



SERVICE TAX 2018

GUIDE ON: CREDIT CARD & CHARGE CARD

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The Guide on Credit Card and Charge Card as at 20 August 2018 is withdrawn and replaced by the Guide on Credit Card and Charge Card revised as at 26 October 2021.

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Disclaimer

This information is intended to provide a general understanding of the relevant treatment under Services Tax Legislations and aims to provide a better general understanding of taxpayers' tax obligations. It is not intended to comprehensively address all possible tax issues that may arise. While RMCD has taken the initiative to ensure that all information contained in this Guide is correct, the RMCD will not be responsible for any mistakes and inaccuracies that may be contained, or any financial loss or other incurred by individuals using the information from this Guide. All information is current at the time of preparation and is subject to change when necessary.

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INTRODUCTION

1. Service Tax is a consumption tax governed by the Service Tax Act 2018 and its subsidiary legislation. The effective date of the Service Tax Act 2018 is 1 September 2018.
2. Service tax is imposed on prescribed services called “taxable services”.
3. A person who provides taxable services exceeding a specified threshold is required to be registered under the Services Tax Act 2018 and is known as a “registered person” who is required to charge service tax on his taxable services made to his customers.
4. The Guide is prepared to assist you in understanding the service tax treatment on the provision of credit and charge card services.

IMPOSITION AND SCOPE OF TAX

5. Effective 1st September 2018, under Group H, First Schedule of the Service Tax Regulations 2018, the provision of credit and charge card services under prescribed circumstances are subject to service tax.

DEFINITION OF CREDIT CARD AND CHARGE CARD

6. A credit card is a retail payment instrument which indicates a line of credit or financing provided by the issuer to the cardholder where any amount of credit used by the cardholder has not been fully settled on or before a set date and the unpaid amount may be subject to interest, profit charge or other charges.
7. A charge card is a retail payment instrument that indicates the credit line provided by the issuer to the cardholder where the amount of credit used by the card holder must be settled completely on or before a set date without any credit extension.
8. Group H, First Schedule of the Service Tax Regulations 2018 covers the provision of credit card or charge card services by any person who is regulated by Bank Negara Malaysia through the issuance of a credit card or a charge card. Credit cards also include co-branded credit cards and corporate cards. A co-branded credit

card is a card issued jointly by a credit card issuer with a merchant. The merchant usually offers additional benefits to cardholders such as discounts on certain items and rewards for each purchase. Examples of co-branded credit cards include *AirAsia-Citibank Visa*, *CIMB-Tesco MasterCard* and *PETRONAS-Maybank Visa*.

9. The scope of tax does not include:

- (i) Debit card;
- (ii) Fuel card;
- (iii) Charge card in a private community;
- (iv) Loyalty card; and
- (v) Electronic money

10. A debit card is a type of retail payment instrument where the balance in the savings or current account in the banking institutions will be reduced immediately according to the amount of transactions generated. An example of a debit card is *CIMB Debit MasterCard*.

11. A fuel card is a charge card issued by an oil company e.g. Petronas or Shell to the Government of Malaysia or any person to purchase petrol or diesel for the use of a vehicle owned or used by the Government of Malaysia or such person. Examples of fuel cards are Shell Card issued by Shell and SmartPay issued by Petronas.

12. A charge card in a private community is a card that can be used as a payment instrument only within the premises of a workplace, an education institution or a golf or sports club by its workforce, students or members. An example of the charge card in a private community is Sunway Pals card issued by Sunway College to its students for purchases in the premises of the educational institution.

13. The loyalty card is any instrument that allows cardholders to get discounts or reward points that can be used for the purchase of goods or services. Examples of loyalty cards are *BonusLink*, *Real Rewards*, *Enrich*, *Petronas Mesra* and *Smiles Esso*

Mobil.

14. Electronic money (e-money) is any instrument either visible or invisible. It is a payment instrument that contains monetary value that is paid in advance by the user to the e-money issuer. The user of e-money can make payments for purchases of goods and services to merchants who accept the e-money as payment.

