. The services in items (j) and (k) are not eligible for group relief facilities. For the purposes of item (i) of group G, the same service refers to sub-items (i) to (x).

26. From 1 September 2019, taxable services that are imported by companies within the same group of companies outside Malaysia and the services are from Group G (a, b, c, d, e, f, g, h, i or l) are given group relief and is not subject to service tax irregardless to the same service given to any person outside the group in Malaysia. Imported taxable service involving the same group of companies for the period of

1 January 2019 to 31 August 2019 are given exemption by the Minister of Finance. For more information please refer to the Imported Taxable Services Guide.

Service Tax Due

27. Service tax is due and payable:

- (i) when any payment is received within 12 months from the date of service provided; or
- (ii) when the invoice is issued provided that the registered person must make a written application and obtain approval from the Director General. Invoices must be issued within 12 months from the date of service provided.

28. The taxable person shall account for service tax consistently according to the chosen accounting basis either at the time the payment is received (payment basis) or the invoice is issued (accrual basis).

29. Services provided before the effective date (1 September 2018) but invoices are issued or payment is received after the effective date, such services are not subject to service tax.

30. Receipt of advance payment is subject to service tax if it becomes part of the payment on taxable services.

Example 3

Naz Megah Sdn Bhd has appointed Gergaji Enterprise to clear its open space for the construction of commercial buildings. Gergaji Enterprise has requested an advance payment before commencing the service and the balance payment is made after the cleaning work is completed.

This down payment is subject to service tax as it is part of the value of the service provided.

31. However, payment as a deposit is not subject to service tax if the payment is not part of the payment to the taxable service.

Example 4

Xedil has booked a hotel room and paid full price through the Agola.Com online platform. Five days later, Xedil and his family checked in at the hotel and were asked to pay a deposit of RM200. The fee is refunded when they check out on the next day. The deposit is not subject to service tax because it serves as collateral only.

32. For imported taxable service, service tax is due and payable when payment is made or invoice is received, whichever is earlier. Invoices are deemed to be received when they have been submitted to the company's financial division to make payment.

33. For taxable person who cease to carry on business providing taxable services or is no longer liable to register, service tax is due on the day of the last return is required to be submitted. The taxable person shall account for amount of service tax due and payable for services provided before the termination of registration in his last return.

34. The service tax relates to betting and gaming which is as a taxable service shall be due as specified and may be referred to in the Guide on Betting & Gaming.

35. If the taxable service provision agreement is made in the period from 1 June 2018 to 31 August 2018 where the service will be provided on or after 1 September 2018, the tax becomes due on the date the taxable service is provided regardless of when payment has been received or invoice has been issued.

REGISTRATION

Determination / Calculation of Value of Service

36. The total value of taxable services for registration purposes is as specified in the First Schedule, STR 2018.

37. Determination of the total value of taxable services refers to the acquisition of the total value of taxable services for a period of 12 months or less. The total value of

taxable services does not include the amount of service tax.

38. There are 2 methods that can be used to determine the acquisition of the total value of taxable services, which are:

(i) Historical method

The historical method is based on the value of taxable services for any month plus the value of taxable services for 11 months backward immediately before that month.

(ii) Future method

The future method is based on the value of taxable services for any month plus the value of taxable services for the next 11 months immediately after that month.

39. Any person may apply for voluntary registration even if the total value of taxable services does not reach the threshold value.

40. Upon registration, the taxable person will continue to register unless his registration is canceled. If the annual sales revenue of taxable services is less than the threshold value, a written application for cancellation of service tax registration can be submitted to JKDM. If the total value of taxable services then increases to the threshold value, the taxable person must apply for service tax registration.

41. For the purpose of determining threshold value, the annual sales acquisitions of taxable services are deemed separately for each legally registered entity. Entities can provide taxable services in more than one premises, such as branches. The threshold value will then be determined by taking into account the total value of the entity's taxable services as a whole and not the total annual value of each branch.

42. The determination of the total value of taxable services under Group A, B, C, D, E, F, and I shall be calculated accordingly to the respective groups. For taxable services under Group G, the determination of the total value of taxable services can occur in 2 circumstances which are:

(i) Single; or

- (ii) Combination of two or more taxable services

Example 5

Aneen & Ajeem Sdn Bhd (AA) is a company that provides engineering / professional consulting services as its main activity. The annual income for the service is RM 400,000. AA company also provides training services for customers upon request. The annual income for training services is RM250,000.

The value of engineering / professional consulting services and training services needs to be calculated together / combined for the purpose of calculating thresholds and the company is liable to register under STA 2018 as both services provided by AA company are subject to service tax under group G, First Schedule STR 2018.

Liability to be registered

43. Any person providing taxable services and the total value of taxable exceeds the prescribed threshold is liable to be registered at the following time, whichever is the earlier:

- (i) At the end of any month, where the total value of all taxable services in that month and eleven months immediately preceding that month has exceeded the total value of service prescribed; or
- (ii) At the end of any month, where the total value of all taxable services in that month and eleven months immediately succeeding that month will exceed the value of service prescribed.

Application for Registration

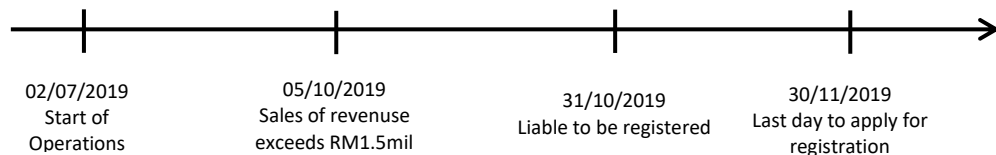
44. Any person who is liable to be registered shall apply for registration under Section 13 (1) of the STA 2018.

