



**SALES TAX AND SERVICE TAX
2018**

**GUIDE ON :
CUSTOMS RULING**

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CONTENTS

INTRODUCTION.....	1
RELEVANT PROVISIONS.....	1
BINDING NATURE OF CUSTOMS RULING.....	2
SCOPE OF CUSTOMS RULING	2
TIME OF SUBMISSION OF APPLICATION.....	2
TYPES OF FEES	3
WITHDRAWAL OF AN APPLICATION AND NON-ISSUANCE OF A CUSTOMS RULING	3
PROCEDURE TO APPLY FOR A CUSTOMS RULING.....	4
ISSUANCE AND VALIDITY OF A CUSTOMS RULING.....	5
RENEWAL OF A CUSTOMS RULING	6
FORMS	7
INQUIRY	7
FURTHER ASSISTANCE AND INFORMATION ON SST.....	7
Appendix I.....	8
Appendix II.....	12
Appendix III.....	13

INTRODUCTION

1. Effective from 1 September 2018, Sales Tax Act 2018 and the Service Tax Act 2018 together with its respective subsidiary legislations are introduced to replace the Goods and Service (GST) Act 2014.
2. Under the Sales Tax Act 2018, sales tax is charged and levied on imported and locally manufactured goods either at the time of importation or at the time the goods are sold or otherwise disposed of by the registered manufacturer. Whereas, the Service Tax Act 2018 stipulates that service tax is charged and levied on any provision of taxable services chargeable by taxable persons in Malaysia.
3. This guide is prepared to assist individuals or businesses in understanding the provisions of the Sales Tax Act 2018 and the Service Tax Act 2018 in relation to customs ruling and the procedures related to the application of a customs ruling from the Royal Customs Malaysia Department (RMCD).
4. Under the Sales Tax Act 2018 and Service Tax Act 2018, upon request by any person, RMCD may issue customs ruling for the interpretation and classification regarding to sales tax and service tax treatment on issues related to certain industries.

RELEVANT PROVISIONS

5. Specific provisions are introduced in the Sales Tax Act 2018 and Service Tax Act 2018 as well as in the Sales Tax (Customs Ruling) Regulations 2018 and Services Tax (Customs Ruling) Regulations 2018 with regards to the implementation of the customs ruling. Section 43 of the Sales Tax Act 2018 and section 42 of the Service Tax Act 2018 allow a person to request for a ruling from the Director General (DG) of Customs by using a prescribed form with fee. The DG is empowered to make a customs ruling on how the provision of the Sales Tax Act 2018 and the Service Tax Act 2018 would apply to the person and to the matters for which the ruling is sought.

BINDING NATURE OF CUSTOMS RULING

6. A customs ruling is binding upon a person in relation to any matters specified in the application made by the applicant and is valid for a period of three years from the date stated in the customs ruling.

SCOPE OF CUSTOMS RULING

7. Any person may apply for a customs ruling in respect of any one or more of the following matters:

- (i) For sales tax:
 - (a) The classification of taxable goods (application to be submitted to the Technical Division);
 - (b) The determination of a taxable person;
 - (c) The principles to be adopted for the purposes of determination of value of taxable goods; or
 - (d) Any other matters to be prescribed by the Director General.

- (ii) For service tax:
 - (a) The determination of a taxable service;
 - (b) The principles to be adopted for the purposes of determination of value of a service; or
 - (c) Any other matters to be prescribed by the Director General.

TIME OF SUBMISSION OF APPLICATION

8. The submission of an application may be made, both in respect of imported goods and manufactured goods and in respect of provision of service:

- (i) At any time before the goods that are the subject matter of the application, are to be imported or intended to be imported into Malaysia or are to be manufactured;
- (ii) At any time before a service is provided; or
- (iii) At any later time, if the DG may in his discretion permit.