15. E-money can be issued in different forms, such as card-based (e.g.–*Touch n 'Go card*) and network-based which can be accessible via the internet, mobile phones or any other devices (e.g. *QRPay, Boost, Touch 'n Go eWallet, etc.*)

Taxable Service

16. Service tax shall be imposed on the provision of credit card or charge card services through the issuance of a principal credit card, principal charge card, supplementary credit card or supplementary charge card upon the activation of the card and whether or not annual subscription or fee is imposed excluding:

- (i) provision of charge card services where the charge card is issued by any petroleum company to the Government of Malaysia or any person for the procurement of products and services supplied for the use of or in connection with vehicles owned or used by the Government of Malaysia or such person; or
- (ii) provision of charge card services where the charge card is used as a payment instrument only within the premises of a workplace, an education institution or a golf or sports club by its workforce, students or members, as the case may be.

Rate of Service Tax

17. The rate of service tax to be imposed is RM 25 per card per year or part thereof for the activation or renewal of a principal or supplementary credit card or charge card.

Imposition of Service Tax

18. Service tax shall be imposed on the date of activation or renewal of the credit card or charge card or on every twelve months after the date the card is activated or renewed. There are three methods for the imposition of service tax:

- (i) New card issued with a validity period for 1 year.

Service tax shall be imposed on the date the new card is activated.

Example 1

A new credit card is issued on 10th January 2019 but activated on 3rd February 2019. The credit card issuer shall impose service tax in the monthly statement covering 3rd February 2019.

- (ii) New card issued with a validity period for several years.

Service tax shall be imposed on the date the new card is activated and every 12 months after the due date.

Example 2

A new credit card with validity period of five years is issued on 8th March 2019, but activated on 4th May 2019. The credit card issuer shall charge the service tax on activation i.e. the first monthly statement covering 4th May 2019 and subsequent statements covering every birthdate of the card i.e covering monthly statement of 8th March 2020, 8th March 2021, 8th March 2022 and 8th March 2023.

- (iii) Cards issued before 1st September 2018 and valid for several years.

Service tax shall be imposed on the date of renewal and every 12 months after the renewal date.

Example 3

A new credit card is issued on 18th May 2018 with a validity period for five years. The issuer of the credit card shall impose a service tax in every monthly statement covering 18th May 2019, 18th May 2020, 18th May 2021 and 18th May 2022.

19. Service tax is to be imposed even though no annual membership fee is charged.

20. In the case of lost, damaged, stolen, cloned or suspected cloning, no service tax will be imposed on the new card issued to replace the lost, damaged, stolen card, cloned or suspected clone cards on condition that the starting and expiry date of the card remain unchanged. Service tax is also not imposed if the credit limit for a conventional card is increased as no new card is issued.

21. For cards issued under *Syariah* principles, service tax shall be imposed on the date the new card is activated if the expiry date of the new card is not the same as the expiry date of the old card. If the expiry date of the new card is the same as the expiry date of the old card, the service tax shall be charged on the date the card is renewed.

Example 4: Different Expiry Date

AM card-i has been renewed for a period of five years from 1st May 2019 to 30th April 2024. Service tax is charged on 1st May 2019. On 25th September 2019, card holders and card issuers signed an agreement to increase the credit limit. A new card is issued on 1st October 2019 due to a change in credit limit, which then activated on 15th October 2019. The validity period for the new card will be from 1st October 2019 to 30th September 2024. The AM Card-i card issuer must charge service tax in every monthly statement covering 15th October 2019, 1st October 2020, 1st October 2021, 1st October 2022 and 1st October 2023 even though service tax is has been imposed on 1st May 2019.

Example 5: Same Expiry Date

Using the same information as Example 4 but the validity period for the new card is from 1st November 2019 to 30th April 2024. The AM card-i card issuer shall charge the service tax in every monthly statement covering 1st May 2019 (service tax has been paid for the old card), 1st May 2020, 1st May 2021, 1st May 2022 and 1st May 2023.

22. The principle of the imposition of service tax in paragraph 17 also applies to cases when cards are upgraded and downgraded and generic cards are converted to co-branded cards or vice versa.

23. In cases where a corporate card is converted to a personal card or otherwise, service tax shall be imposed on the activation date of the new card.

