ROYAL MALAYSIAN CUSTOMS DEPARTMENT
08 SEPTEMBER 2022

SERVICE TAX POLICY NO 2/2022

FULL EXEMPTION AND SERVICE TAX REFUND FACILITY TO JOINT DEVELOPMENT AREA (JDA) OPERATOR COMPANIES

1. Effective from 15 August 2022, The Minister of Finance in accordance with subsection 34(3)(b) of the Service Tax Act 2018 has stipulated that Joint Development Area (JDA) operator companies are **approved for refund of service tax** that have been paid **on all taxable services** listed in the Service Tax Regulations 2018 subject to the following:

   i. The services involved must be used entirely for the **official purposes** of the JDA operator company and are **the main and important requirements in JDA's daily affairs and operations.** Services used for unofficial/private/personal use are not eligible for service tax refund;

   ii. For the purposes of control and coordination, the operator company **needs to furnish a declaration and the Malaysia-Thailand and Joint Authority (MTJA) needs to verify** that the service is used entirely for the official purpose of the JDA operator company;

   iii. Acquisition is paid by the JDA operator company;

   iv. Application for service tax refund facilities must be made to the Director General of Customs within any period set by the Director General of Customs; and

   v. Comply with any other conditions and procedures set by the Director General of Customs.

2. For the purposes of subparagraph 1(iv) above:

   i. Application for service tax refund facilities must be made to the Director General of Customs **every three (3) months (quarterly basis).** Refund claim applications must be submitted no later than the last day of the following month after the end of the three (3) months as follows:

No.	Service Acquisition Period	Last date for service tax refund claim application
1	15 August 2022 – 30 September 2022	31 October 2022
2	01 October 2022 – 31 December 2022	31 January 2023
3	01 January 2023 – 31 March 2023	30 April 2023
4	Every subsequent period	Not later than the last day of the following month after the end of the quarterly basis

ii. Submission of claims after that period will not be processed for refund.

3. **No service tax exemption is granted on the importation of taxable services including service tax on digital services** (SToDS) provided by foreign registered persons to MTJA and JDA operator companies.

4. With the issuance of Service Tax Policy No. 2/2022, the upfront service tax exemption previously granted through **Service Tax Policy No. 1/2021 is applicable until 14 August 2022.**

INTERNAL TAX DIVISION
ROYAL MALAYSIANS CUSTOMS DEPARTMENT HEADQUARTERS, PUTRAJAYA