45. Application for registration must be made through online using SST-01 form via MySST Portal <https://mysst.customs.gov.my>

46. Application must be made not later than the last day of the following month after the end of the month in which it is liable to be registered.

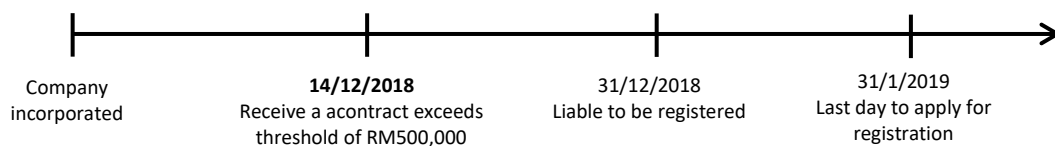
Example 6

Mr. Fezrul opened a restaurant after he retired. The restaurant provides variety of pizzas and is named Fave Pizza Restaurant. It starts operating on 2 July 2019. After 3 months of operations on 5 October 2019, the sales value of the restaurant has exceeded RM 1.5 million. Therefore, Fave Pizza Restaurant has been liable to be registered under STA 2018.



Example 7

Noyah has a security control company, Kawal Security Sdn. Bhd. On 14 December 2018, the company received a contract that was agreed and signed by customers which is to supply 25 security officers for a year for a value of RM1.2 million. In this case, the company has reached the threshold value to be registered as a taxable person.



47. The commencement date of registration shall be on the first day of the following month after the application for registration is made or any earlier date agreed by the Director General but not earlier than the date he is liable to be registered.

Example 8

As of 10 March 2020, accounting firm Natalie & Co has achieved an annual income of over RM500,000 and is required to register as a service tax

registered person. Natalie & Co has submitted the application online on 5 April 2020 and the application was approved on 10 April 2020. The effective date of registration or the date of imposition of service tax is from 1 May 2020.



48. Registration during the transitional period from the previous taxation system to the service tax will be described in detail under the topic of Transitional Provisions.

Voluntary Registration

49. Any person who is not liable to be registered under Section 13 of the STA 2018 may apply to be registered voluntarily as provided under Section 14 of the STA 2018. The Director General may register such person if he is satisfied that the person provides taxable services but has not achieved prescribed value of taxable service.

50. The effective date of voluntary registration is on the first day of the following month after the registration application is made or any earlier date agreed by the Director General.

51. Any person who has voluntarily registered is responsible for complying with all legal provisions under the STA 2018.

Directions to Treat Persons As A Single Taxable Person

52. Where the Director General is satisfied that any separation of business activities is artificial, he may make directions to treat the person as a single taxable person.

Example 9

Neen has set up two companies registered as Neen Food (Catering) (NFC) and Neen Food Restaurant (NFR). NFC business activities are food catering. While NFR is a restaurant. Both companies operate on the same premises. If it is found that Neen deliberately set up two companies to reduce the annual sales revenues, then NFC and NFR can be considered as single taxable person.

53. Upon his satisfaction, The Director General may make a direction by naming any person if any separation of business activities that:

- (i) the person is providing or has provided any taxable service;
- (ii) the activities in the course of which the person provides or has provided those taxable services form only part of certain activities in the business and that the other activities in that business, whether or not that other activities are similar to the activities carried on by that person, are being carried on concurrently or previously, or both, by one or more other persons; and
- (iii) if all the taxable services provided in that business were taken into account, the person carrying on that business would, at the time of such direction is made, be required to be registered under the STA 2018

54. In determining whether any separation of business activities is artificial, it will take into account the extent to which the different persons carrying out the business activities are closely related to each other through financial, economic and organizational relationships.

55. For the purposes of paragraphs 52 to 53, a written notice will be given to each of the named person.

56. A single taxable person shall be registered within 14 days from the date of submission of the direction.

Registration of Partnership

57. Registration of a partnership for business purposes shall be in the name of the firm.

58. Partnership of separate business activities by the same person for different businesses shall be registered in the name of the respective firm.

Example 10

So Ji-sub and Natasha have set up two partnership companies. The first company which provides information technology services is Subnate Technology Partners. Ji-Sha Engineers' a second company provides advisory services related to engineering work. Since the two companies conduct two different business activities, each company needs to be registered as a taxable person separately even though the company has two similar partners.

Registration of Branches or Divisions

59. For any person who has registered and wants to register a branch or division separately, the application for the respective registration must be submitted in the name of the branch or division to the Director General by using SST-01 online form through MySST portal. Branch or division registration may be considered if:

- (i) It is difficult to submit a single return for all branches or divisions;
- (ii) Each branch or division maintains a separate account;
- (iii) Each branches or divisions is separately identifiable by reference to the nature of the activities carried on or by its location; and
- (iv) Each branch or division has the same taxable period.

Updating Registration Information/Variation of Registration Information

60. A registered person if he is ceased to provides any of the registered taxable services shall notify the Director General in writing of any variation in the taxable services whether there is an addition or cessation of the taxable services provided.

61. Where the Director General is satisfied with the information provided, he may vary the persons's registration or the particulars of the person's registration from the date of the variation information.

62. However, if the registered person fails to notify the variation in registration information, the Director General may vary the persons's registration or the particulars

of the person's registration from the date of the variation information or the date the registered person ceased to carry on business of providing any taxable services.

Cessation of Liability to be Registered

63. A registered person ceases from the obligation to be registered if: -

- (i) he ceased to carry on business providing taxable services; or
- (ii) total value of taxable services during that month and the eleven months immediately preceding that month (historical method) does not exceed the total value of taxable services prescribed.

64. The registered person shall notify the Director General in writing of the cessation of the liability including the date of cessation within 30 days from the date of cessation.