Example 6

On 1st March 2019, service tax is charged on a corporate card. On 25th June 2019, the corporate cardholder resigned and applied for the corporate card to be converted into a personal card. A new card which was issued on 1st July 2019 due to a change of status, has been activated on 15th July 2019. The validity period for the new card will be from 1st July 2019 to 30th June 2024. The card issuer shall charge service tax covering 15th July 2019, and subsequent 1st July 2020, 1st July 2021, 1st July 2022 and 1st July 2023.

24. Service tax is imposed even though the credit card or charge card is used in Langkawi, Labuan, Tioman, Setulang Laut, Pengkalan Kubor or Pangkor. Service tax should also be charged on credit card or charge card issued by a card issuer's branch located in Langkawi, Labuan, Tioman or Pangkor if the head office of the card issuer is located in Malaysia.

ACCOUNTING FOR TAX

Issuance of Tax Invoice

25. Every registered person is required to issue an invoice containing prescribed particulars to the consumer in respect of the transaction, within one year from the date the taxable service was provided or such extended period as may be approved by the

DG.

26. The invoice that relates to provision of the provision of credit and charge card service to consumer shall state the following particulars –

- (i) the invoice serial number;
- (ii) the date of the invoice;
- (iii) the name, address and identification number of the registered person;
- (iv) a description sufficient to identify the taxable services provided;
- (v) any discount offered;
- (vi) the total payable excluding service tax; the rate of service tax and the total service tax chargeable shown as a separate amount;
- (vii) the total amount payable inclusive of total service tax chargeable; and
- (viii) any amount expressed in a currency other than ringgit shall also be expressed in ringgit at the selling rate of exchange prevailing in Malaysia at the time when the taxable services are provided.

27. A registered person may request in writing to the DG for any particulars specified under para 26 not to be stated on an invoice.

28. Issuance of an invoice electronically or in paper form is allowable.

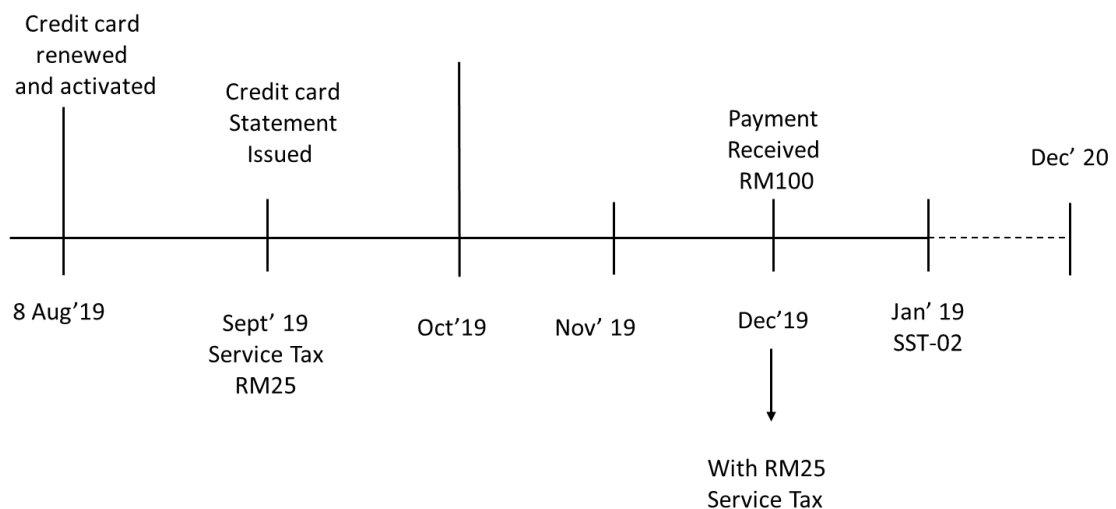
Accounting Basis

29. Service tax for credit and charge card service chargeable is due at the time when payment is received for the service provided to the cardholder by the card issuer. If the whole or any part of the payment is not received from the cardholder within a period of twelve calendar months from the date the taxable service was provided, i.e., the date the card is activated and every twelve months or part thereof after the card is activated or renewed, service tax shall be due on the day following the twelve-calendar months. Any service tax due shall be paid not later than the last day of the following month after the taxable period ends.

