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**SERVICE TAX POLICY NO. 1/2021**

1. Effective **1 May 2021**, the Minister of Finance in accordance with subsection **34(3)(a)** of the Service Tax Act 2018 has prescribed that the **Malaysia-Thailand Joint Authority (MTJA)** and companies operating in the **Joint Development Area (JDA)** are exempted from paying service tax on taxable services provided within the JDA by any company in the Principal Customs Area (PCA).
2. The exemption is subject to the following:
  - a) Exemption of service tax is effective from **1 May 2021**;
  - b) Any **service tax collected from customers from 1 September 2018 until 30 April 2021 must be remitted** to the Royal Malaysian Customs Department in accordance with section 26 of the Service Tax Act 2018;
  - c) Application from any person for refund of service tax paid before 1 May 2021 **shall not be approved**;
  - d) Service tax for services which have been **provided by service providers but yet to be issued with an invoice or service tax which has been charged but yet to be paid by the customer shall be given remission** under subsection 40(1) of the Service Tax Act 2018; and
  - e) No service tax exemption shall be given on the importation of taxable services and digital services into JDA.

**NOTE: In accordance with the issuance of Service Tax Policy No. 2/2022 on 15 August 2022, this Service Tax Policy No. 1/2021 is applicable until 14 August 2022.**

INTERNAL TAX DIVISION  
ROYAL MALAYSIAN CUSTOMS HEADQUARTERS, PUTRAJAYA