Cancellation of Registration

65. The Director General may cancel the registration of a registered person if he is satisfied that the registered person:

- (i) cease to carry on business providing taxable services;
- (ii) fails to provide taxable services on the date of registration issued after the application for voluntary registration takes effect; or
- (iii) contravenes any conditions imposed in relation to registration;

66. The Director General shall give notice of cancellation to the registered person stating the effective date of cancellation of registration.

ACCOUNTING FOR SERVICE TAX

Value of Taxable Service

67. Service tax is determined based on the actual value of the taxable services provided.

68. The value subjected to service tax shall be determined as follows:
- (i) Taxable services for the sale of goods:
 - (i) where the recipient of the service is not related to the taxpayer, the value for imposing the service tax shall be determined based on the actual price at which the goods are sold;
 - (ii) if the recipient of the service relates to the taxpayer or if no charge is imposed for the provision of goods, the value for imposing the service tax shall be determined based on the price of the goods sold in the course of ordinary business to the person not related to the taxable person.
 - (ii) In the case of taxable services other than paragraph (a), the same valuation basis as the provision of taxable services for the sale of goods is adopted. The value of the charge or premium in respect of the provision of taxable services is determined as follows:
 - (i) where the recipient of the service is not connected to the taxpayer, the value for imposing the service tax shall be determined based on the actual price at which the service may be taxed or the actual premium or contribution paid for insurance coverage;
 - (ii) if the recipient of the service connected to the taxpayer or where the service is provided free of charge, the value for imposing the service tax will be determined based on the value of the service in the normal course of business to the person not connected to the taxable person.

69. For the purpose of service tax, the meaning of the person connected to the taxable person is provided in Regulation 4, STR 2018.

Invoice

70. Every registered person is required under section 21 of the STA 2018, to issue invoices to customers on the provision of taxable services. The invoice shall be issued

within one (1) year from the date of the taxable service provided or such extended period as may be approved by the Director General. However, subject to certain circumstances, registered persons may apply to the Director General not to issue invoices.

Example 11

Jetro Parking Enterprise (JTE) provides car parking services. Payment is made through the machine by the customer. JTE can apply to the Director General not to issue invoices to customers.

71. The invoice shall contain the following information:

- (i) invoice serial number;
- (ii) invoice date;
- (iii) the name, address and service registration number of registered persons;
- (iv) Adequate description to identify taxable services provided;
- (v) Any discount offered;
- (vi) The total amount payable excluding service tax, service tax rate and total service tax imposed are shown as separate amounts;
- (vii) The total amount payable including the amount of tax levied; and
- (viii) Any amount specified in a currency other than the ringgit shall also be denominated in ringgit at the exchange rate prevailing in Malaysia at the time when the taxable service is provided.

72. If the registered person provides taxable services to the customer who is a person exempted from payment of service tax under Section 34 of the STA 2018, the registered person shall issue an invoice with additional details to the details in paragraph 68 as follows:

- (i) The name and address of the customer;
- (ii) The customer service tax registration number (if applicable); and

(iii) The total amount of service tax exempted by the customer

73. The Director General may approve the application of a registered person made in writing not to specify any of the above details in an invoice issued by that registered person.

Example 12

Mekdogel Sdn. Bhd. (MSB) is a restaurant that runs fast food preparation services. MSB may apply to the Director General not to separate the value of services and service tax in the invoice on reasonable grounds.

74. Invoices that impose service tax cannot be issued:

- (i) by non-registered persons
- (ii) on non-taxable services

75. If there is an error in the invoice involving tax liability, the registered person shall make an adjustment to the error either reducing or adding value by issuing a credit note or debit note referring to the invoice.

Invoice Issuance by Computer

76. Registered persons may issue invoices electronically to the customer in accordance with the provisions under section 22, STA 2018. Registered persons are deemed to have issued invoices even if there is no submission of any document in paper form to the customer if all details of the prescribed invoice are recorded in the computer. This electronic invoice must be sent to the customer or the customer can access it electronically.

Credite Note and Debit Note

77. Credit notes are issued when the value of the previous invoice is reduced or the transaction is canceled. A debit note is issued when the value of the previous invoice is added to the same transaction.

78. Provisions under Section 23, STA 2018 in circumstances where service tax has been accounted for and there is a reduction or increase in the amount of service tax,

the registered person shall issue credit notes and debit notes to make service tax adjustments. The reduction or addition to the amount of service tax is:

- (i) Due to changes in tax rates effective under section 10, STA 2018; or
- (ii) Due to any adjustment in the conduct of business.

79. If there is a reduction or addition to the amount of service tax under paragraph 75:

- (i) The person providing the taxable service shall make adjustments to either the reduction or addition of the service tax in the return for the taxable period in which the credit note or debit note is issued or received; or
- (ii) In the case of a person who has ceased to be a taxable person, the person shall make adjustments to either the reduction or addition of service tax in the return for the last taxable period during which period he is registered.

80. Credit notes and debit notes shall contain the following particulars:-

- (i) The words "credit note" or "debit note" are clearly stated;
- (ii) Serial number and date of issue;
- (iii) Name, address and service tax registration number of registered persons;
- (iv) Reason it was issued;
- (v) An adequate description to identify taxable services;
- (vi) Quantity and amount for each taxable service;
- (vii) Total amount excluding tax;
- (viii) Tax rates and amounts; and
- (ix) Number and date of invoice issued for related taxable services.

Duty To Keep Records

81. Taxable persons or persons other than taxable persons are responsible for

keeping complete and true records and documents in the national language or English language. Records and documents shall be kept for seven (7) years from the date they are issued for all transactions related to service tax.

82. Records and documents must be kept in Malaysia. If kept outside Malaysia, the approval of the Director General must be obtained.

83. Records and documents that need to be kept are:-

- (i) All records of taxable services including invoices, receipts, debit notes and credit notes;
- (ii) All imported taxable service records; and
- (iii) Any other document or record as determined by the Director General.