Example 7: Minimum Amount Paid Fully using Payment Basis

A cardholder's credit card has been renewed and activated on 8th August 2019. In the month of October 2019, the cardholder had spent RM1,500. The minimum amount payable is RM 100 (RM75 + RM25) where RM25 is the service tax payable. On 23rd December 2019, the cardholder pays RM100. Thus, based on the payment basis, the card issuer shall account for the service tax of RM25 in the taxable period of November - December 2019, which shall be payable by 31st January 2020. This is further illustrated in **Diagram 1 below**.

Diagram 1



Example 8: Minimum Amount Partially Paid using Payment Basis

Using the same information as in example 9, the cardholder only pays RM50 on 23rd December 2019. In this case, if the card issuer's taxable period from November - December, the card issuer must account for service tax of RM25 in the taxable period. Service tax for the taxable period of November - December 2019 shall be payable by 31st January 2020.

Example 9: Minimum Amount Paid but Insufficient to Pay Tax using Payment Basis

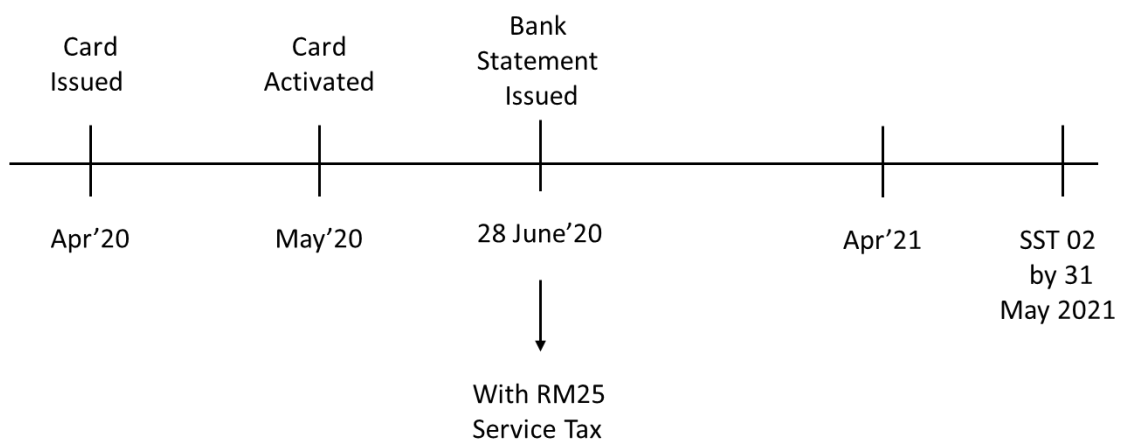
Using the same information as in Example 8, the cardholder only pays RM20 on 23rd December 2019. In the following month, the card issuer must claim a service tax balance of RM5 to the minimum amount in the cardholder's monthly

statement. The cardholder pays the remaining RM5 on 2nd January 2020. If the card issuer's taxable period from November - December 2019, the card issuer must account for service tax of RM20 in the current taxable period. The balance of RM5 shall be accounted for in the taxable period of January – February 2020. Service tax for the taxable period of November - December 2019 shall be paid not later than 31st January 2020 whilst service tax for the taxable period of January – February 2020 shall be paid by 31st March 2020.

Example 10: Unpaid Amount using Payment Basis

A cardholder's credit card has been issued on April 2020 and later activated on May 2020. The cardholder does not make any payment. The monthly statement showing payable service tax, is issued on 28th June 2020. In this regard, the card issuer shall account for the service tax of RM25 in the taxable period of May 2020 to April 2021 of twelve months from the date of the taxable service provided. Service tax for the taxable period of May 2020 to April 2021 shall be payable by 31st May 2021. This is further illustrated in **Diagram 2 below**.