TYPES OF FEES

9. Application for a customs ruling will be processed after the payment of fee is settled by the applicant. The types of fees are as follows:

(i) **Processing Fee**

A processing fee of RM200.00 (Ringgit Malaysia: Two Hundred only) is payable upon application of customs ruling and is non-refundable. The fee is to be paid before the application is registered and processed by Customs Ruling Unit, Internal Tax Division, Putrajaya.

(ii) **Analysis Fee**

In cases where an analysis is required to be conducted by any specific person or body before a customs ruling is made, a fee may be incurred and charged for the purpose of the analysis. The fee shall be borne by the applicant.

(iii) **Certified copy Fee**

The holder of a customs ruling may request for a certified copy of the holder's ruling for a fee of RM50 (Ringgit Malaysia: Fifty only).

WITHDRAWAL OF AN APPLICATION AND NON-ISSUANCE OF A CUSTOMS RULING

10. An applicant may withdraw his application at any time before a customs ruling is made and any payment related to the application will not be refunded.

11. An application for a customs ruling may be declined and a ruling may not be issued by the DG under the following situations:

- (i) The information given by the applicant is insufficient;
- (ii) The application is for a hypothetical situation; or

- (iii) Any pending appeal under the Act involves the subject matter referred to in the application.

12. The applicant will be notified in writing at the earliest possible time and given the reasons for the DG not making or declining to make a customs ruling.

PROCEDURE TO APPLY FOR A CUSTOMS RULING

13. An application for a customs ruling has to be made in a prescribed form which can be downloaded from the MySST portal. Steps to be taken are as follows:

- (i) Download the application form (Schedule A) from the SST portal;
- (ii) Fill up the necessary information;
- (iii) Attach relevant supporting documents e.g.: catalogue, product information, work flow process, service contract, etc.;
- (iv) A letter of authorization from the person or company to certify that the applicant is acting on his behalf,
- (v) Submit the application by post or by hand to:

Customs Ruling Unit,
Internal Tax Division
Royal Malaysian Customs Department
Level 3 - 7, Block A, Menara Tulus,
No. 22, Persiaran Perdana, Presint 3,
62100 Putrajaya

- (vi) Applicant will be issued a letter requesting for an application fee of RM200.00 (Ringgit Malaysia: Two Hundred only) to be paid either by cash, bank draft or cheque (under the name of : **KETUA PENGARAH KASTAM MALAYSIA**) at:

Cawangan Perakaunan Hasil
Bahagian Perkhidmatan Teknik
Aras 6 Selatan
Ibu Pejabat Jabatan Kastam Diraja Malaysia
Presint 2,
62100 Putrajaya

- (vii) Official receipts will be given to the applicant and the receipt should be submitted to the Customs Ruling Unit for the customs ruling application to be registered and processed accordingly.

14. The DG shall issue a customs ruling within a period of 90 days (ninety days) after the receipt of:

- (i) The duly completed Schedule A;
- (ii) Any additional document or information as required by the DG; and
- (iii) The processing fee.

15. In cases where an analysis is required to be conducted by a specific body or party, a customs ruling shall be issued within a period of 60 days (sixty days) from the date:

- (i) The receipt by the DG of the analysis report; and
- (ii) The analysis fee has been paid by the applicant.

ISSUANCE AND VALIDITY OF A CUSTOMS RULING

16. Upon receiving relevant documents and fee of the relevant documents and fee, a consultation between RMCD and the applicant may be made. Subsequently, a customs ruling will be issued in Schedule B. The ruling shall be valid for a period of three years from the date stated in the customs ruling.

17. A customs ruling may be amended, modified or revoked under these circumstances:

- (i) The customs ruling contains an error which needs to be corrected;
- (ii) The customs ruling was based on an error of fact or law;
- (iii) There is a change in law relating to sales tax/service tax; or
- (iv) There is a change in the material fact or circumstances on which the customs ruling was based.

Notice in writing will be given to the applicant and the amended, modified or revoked customs ruling shall take effect from the date stated in the notice.