84. If the record or document is in electronically readable form, the record shall be kept in such a way as to enable the record to be easily accessible and convertible in writing.

85. If the record or document is in manual form and then converted to electronically readable form, the record shall be retained as in its original form before conversion.

86. Any person who fails to keep records and documents in accordance with the requirements stated above commit an offense under section 24 of the STA 2018 and shall be liable to a fine not exceeding RM50,000 or to imprisonment not exceeding three years or to both.

SUBMISSION OF SERVICE TAX RETURN

Taxable Period

87. The taxable person whose registration is approved will be provided with a taxable period to submit the tax return and payment. The first taxable period for each taxable person shall begin from the date he is supposed to be registered under section 13 of the STA 2018 and end on the last day of the following month. The next taxable period is a period of two months ending on the last day of any month in any calendar year.

88. Any registration made before the implementation date and the effective date of registration is on 1 September 2018, the taxable period is as follows:

Submission of Return	Taxable Period
First Taxable Period (First Two Months)	Sept – Oct 2018
Next Taxable Period	Nov-Dec, Jan-Feb, Mar-Apr, May-Jun, Jul-Aug, Sept-Oct

Table 2

89. Taxable persons may apply in writing to the Director General to change the taxable period other than as prescribed. The Director General may:

- (i) Approve the application and the taxable period will be as requested; or
- (ii) Refuse the application and the taxable period will remain as prescribed; or
- (iii) Change the taxable period or the date the taxable period begins and ends.

Submission of SST-02 return

90. The taxable person shall submit the service tax return in Form SST-02 in accordance with the prescribed taxable period. The return must be submitted no later than the last day of the month after the end of the taxable period.

91. Taxable persons shall account for service tax in accordance with the prescribed taxable period.

92. The service tax return must be submitted whether there is a service tax payable or not.

93. Submission of SST-02 return can be made electronically through MySST portal or manually must be sent by post or courier to the Customs Processing Center.

94. Any taxable person who ceases to be liable to register or ceases to provide taxable services shall submit a final return of SST-02 containing the prescribed particulars not later than thirty (30) days after the termination or any later date as authorized by the Director General.

95. A taxable person who fails to submit a return within the prescribed period or submits an incorrect return commit an offense under subsection 26(6), STA 2018 and is liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three (3) years or both.

Submission of Declaration SST-02A

96. A person other than a taxable person who in carrying on his business obtains taxable services from a foreign service provider shall account for the imported service tax in SST-02A form. The SST-02A form must be submitted not later than the last day of the month after the end of the month in which payment for the service has been made or the invoice has been received by him, whichever is earlier.

97. Submission of SST-02A form can be made electronically through MySST portal or manually by post or courier to the Customs Processing Center.

98. A person other than a taxable person who fails to file a declaration within the prescribed period or submits an incorrect declaration commit an offense under subsection 26A(2), STA 2018 and may be fined not exceeding RM50,000 or imprisoned for a term not exceeding three (3) years or to both.

Correction of Errors

99. If there is an error in any return or declaration that has been submitted, such correction may be made on the relevant SST-02 return or SST-02A form.

Power to Assess

100. The Director General may assess the amount of service tax and penalties payable from;

(i) taxable persons who:

(i) failed to apply for registration;

(ii) did not submit the return; or

(iii) submit incomplete or incorrect return for any taxable period.

(ii) a person other than a taxable person who in carrying on his business

obtains any imported taxable services which:

- (i) not submit a declaration; or
- (ii) submit an incomplete or incorrect declaration for any taxable period.

Service Tax Payment

101. Service tax shall be paid to the Director General in accordance with the prescribed taxable period not later than the last day he is required to make the payment.

102. Service tax payment can be made through MySST portal. However payment by cheque or bank draft is allowed and sent by post or courier services to Customs Processing Center.

103. Any cheque or bank draft sent by post or courier services shall be deemed to have been received:

- (i) in the case of delivery by post, on the date of the postal mark; or
- (ii) in the case of delivery via courier services; on the date the tracking number is recorded in the courier services company's system.

104. Payment using post-dated cheque is not allowed.

Example 13

ABC Company sent a cheque for payment of service tax on 25 Jan 2019. The cheque is dated 29 Jan 2019. The cheque was received by Customs Processing Center on 26 Jan 2019. A cheque written by a registered person for a future date is not accepted as payment of service tax by RMCD.

105. Service tax, surcharge, penalty, fee or any other money shall be deemed to have been paid upon payment by the Director General provided that –

- (i) if any cheque or bank draft is received by the Director General and is not paid on presentation, the amount shall be deemed not to have been received notwithstanding any receipt given until such amount is duly paid

to the Director General; or

- (ii) if payment is made through the bank, the amount shall be deemed not to be received until such amount is lodged to be credit of the Director General

Imposition of Penalties for Late Payment

106. Service tax which is due but not paid in full or in part by any person after the last day on which it is due and payable and no prosecution is instituted, a penalty shall be imposed as follows: -

- (i) For the first thirty days, a penalty of ten percent (10%) of the amount of tax which remains unpaid;
- (ii) For the second thirty -day period an additional penalty of fifteen percent (15%) of the total tax which remains unpaid; and
- (iii) For the third thirty -day period, an additional penalty of fifteen percent (15%) of the total tax which remains unpaid.

Example 14

Taxable Period	Payment Date	Service Tax			Penalty Rate %	Penalty (RM)
		Tax (RM)	Tax Paid (RM)	Balance (RM)		
1.09.2018 – 31.10.2018 Last Day of Payment to be made 30.11.2018	30.11.2018	10,000	-	10,000		
	1.12.2018-30.12.2018		5,000	5,000	10% x RM10,000	1,000
	31.12.2018-29.01.2019		3,000	2,000	15% x RM5,000	750
	30.1.2019-28.02.2019		1,000	1,000	15% x RM2,000	300
Total Penalty						2,050
<i>Note: Penalty is imposed on balance payable</i>						

Table 3

Deduction from Return for Service Tax Refund

107. The Director General may approve, subject to such conditions as he deems fit, an application by any registered person to deduct from time to time from his return, service tax which has been paid but subsequently refunded to his customer on the ground:

- (i) cancellation of taxable services;
- (ii) termination of taxable service; or
- (iii) any other reason approved by the Director General.