Diagram 2

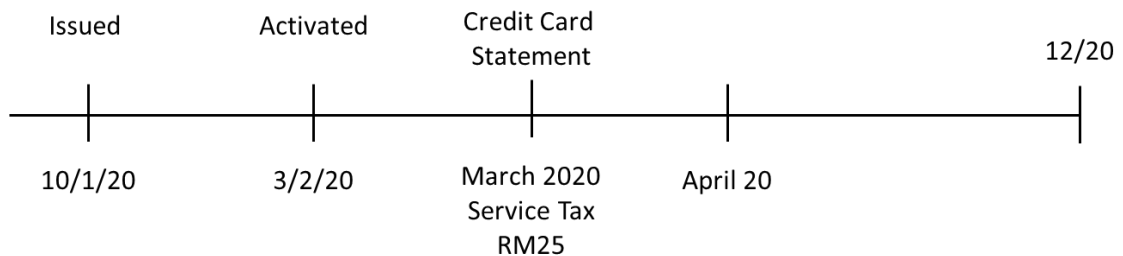


30. However, DG may, upon application in writing by any registered person and subject to such conditions as he deems fit, approve the service tax to be due at the time when invoice is issued.

Example 11: Minimum Amount Paid Fully Using Accrual Basis

A cardholder's new credit card has been issued on 10th January 2020 which activated only on 3rd February 2020. The credit card issuer shall charge the service tax on activation of the card with RM25 service tax will appear in March 2020 credit card statement. Since the card issuer has adopted the accrual basis, thus the service tax of RM25 will be accounted in March – April 2020 taxable period and shall be payable by 31st May 2020. This is further illustrated in **Diagram 3 below**.

Diagram 3



Penalty for Late Payment

31. Where any tax due and payable is not paid wholly or partly by the credit card or charge card issuer after the last day on which it is due and payable and no prosecution is instituted, the credit card or charge card issuer shall pay a penalty: -

- (i) for the first thirty days period, that the tax is not paid wholly or partly after the expiry of the period, a penalty of ten percent of the amount of tax remains unpaid;
- (ii) for the second thirty days period that the tax is not paid wholly or partly after the expiry of the period, an additional penalty of fifteen percent of the amount of tax remains unpaid;
- (iii) for the third thirty days period that the tax is not paid wholly or partly after the expiry of the period, an additional penalty of fifteen percent of the amount of tax remains unpaid.

DEDUCTION FROM RETURN OF REFUNDED SERVICE TAX

32. In the case of a cancelled and unused card after the activation or renewal date, service tax is not required to be charged and accounted for if the service tax has not been paid, except for if the accruals basis has been adopted by the card issuer. If service tax has been paid after the activation or renewal date, the card issuer is entitled to deduct the service tax paid from the tax return provided that the approval of the tax deduction has been approved.

33. The service tax deduction from the return is a facility for registered service providers to deduct from time to time from the SST-02 return the amount of service tax that has been paid to RMCD but then refunded to the customer.

34. The application letter must be submitted for approval in blanket to the Customs controlling station with the following supporting documents:

- (i) SST-02 return shows that service tax has been paid;
- (ii) Invoices for services provided;
- (iii) Documents used as proof of refund to the customer; and
- (iv) Other relevant documents, if necessary.

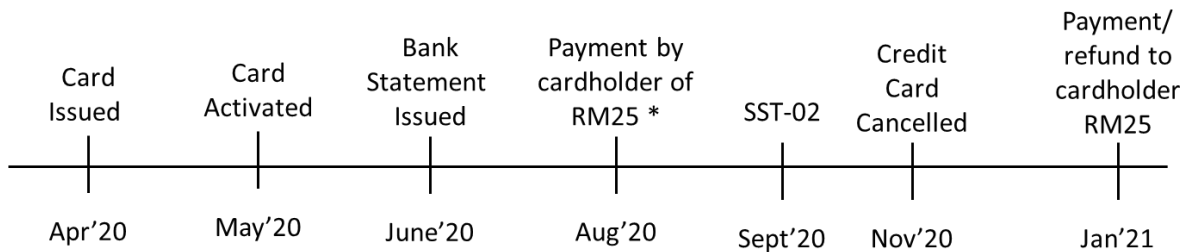
Example 12: Deduction for Cancellation of Cards with Payment of Service Tax

In April 2020, a new credit card has been issued by a card issuer to the cardholder which later activated on May 2020. A service tax of RM25 on the credit card services which were imposed, has been paid by the cardholder on August 2020. However, due to a commitment problem, the cardholder has cancelled the credit card services provided by the card issuer on November 2020. Thus, on January 2021, the card issuer has agreed to refund the service tax which has been paid by the card holder earlier on.