18. In cases where a ruling has been obtained by the applicant by way of fraud, misrepresentation or falsification of facts, the ruling shall be declared as null, void and of no effect. In cases where the customs ruling is treated as null and void because the applicant receives two or more customs ruling on the same subject matter, a new customs ruling will be issued within 30 days from the date a notification is received by customs from the applicant.

RENEWAL OF A CUSTOMS RULING

19. A request to renew a customs ruling may be made by the holder of the customs ruling by submitting the application in Schedule C at least three (3) months prior to the expiry of the original customs ruling. A renewed customs ruling may be issued with or without imposing any condition on the ruling or a renewal may also be declined and not issued at all.

20. A renewed customs ruling shall be valid for a period of two years from the date of its original expiry date.

FORMS

21. Type of forms available for customs ruling. Please refer Appendix I – III.

Types of Forms	
Schedule A	Application form for a customs ruling
Schedule B	Customs Ruling
Schedule C	Application form for renewal of a customs ruling

INQUIRY

For any inquiries for this guide please contact:

Internal Tax Division
Royal Malaysian Customs Department
Level 3 - 7, 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

Appendix I

Schedule A

SALES TAX ACT 2018

SALES TAX (CUSTOMS RULING) REGULATION 2018

[Subregulation 2(1)]

1. To: Director General of customs, d/a:		8. E-mail address:	
2. Applicant:		9. Indicate which type of ruling sought: Mark (/) (a) Tariff classification <input type="checkbox"/> (b) Valuation advice <input type="checkbox"/> (c) Manufacturer/ Taxable person <input type="checkbox"/> (d) Registered person <input type="checkbox"/> (e) Taxable goods <input type="checkbox"/> (f) Taxable services <input type="checkbox"/> (g) Other matters <input type="checkbox"/>	
3. Passport No./Identification Card No.:			
4. Applicant's address:			
5. Name of contact person:			
6. Tel:		FOR OFFICIAL USE	
7. Facsimile:		10. Date received:	11. Application No.:
APPLICATION DETAILS			
FOR ALL RULINGS			
12. Full description of the particular goods (including name of goods, trade name, brand, model no., serial no.)/services (type of services provided):		13. Point of entry (where applicable):	

FOR TARIFF CLASSIFICATION RULING ONLY		
<p>14. Form of goods imported/manufactured: [Please attach detail information in a separate sheet]</p>	<p>15. Composition of the goods:</p>	
<p>16. Usage/function of the goods:</p>	<p>17. Previous classification ruling :</p> <p>Mark (/)</p> <p><input type="checkbox"/> Yes</p> <p style="text-align: right;">If yes, state the classification ruling given, customs reference and date</p> <p style="text-align: right;">.....</p> <p style="text-align: right;">.....</p> <p><input type="checkbox"/> No</p>	
FOR VALUATION ADVICE ONLY		
<p>18. State valuation issue:</p>	<p>19. Reason for application:</p>	
<p>*20. Overseas seller / principal / agent</p> <p> </p> <p>*Please delete whichever is not applicable</p>	<p>*21. Contract / agreement with overseas sellers / principal / agent</p> <p>Mark (/)</p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p style="text-align: center;">Yes No</p> <p>If Yes, submit a copy</p> <p>* Please delete whichever is not applicable</p>	<p>22. Previous advice:</p> <p>Mark (/)</p> <p><input type="checkbox"/> <input type="checkbox"/></p> <p style="text-align: center;">Yes No</p> <p>If Yes, state the advice given, customs reference and date</p>

FOR DETERMINATION OF MANUFACTURER OR TAXABLE PERSON		
23. Name and address of manufacturer:	24. Place of manufacturing:	25. For goods, describe the process of manufacturing:
FOR DETERMINATION OF TAXABLE SERVICE		
26. Name and address of service provider:	27. Place where services are provided:	28. For services, to describe details of the provider of the services:
APPLICANT'S		
29. For the applicant to state opinion(s) on what the ruling should be and reason(s) together with any relevant document or information for the opinion. (Additional comments may be provided on a separate sheet, signed and attached to this application).		
DECLARATION BY APPLICANT		
30. I declare that the information contained in this form is true and accurate		
..... Signature of applicant		Date:
Designation:		
FOR OFFICIAL USE		
31. Note:		
Name, signature and official stamp		Date:
.....		