108. Deduction of service tax shall be made within one year after the refund to the customer is made, or such further period as may be approved by the Director General.

109. Approval from the Director General must be obtained in advance before making service tax deduction through SST-02 return. If the service tax deduction exceeds the service tax payable in a particular taxable period, the balance will be carried forward to the next taxable period.

110. Deduction of service tax is allowed when service tax is refund to the customer due to cancellation, termination or reduction of service tax as in the following example:

- (i) termination of the agreed transaction,
- (ii) cancellation of a service, or
- (iii) cancellation of insurance policy before expiry.

RECOVERY OF A SERVICE TAX

111. The taxable person is responsible to pay to RMCD the amount of service tax, penalty, surcharge, fee or other money payable. STA 2018 provides the power to RMCD to recover service tax, penalties, surcharges, fees or other money in the event of failure to pay by using the following methods:

- (i) Recovery of service tax as civil debt

Any service tax due, surcharge, penalties, fees or other money, payable

may be recovered as a civil debt due to the government.

(ii) Collecting service tax from persons indebted to taxable persons

The Director General may recover service tax, surcharge, penalty, fee or other money is payable by the taxable person by notice in writing to the person indebted by the taxable person as provided under subsection 29(1)(a)-(d), STA 2018.

All payments made pursuant to the notice shall be deemed to be made by the taxable person and by the authority of the person concerned as provided under subsection 29(3), STA 2018.

(iii) Recovery of service tax before payable from persons about to leave Malaysia

The Director General may, require service tax to be paid at an earlier date if he has reason to believe that a taxable person intends to leave Malaysia before the service tax is due. In this case, the taxable person will be notified accordingly.

(iv) Recovery of Service Tax From People about to Leave Malaysia without paying service tax

A person who is about to leave Malaysia may be prevented from leaving Malaysia until he or she pays service tax, surcharge, penalties, fees or other money, or provides security for their payment.

(v) Payment by Installments

Taxable person may apply to the Director General to make payment in installments on service tax or penalties payable. If service tax is allowed to be paid in installments, the penalty shall cease to be calculated from the date the Director General approves the payment in installments. The Director General will prescribe the method of payment of installments.

If the installment payment method is not complied with, the installment payment facility will be withdrawn and canceled. Taxable person is required

to pay immediately the entire outstanding balance with an additional surcharge of ten percent (10%) on the entire outstanding balance.

(vi) Liability of Directors, etc.

Any company, limited liability partnership, firm, organization or group of other persons consisting of:

- a) a director of the company;
- b) a compliance officer whether or not appointed amongst the partners of the limited liability partnership;
- c) partners of the firm;
- d) office-bearers of the society; or
- e) the person responsible for the management of the body of persons

are jointly and severally liable for service tax, surcharge, penalties, fees or other money.

112. In relation to a company being winding up, the directors of the company are liable to pay service tax, surcharge, penalties, fees or other money due and payable by the directors of the company only if the assets of the company are insufficient.

SERVICE TAX EXEMPTIONS, REIMBURSEMENT AND REMISSION

Power of Minister to Exempt from Service Tax

113. The Minister may either by order published in the Gazette or in writing, and subject to such conditions as he deems fit exempt any person or class of persons from the payment of the whole or any part of the service tax chargeable and levied on taxable services or imported taxable services.

114. Any person who has been granted a service tax exemption but fails to comply with any condition prescribed in relation to the exemption, such service tax shall be due and payable on the date any such condition is not complied with.

Service Tax Exemption (Business to Business (B2B) Exemption)

115. The Service Tax (Persons Exempted from Payment Of Tax) Order 2018, with effect from 1 January 2019, the service providers are granted an exemption from

payment of service tax on services received by them.

116. The person specified in column two (2) of the Schedule is exempted from payment of service tax on the prescribed services in column three (3) of the Schedule subject to the conditions specified in column four (4) of the Schedule. The persons are:

- (i) Service providers in Group G, First Schedule, STR 2018 except items 10 and 11 which are employment services and private agency services.
- (ii) Advertising service providers in Group I, Item 8, First Schedule, STR 2018.

117. This exemption is eligible if fulfill the conditions as follows:

- (i) The recipient of the service is a registered person;
- (ii) The service provider is a registered person;
- (iii) The service recipient provides the same services as the services acquired;
and
- (iv) The services acquired are not for personal consumption.

118. For the purpose of its personal consumption, it includes:-

- (i) for the purpose of company use
- (ii) for the purpose of the use of company's directors
- (iii) for the purpose of the use of employees of the company
- (iv) and other purposes of personal consumption which are not for resale

119. Company that are eligible to receive the exemption must fulfill the following two (2) criterias :

- (i) The registered person shall register the taxable service; and
- (ii) The registered person provides the taxable service.

Service Tax Refund Claims in Relation to Bad Debts

120. For service tax purposes, bad debt means the outstanding amount of payment in respect of the provision of taxable services including service tax is due to a person who is, or has ceased to be, a registered person but has not been paid to, and is irrecoverable by, the person.

121. Any claim for bad debts may be made by a registered person or a person who has ceased to be a registered person. The applicant may make a claim to the Director General to recover the whole or any part of the service tax paid by him in respect of taxable services subject to the following conditions:

- (i) Service tax has been paid;
- (ii) He has not received any payment in respect of the providing of taxable services from the debtor;
- (iii) Reasonable efforts have been made by him to recover the service tax; and
- (iv) The whole or any part of the service tax payable has been written off in his account as a bad debt.