Since no usage were made on the credit card, a deduction from return of refunded service tax for a cancellation of credit card, is allowed with prior approval from the Director General, which allowed to be made within one year after the payment was made, i.e. Jan 2021, or such an approved extended period

as approved. This is further illustrated in **Diagram 4 below**.

Diagram 4

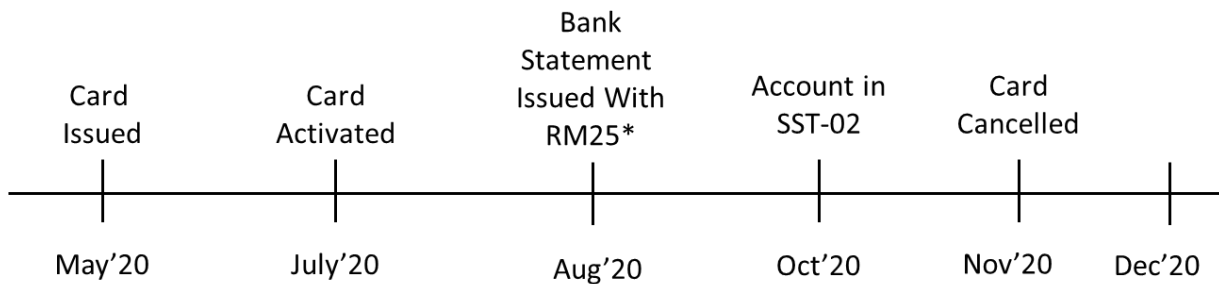


*Assuming no procurement made by the cardholder on the activated credit card

Example 13: Deduction for Cancellation of Cards without Payment of Service Tax

In May 2020, a new credit card has been issued by a card issuer to the cardholder which later activated on July 2020. A service tax of RM25 on the credit card services were imposed and disclosed in August 2020 bank statement. Assuming the card issuer has adopted the accrual basis, the service tax on the credit card has been accounted in August – September 2020 taxable period. Later, in November 2020, the cardholder has decided to terminate the credit card services provided by the card issuer due to a commitment problem. Since no payment of RM25 service tax being made by the cardholder, the card issuer is not allowed to apply for a deduction from return for cancellation of cards. Furthermore, the card issuer is also not allowed to claim a refund as it does not satisfy the conditions. This is further illustrated in **Diagram 5 below**.

Diagram 5



*Assuming no procurement made by the cardholder on the activated credit card

REGISTRATION AND RESPONSIBILITIES OF A REGISTERED PERSON

35. A service provider reaching prescribed threshold of taxable services is required to be registered. For further guidance and details on registration including an auto-registration exercise, please refer to the *Service Tax Registration Guide*.

36. A registered person is responsible to:

- (i) Charge service tax on taxable services,
- (ii) Issue invoices and receipts with specific particulars,
- (iii) Submit service tax return SST-02 electronically and pay service tax before due date,
- (iv) Keep proper records.

For further information with regards to the responsibilities of a registered person, please refer to the *General Guide* and relevant *Specific Guides*.

INQUIRY

For any inquiries for this guide please contact:

