ROYAL MALAYSIAN CUSTOMS DEPARTMENT
29 SEPTEMBER 2025

SALES TAX POLICY NO. 3/2025

SALES TAX EXEMPTION ON RAW MATERIALS, COMPONENTS, PACKING AND PACKAGING MATERIALS, MANUFACTURING AIDS, AND CLEANROOM EQUIPMENT

1. SALES TAX EXEMPTION

MINISTER OF FINANCE, under subsection 35(3) of the Sales Tax Act 2018, has approved an exemption from sales tax on raw materials, components, packing and packaging materials, manufacturing aids and cleanroom equipment that are imported or purchased from a registered manufacturer by any manufacturer manufactured goods that were exempt from sales tax before 1 July 2025 and became taxable goods on 1 July 2025.

2. SALES TAX REFUND

MINISTER OF FINANCE also approved, under subsection 35(6) of the Sales Tax Act 2018, the refund of sales tax paid on raw materials, components, packing and packaging materials, manufacturing aids and cleanroom equipment used in the manufacturing of taxable goods.

3. CONDITIONS FOR REFUND

3.1 Refund applications under section 39 of the Sales Tax Act 2018 for raw materials, components, packing and packaging materials, manufacturing aids and cleanroom equipment are subject to the following conditions:

3.1.1 the manufacturer has applied for registration as a registered manufacturer **no later than 31 August 2025;**

3.1.2 importation or purchase from a registered manufacturer was made from 1 July 2025 to 31 August 2025;

3.1.3 sales tax has been paid; and

3.1.4 the goods are still under the manufacturer's control.

3.2 Manufacturers approved for a refund are subject to the exemption conditions under the Sales Tax (Persons Exempted from Payment of Tax) Order 2018.

4. REFUND APPLICATION PROCEDURE

4.1 Applications must be submitted using **JKDM No. 2 form** to the Cawangan Perakaunan Hasil, Bahagian Perkhidmatan Teknik, Jabatan Kastam Diraja Malaysia (JKDM) at state no later than **30 November 2025**.

4.2 Further details on the refund claim procedure can be referred to in the *Refund, Drawback, and Sales Tax Appeal Guidelines*, at MySST portal https://mysst.customs.gov.my/SpecificGuides

INTERNAL TAX DIVISION HEADQUARTERS
ROYAL MALAYSIAN CUSTOMS DEPARTMENT