122. The person making a claim for refund is entitled to recover all service tax paid if he does not receive any payment in respect of taxable services.

123. If he has received any payment in respect of taxable services, the claim may be made for the difference between the service tax paid and the amount calculated in accordance with the following formula:

$$\frac{A \times C}{B}$$

Where A is the payment received in respect of the provision of the taxable services:

B is the value of the taxable services plus the service tax payable on the taxable services; and

C is the service tax payable on such taxable services.

124. Claims of service tax refund in respect of bad debts can be made within six (6) years from the date service tax is paid.

125. A person who is eligible to apply for a bad debt repayment claim must make an application in Form JKDM No.2 to the Director General and must be submitted to the *Cawangan Perakaunan Hasil* according to zone / state / station.

126. The method of claiming service tax refund in relation to bad debts is as per the provisions of Regulation 19(1), STR 2018.

Example 15

AB & BB Partners are service tax registered persons. They provide taxable services to customers on 1 October 2018 where the total value of the services including service tax is RM53,000 and the invoice was issued on the same day. AB & BB Partners has paid service tax of RM3,000 on 1 October 2019 (after 12 months from the date the invoice is issued). On 15 November 2019, they received a payment of RM43,000 from a customer. However, six months later, the debtor was declared bankrupt and unable to pay the remaining debt of RM10,000. Therefore, AB & BB Partners can claim repayment of bad debts based on the following calculations: -

$$\begin{aligned} & \frac{RM\ 43,000}{RM\ 53,000} \times RM\ 3,000 = RM\ 2,433.96 \\ & = RM\ 3,000 - RM\ 2,433.96 \\ & = RM566.04 \end{aligned}$$

The total service tax to be refunded by RMCD is RM 566.04

127. The Director General may not approve any refund if:

- (i) The records or any documents produced are untrue or incorrect; or
- (ii) on any other reasons for the purpose of the protection of revenue.

128. A person claiming repayment of a bad debt is required to keep all records and documents relating to the claim for a period of seven (7) years from the date of the claim for inspection by the proper officer at any time.

Example 16

The service tax registered person has provided architectural services on 2 September 2018 and no payment has been received. The debtor has been declared bankrupt and the registered person has claimed the bad debt in the fifth year from the date the service tax was paid on 1 October 2023. Therefore, records related to the bad debt claim should be kept for an additional period of seven (7) years until 30 September 2030.

Service Tax Repayment In Relation To Bad Debts

129. When the service tax relating to bad debts has been returned by the Director General under Section 35 of the STA 2018 and subsequently receives any payment in respect of the provision of such taxable services, the person shall repay to the Director General in accordance with the formula as in paragraph 123.

Example 17

AC & GG Associates is a taxable person under service tax who has claimed a bad debt refund and has received a refund of RM3,000 out of a service value of RM53,000. Four years later, his debtors were released from bankruptcy and had repaid a debt of RM10,000 including service tax to AC & GG Associates to settle his debts. AC & GG Associates must repay the service tax to RMCD according to the following formula: -

$$\frac{\text{RM } 10,000}{\text{RM } 53,000} \times \text{RM } 3,000 = \text{RM } 566.04$$

The total service tax to be paid to RMCD is RM 566.04.

130. The manner of making repayment in relation to bad debts is as provided in Regulation 20(1), STR 2018.

Payment of Service Tax, Surcharge, Penalties, Fees or Other Money Short Paid or Erroneously Refunded

131. RMCD may demand the whole or part of any service tax, surcharge, penalty, fee or other money payable under this Act which is not paid by any person. RMCD may also claim that the whole or any part of the service tax, surcharge, penalty, fee or other money due, after payment has been made, has been refunded in error to any person.

132. RMCD may demand within six years from the date the service tax, surcharge, penalty, fee or other money is payable, or service tax, surcharge, penalty, fee or other money which is underpaid, or refund is made.

Service Tax Refunds, Surcharge, Penalties, Fees or Other Money Overpaid or Erroneously Paid

133. Any person who overpaid or erroneously paid any service tax, surcharge, penalty, fee or other money, or is entitled to a refund under subsection 34(6) or 40(3) of the STA 2018 may make a claim for refunds.

134. The manner of claiming a refund is as per the provisions of Regulation 18(1), (2), (3) STR 2018.

135. The Director General may refund service tax, surcharge, penalties, fees or other money proved after being satisfied overpaid or erroneously paid for an offense whether factual or legal, subject to such limits as may be prescribed by regulations.

136. Refund claims can be made within one (1) year from the time:

- (i) the occurrence of the overpayment or the erroneous payment; or
- (ii) the occurrence of entitlement for refund under subsection 34(6) or 40(3) of the STA 2018.

137. Application for refund must be made in form JKDM No. 2 to the *Cawangan Perakaunan Hasil* in the zone / state / station with the following supporting documents;

- (i) Letter of application from the company explaining the claim for refund of

service tax, fees, penalties, surcharge and any other money;

- (ii) Copy of invoice and receipt if applicable;
- (iii) Copy of exemption letter if applicable;
- (iv) Copy of SST-02 return or SST-02A form if applicable;
- (v) Statement of refund; and
- (vi) Other relevant documents.

138. However, the Director General may reduce or disapprove any refund on the basis that the refund would unjustly enrich the claimant.

Refund by Deduction of Service Tax (offset method)

139. Effective 1 January 2021, any registered person who has been granted service tax refund approval by the Minister under Section 23, Section 39 and paragraph 34(3)(b), STA 2018 may apply for a refund from the Director General. The Director General may direct the registered person to use the offset method to make an adjustment on the amount of service tax payable.