Note

1. An application is only for one type of ruling for a particular goods or service.
2. All information requested shall be clearly and completely provided. Where the column provided is insufficient, the information may be provided on a separate sheet and to be signed.
3. An application for a ruling must be legible and complete in all material detail. Where appropriate an application should be supported by illustrations or other adequate information (e.g., commercial, trade and technical literature or chemical formula). Supporting document may be provided directly by the manufacturer, supplier or provider of services. Application that is incomplete or not supported by sufficient information in respect of the goods or services for which a ruling is sought, or not accompanied by the prescribed fee, will not be processed until that information / fee is provided.
4. Customs No. 1A form is also to be filled up by the applicant for valuation advice and is to be submitted together with this application.
5. The application must be accompanied by the goods or a sample of the goods. If it is difficult, please discuss with the nearest Internal Tax Division of Royal Malaysian Customs Department before submitting your application (samples submitted will be retained by Royal Malaysia Customs until the expiry date of appeal).
6. The Director General may, at any time, request any information from the applicant if it is considered that such information is relevant for a proper consideration of the application.
7. At any time after a ruling is made, the applicant may be required to satisfy the Director General that the facts or information on which the customs ruling was made remain correct and, where applicable, that any conditions on which the ruling was made have been complied with
8. A customs ruling ceases to have effect after the expiry of 3 years from the date specified in the ruling. The applicant should take note of the matters stated in subregulation 5(1) of the Sales Tax (Customs Ruling) Regulations 2018.
9. An application may be submitted to any nearest Internal Tax Division, Royal Malaysia Customs Department However, the applicant is encouraged to submit his application directly to Internal Tax Division, Royal Malaysia Customs Headquarters, Putrajaya.
10. The fee for each application of customs ruling is two hundred ringgit in relation to each particular goods or services and must be accompanied with when the application is submitted.

Appendix II

Schedule B

SALES TAX ACT 2018

**SALES TAX (CUSTOMS RULING) REGULATION 2018
[Subregulation 2(1)]**

Serial No. :



**ROYAL MALAYSIA CUSTOMS
CUSTOMS RULING**

Section 43 of the Sales Tax Act 2018

Applicant:

.....

Address:

.....

After taking into consideration the facts and information submitted, the customs ruling is decided as follows:

The validity period of customs ruling: _____

for Director General Of Customs Malaysia

Date:

Appendix III

SCHEDULE C

SALES TAX ACT 2018

SALES TAX (CUSTOMS RULING) REGULATIONS 2018
[Subregulation 7(1)]

ROYAL MALAYSIA CUSTOMS
APPLICATION FORM FOR RENEWAL OF A CUSTOMS RULING

1. To: The Director General of Customs, c/o:	FOR OFFICIAL USE	
	Date received:	Application No.:
2. Applicant:		
3. Passport No. / Identification No.:		
4. Applicant's address:		
5. Telephone:	6. Facsimile:	7. E-mail address:
8. Serial number of customs ruling issued:		

9. Reasons for renewal required:	
10. State whether there is a change of facts in the previous customs ruling:	
DECLARATION BY APPLICANT	FOR OFFICIAL USE
<p>11. I declare that the information contained in this form is true and accurate.</p> <p>Date:</p> <p>..... Signature of applicant</p> <p>Designation:</p>	<p>12. Approved / not approved</p> <p>Date :</p> <p>.....</p> <p>For Director General of Customs Malaysia</p>