- (i) 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

SUMMARY OF DOCUMENT CHANGE

Version 2.1 – 1 October 2021

PARA	CHANGES
Para 13	<p>Delete old para 13 and replace with new para14</p> <p>Electronic money (e-money) is a payment instrument that contains monetary value that is paid in advance by the user to the e-money issuer. The user of e-money can make payments for purchases of goods and services to merchants who accept the e-money as payment.</p>
Para 14	<p>Insert new paragraph 15</p> <p>E-money can be issued in different forms, such as card-based (e.g. <i>Touch n 'Go card</i>) and network-based which can be accessible via the internet, mobile phones or any other devices (e.g. <i>QRPay, Booth, Touch 'n Go eWallet, etc.</i>)</p>
Para 15	<p>Renumbering old para 14 and rephrase paragraph</p> <p>Service tax shall be imposed on the provision of credit card or charge card services through the issuance of a principal credit card, principal charge card, supplementary credit card or supplementary charge card upon the activation of the card and whether or not annual subscription or fee is imposed excluding:</p> <p>(i) provision of charge card services where the charge card is issued by any petroleum company to the Government of Malaysia or any person for the procurement of products and services supplied for the use of or in connection with vehicles owned or used by the Government of Malaysia or such person; or</p> <p>(ii) provision of charge card services where the charge card is</p>

PARA	CHANGES
	used as a payment instrument only within the premises of a workplace, an education institution or a golf or sports club by its workforce, students or members, as the case may be.
Para 16	<p>Renumbering old para 15 and replace wording</p> <p>Replace “issuance” with “activation”.</p>
Para 17	<p>Renumbering old para 16 and replace wording</p> <p>Replace “issuance” with “activation” and “issued” with “activated”.</p>
Para 17 (i)	<p>Renumbering old para 16 and amend paragraph and <i>Example 1</i></p> <p>(i) <u>New card issued with a validity period for 1 year.</u> Service tax shall be imposed on the date the new card is activated.</p> <p><i>Example 1</i> <i>A new credit card is issued on 10th January 2019 but activated on 3rd February 2019. The credit card issuer shall impose service tax in the monthly statement covering 3rd February 2019.</i></p>
Para 17 (ii)	<p>Renumbering old para 16 and amend paragraph and <i>Example 2</i></p> <p>(ii) <u>New card issued with a validity period for several years.</u> Service tax shall be imposed on the date the new card is activated and every 12 months after the due date.</p> <p><i>Example 2</i> <i>A new credit card with validity period of five years is issued on 8th March 2019 but activated on 4th May 2019. The credit card issuer shall charge the service tax on activation i.e. the first monthly statement covering 4th May 2019 and subsequent statements covering every birthdate of the card i.e covering</i></p>

PARA	CHANGES
	<p><i>monthly statement of 8th March 2020, 8th March 2021, 8th March 2022 and 8th March 2023.</i></p>
<p>Para 17 (iii)</p>	<p>Renumbering old para 16 and amend wording</p> <p>(iii) <u>Cards issued before 1 September 2018 and valid for several years.</u></p> <p><i>Replace “18th May 2020” to “18th May 2022”</i></p>
<p>Para 20</p>	<p>Renumbering old para 19 and amend paragraph</p> <p>For cards issued under <i>Syariah</i> principles, service tax shall be imposed on the date the new card is activated if the expiry date of the new card is not the same as the expiry date of the old card. If the expiry date of the new card is the same as the expiry date of the old card, the service tax shall be charged on the date the card is renewed.</p>
<p>Example 4</p>	<p><i>Amend Example 4</i></p> <p><i>Example 4: Different Expiry Date</i></p> <p><i>AM card-i has been renewed for a period of five years from 1st May 2019 to 30th April 2024. Service tax is charged on 1st May 2019. On 25th September 2019, card holders and card issuers signed an agreement to increase the credit limit. A new card is issued on 1st October 2019 due to a change in credit limit, which then activated on 15th October 2019. The validity period for the new card will be from 1st October 2019 to 30th September 2024. The AM Card-i card issuer must charge service tax in every monthly statement covering 15th October 2019, 1st October 2020, 1st October 2021, 1st October 2022 and 1st October 2023 even though service tax is has been imposed on 1st May 2019.</i></p>