140. The mechanism for claiming refund by offset method is made through SST-02 return in item 13(c).

141. If there is an excess of the refund amount after deduction is made, the Director General may approve the refund amount by the method of:

- (i) through an application form JKDM No. 2; or
- (ii) Carried forward to the next taxable period.

Remission by the Minister

142. The Minister may remit the whole or any part of the service tax, subject to such conditions as he deems fit to impose. The application for remission to the Minister must be supported by valid reasons.

Remission by Director General

143. The Director General may remit the whole or any part of surcharge, penalties, fees and other money. Remission application must be submitted to the respective zone / state / station. The application for remission to the Director General must be supported by valid reasons.

144. The documents that need to be submitted for remission application to the Director General are as follows:

- (i) Letter of appeal
- (ii) Bill of Demand
- (iii) Other relevant documents (if applicable)

IMPROPERLY OBTAINING DEDUCTION OF SERVICE TAX

145. With effect from 1 January 2021, any person who causes or attempts to cause the deduction of service tax under subsection 23(1), 34A(1) or 39(2) for himself or any other person of any amount in excess of the amount properly so deductible for him or for that other person commits an offence and shall, on conviction, be liable—

- a) To a fine not exceeding RM 50,000.00 or imprisonment for a term not exceeding three (3) years.
- b) To a penalty of two (2) times the amount deducted in excess of the amount properly so deductible.

SPECIAL PROVISIONS RELATING TO DESIGNATED AREAS (DA)

Interpretation

146. Under Part VIII of the STA 2018, the interpretation of Malaysia and the designated areas, are as follows:

- (i) 'Malaysia' does not include DA and special areas;
- (ii) 'Designated area' means Labuan, Langkawi, Tioman and Pangkor;

'Langkawi' means the Island of Langkawi and all adjacent islands lying nearer to Langkawi Island than to the mainland.

'Labuan' means the Island of Labuan and its dependent islands, namely Rusukan Besar, Rusukan Kecil, Keraman, Burong, Papan and Daat.

'Tioman' means the Island of Tioman and the islands of Soyak, Rengis, Tumok, Tulai, Chebeh, Labai, Sepoi and Jahat.

'Pangkor' means the Pangkor Island, Mentagor Island, Giam Island, Simpan Island, Tukun Terindak Island, Pelanduk Island, Anak Pelanduk Island, Landak Island, Batu Orang Tua and Batu Jambal.

147. Any provision of taxable services within or between DA is not subject to service tax unless the Minister prescribes in an order.

Example 18

Joe Fly Sdn. Bhd. has secured a contract to provide air passenger transport services from Langkawi Island to Labuan. Air passenger transport services between DA are subject to service tax.

Example 19

Kemas Bersih Enterprise (KBE) is a laundry shop operating in Labuan. KBE got a contract to wash linen and towels at Hotel Corsett Labuan. Laundry services by KBE to Hotel Corsett Labuan are not subject to service tax.

148. Any taxable service provided in Malaysia by any person whose principal place of business is located in DA is subject to service tax.

Example 20

Coiler Tech Sdn. Bhd. (CTSB) headquartered in Langkawi Island has signed an air conditioning maintenance management contract with Kuala Kedah Jetty Operating Company, Kedah. The CTSB services are subject to service tax.

149. Any taxable services provided in DA by any person whose principal place of business is located in Malaysia is subject to service tax.

Example 21

Forrelle Fruits Sdn. Bhd. (FFSB) is a company established in Cameron Highland, Pahang and has expertise in fruit cultivation skills. FFSB has conducted a seminar in Labuan on the types of fertilizers suitable for crops to farmers in Sabah for a certain fee. Training services provided by the FFSB are subject to service tax.

150. Any person who provides the following services at DA is subject to service tax:

- (i) Provision of air passenger transport services;
- (ii) Provision of telecommunication services;

SPECIAL PROVISIONS RELATING TO SPECIAL AREAS (SA)

Interpretation

151. Under Part IX of the STA 2018, the interpretation of Malaysia and SA is as follows:

- (i) 'Malaysia' does not include SA and DA
- (ii) SA is a free zone area, warehouse licensed under section 65 of the Customs Act 1967, manufacturing warehouse licensed under section 65A of the Customs Act 1967, Joint Development Area (JDA) and Petroleum Supply Base under section 77B of the Customs Act 1967

152. Any provision of taxable services within or between SA by a person who is in SA is not subject to service tax unless the Minister prescribes in an order.

Example 22

Lailer Hotel (LH) is a premise that provides accommodation services located in SA. LH services are subject to service tax.

Example 23

Sutabakkusu Manpower Enterprise (SME) is a company registered and operating in the Port Klang Free Trade Zone, Selangor. SME supplies employees to Moshi Coffee Sdn. Bhd. (MCSB) which is a premise with the status of a Licensed Manufacturing Warehouse. SME services to MCSB are not taxable.

153. Any taxable services provided in Malaysia by any person who is in the SA are subject to service tax.

Example 24

A company in SA provides engineering services to a company located in Pasir Puteh, Kelantan. Engineering services are performed in Pasir Puteh, Kelantan. This service is subject to service tax.

154. Any taxable services provided in SA by any person whose principal place of business is located in Malaysia is subject to service tax.

Example 25

A company in Johor Bahru, Johor provides accounting services to a company located in the Stulang Laut Free Zone, Johor. Accounting services are performed in Johor Bahru, Johor. This service is subject to service tax.

Example 26

A company in the Bukit Kayu Hitam Free Zone, Kedah provides consulting services to a company located in Changlun, Kedah. Consulting services are performed in Bukit Kayu Hitam, Kedah. This service is subject to service tax.

155. Any person who provides the following services in SA is subject to service tax:

- (i) Provision of air passenger transport services;
- (ii) Provision of telecommunication services;
- (iii) Provision of accommodation premises;

- (iv) Provision of food and beverages; or
- (v) Provision of goods clearance services from customs control in SA.

Disbursement and Reimbursement

156. The treatment of service tax on payments and reimbursement can be referred to the Guide on Disbursement and Reimbursement.

SERVICE TAX RULING

Public Ruling

157. A public ruling is a decision made by the Director General and issued to the public to provide guidance on the interpretation and application of any provision of the STA 2018. The aim is to provide clarity and transparency in service tax legislation.

158. Any general ruling issued shall apply to any person or class of persons, or any type of business activity. If a decision has been issued, the Director General may withdraw either in whole or in part the ruling.

Customs Ruling

159. A customs ruling is a decision made by the Director General applied for by any person to obtain a ruling on the treatment of service tax. The issuance of customs rulings is intended to ensure clarity and certainty of tax treatment and compliance with the provisions of service tax legislation.

160. Application for customs ruling is required to be made using the prescribed form by the Director General and subject to the prescribed fee.

161. Upon receipt of an application for a customs ruling, the Director General shall make a decision which shall take effect from the date specified in the ruling.

162. A person who has obtained a customs ruling is required to notify the Director General in writing whether there have been material changes made to the arrangements identified in the customs ruling.

163. If a provision of the STA 2018 is amended or repealed relating to a customs ruling that has been issued, the ruling will be amended and effective from the date of the amendment of the ruling.

164. Any person may apply to the Director General for a customs ruling under section 42 of the STA 2018 on the following matters:

- (i) Determination of taxable services;
- (ii) Determination of taxable persons;
- (iii) The principles to be applied for the purpose of determining the value of a taxable service;
- (iv) Other matters as determined by the Director General.

REVIEW AND APPEAL

165. Any person who disputes the decision of a lawful officer acting in the course of his duties, may appeal to the Director General whose decision shall be final. He may appeal to the Director General within 30 days from the date he receives the decision for review provided no appeal is made on the same matter to the Tribunal or the court.

166. However, any person who disagrees with the decision of the Director General may appeal to the Customs Appeal Tribunal within 30 days from the date of notification of the decision.

TRANSITIONAL PROVISIONS

Repeal of GST Act 2014

167. Effective 1 September 2018, the Goods and Services Tax (GST) Act 2014 is repealed. The effect on GST from 1 September 2018 is as follows:

- (i) GST can no longer be levied on any supply of services made in Malaysia and any services imported into Malaysia;
- (ii) The provision of prescribed services is subject to service tax.
- (iii) Continuation of liabilities, etc.

- (i) Any liability incurred is enforceable;
- (ii) GST due can be collected or remitted while GST overpaid or in error paid, can be refunded;
- (iii) Sections 178, 181 and 191 of the GST Act 2018 continue to apply after 1 September 2018.

Registration on the Effective Date

168. Service providers who provide taxable services before 1 September 2018 and exceeds the threshold value by using the future method that is in September 2018 and 11 months immediately succeeding, are liable for registration within 30 days from 1 September 2018. The registration is effective on 1 October 2018 and the registered person shall charge service tax on taxable services with effect from the effective date.

169. A service provider who provide services before 1 September 2018 but the service became a taxable services on 1 September 2018 and has applied for registration before 1 September 2018. Registration begins on 1 September 2018 and the registered person shall charge service tax on taxable services effective from the date.

170. A registered service provider for GST before 1 September 2018 who provides taxable services on 1 September 2018 is deemed to have been registered under the STA 2018 if the total value of taxable services exceeds the threshold value using the future method and shall charge service tax on 1 September 2018.

Automatic Registration

171. A GST registered taxable person who has been identified and meets the criteria will be automatically registered as a registered person under the STA 2018. The registered person is required to charge service tax from 1 September 2018.

Submission of Return / Declaration for the Last Taxable Period, Payment of GST and Claiming Input Tax and Return.

172. The last taxable period for GST registered person ends on 31 August 2018.

173. Submission of GST return (GST-03) for the last taxable period and payment of GST must be made within one hundred and twenty days (120 days) from 1 September 2018 to 29 December 2018.

174. Any declaration (GST-04) and payment of GST shall be made within thirty days (30 days) from 1 September 2018 to 30 September 2018.

175. Any input tax not claimed before 1 September 2018 shall be claimed in the return under paragraph 172 and the claim shall be deemed to be the final claim for all input taxes.

176. Any refund is subject to verification, audit or investigation for which input tax has not been made by the Director General on 1 September 2018; or any input tax under paragraph 172, the refund shall be paid by the Director General within six (6) years from 1 September 2018.

Review and Appeals

177. The Director General may decide on a review application made before 1 September 2018, on or after 1 September 2018.

178. A review decision made by the Director General before or after 1 September 2018, which may be appealed shall be appealed to the Customs Appeal Tribunal provided that the appeal is made within thirty days (30 days) from the date of the decision.

179. The GST Appeal Tribunal, may continue to hear and decide any appeal pending before 1 September 2018, on or after 1 September 2018.

GST Tax Agent

180. A tax agent registered under section 170 of the GST Act 2014 is allowed to represent a GST registered person until the expiry of his license and is not allowed to represent a taxable person for service tax purposes.

INQUIRY

For any inquiries for this guide please contact:

Internal Tax Division
Royal Malaysian Customs Department
Level 5, Block A, Menara Tulus,
No. 22, Persiaran Perdana, Presint 3,
62100 Putrajaya.

FURTHER ASSISTANCE AND INFORMATION ON SST

Further information on can be obtained from:

- (i) SST website : <https://mysst.customs.gov.my>
- (ii) Customs Call Center:
 - Tel: 03-7806 7200 / 1-300-888-500
 - Fax: 03-7806 7599
 - Email: ccc@customs.gov.my