PARA	CHANGES
Para 22	<p>Renumbering old para 21 and amend paragraph</p> <p>In cases where a corporate card is converted to a personal card or otherwise, service tax shall be imposed on the activation date of the new card.</p>
Example 6	<p>Amend Example 6</p> <p>Example 6</p> <p><i>On 1st March 2019, service tax is charged on a corporate card. On 25th June 2019, the corporate cardholder resigned and applied for the corporate card to be converted into a personal card. A new card which was issued on 1st July 2019 due to a change of status, has been activated on 15th July 2019. The validity period for the new card will be from 1st July 2019 to 30th June 2024. The card issuer shall charge service tax covering 15th July 2019, and subsequents 1st July 2020, 1st July 2021, 1st July 2022 and 1st July 2023.</i></p>
Para 23	<p>Delete old para 22 with Example 7 and replace with old para 23.</p> <p>In cases of old card being reused or reinstated, service tax shall be imposed on the date the new card is issued.</p> <p>Example 7</p> <p><i>On 25 May 2019, a cardholder cancels his credit card for a period of five years from 1 June 2018 to 31 May 2023. The service tax is due on 1 June 2019. On 18 August 2019, the cardholder changes his mind and decides to use the old credit card. The new credit card is issued on 25 August 2019. The validity period for the new card is from 25 August 2019 to 24 August 2024. The issuer of the card must charge service tax in every monthly statement covering 25 August 2019, 25 August 2020, 25 August 2021, 25 August 2022 and 25 August 2023. The credit card issuer does not need</i></p>

PARA	CHANGES
	<i>to charge service tax on 1 June 2019.</i>
Para 23	<p>Insert in old para 23</p> <p>Insert the word “or Pangkor” after the word “Pengkalan Kubor”.</p>
Para 34 and 35	Remove old para 24 and 25 to para 34 and 35
TITLE and Subtitle	Insert new title “ACCOUNTING FOR TAX” and new subtitle “Issuance of Tax Invoice”
Para 24, 25, 26 and 27	Insert new paragraphs
Subtitle	Change Subtitle “Payment of Service Tax” to “Accounting Basis”
Para 28	<p>Amend old para 26</p> <p>Service tax for credit and charge card service chargeable is due at the time when payment is received for the service provided to the cardholder by the card issuer. If the whole or any part of the payment is not received from the cardholder within a period of twelve calendar months from the date the taxable service was provided, i.e., the date the card is activated and every twelve months or part thereof after the card is activated or renewed, service tax shall be due on the day following the twelve-calendar months. Any service tax due shall be paid not later than the last day of the following month after the taxable period ends.</p>
Example 7	Amend Example 7 and insert new Diagram 1
Example 8	Amend Example 8
Example 9	Amend Example 9
Example 10	Amend Example 10 and insert new Diagram 2
Para 29	<p>Insert new paragraph 30</p> <p>However, DG may, upon application in writing by any registered</p>

PARA	CHANGES
	<p>person and subject to such conditions as he deems fit, approve the service tax to be due at the time when invoice is issued.</p>
<p>Example 11</p>	<p>Insert new Example 11 and new Diagram 3</p>
<p>TITLE</p>	<p>Rephrase title “CONTRA SYSTEM FOR CANCELLATION OF CARDS AFTER RENEWAL” to “DEDUCTION FROM RETURN OF REFUNDED SERVICE TAX”</p>
<p>Para 31</p>	<p>Amend old para 28 to new rephrase para 31</p> <p>In the case of a cancelled and unused card after the activation or renewal date, service tax is not required to be charged and accounted for if the service tax has not been paid, except for if the accruals basis has been adopted by the card issuer. If service tax has been paid after the activation or renewal date, the card issuer is entitled to deduct the service tax paid from the tax return provided that the approval of the tax deduction has been approved.</p>
<p>Para 32 and 33</p>	<p>Insert new para 32 and 33</p> <p>33. The service tax deduction from the return is a facility for registered service providers to deduct from time to time from the SST-02 return the amount of service tax that has been paid to RMCD but then refunded to the customer.</p> <p>34. The application letter must be submitted for approval in blanket to the Customs Controlling Station with the following supporting documents:</p> <ul style="list-style-type: none"> (i) SST-02 return shows that service tax has been paid; (ii) Invoices for services provided; (iii) Documents used as proof of refund to the customer;

PARA	CHANGES
	and (iv) Other relevant documents, if necessary.
Example 12	Insert new Example 12 and insert new Diagram 4
Example 13	Insert new Example 13 and insert new Diagram 5