



**SALES TAX 2018**

# **GENERAL GUIDE**

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This information is intended to provide a general understanding of the relevant treatment under Sales Tax and Services Tax Legislation 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

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## **INTRODUCTION**

### **General Guide**

1. The General Guide on Sales Tax is a part of a series of educational materials made available to help businesses prepare for the implementation of the imposition of sales tax in Malaysia.

### **Legislation**

2. The related legislation for the implementation of sales tax is as follows:
- (i) Sales Tax Act 2018;
  - (ii) Sales Tax Regulations 2018;
  - (iii) Sales Tax (Customs Ruling) Regulations 2018;
  - (iv) Sales Tax (Rules of Valuation) Regulations 2018;
  - (v) Sales Tax (Compounding of Offences) Regulations 2018;
  - (vi) Sales Tax (Amount Of Sale Value Of Taxable Goods Manufactured) Order 2018;
  - (vii) Sales Tax (Rates Of Tax) 2018;
  - (viii) Sales Tax (Goods Exempted From Sales Tax) Order 2018;
  - (ix) Sales Tax (Person Exempted From Sales Tax) Order 2018;
  - (x) Sales Tax (Exemption From Registration) Order 2018 ;
  - (xi) Sales Tax (Imposition of Tax In Respect Of Designated Areas) Order 2018;
  - (xii) Sales Tax (Imposition Of Tax In Respect Of Special Areas) Order 2018;
  - (xiii) Sales Tax (Appointment of Date of Coming Into Operation) Order 2018;

## SCOPE OF SALES TAX

3. Sales Tax Act 2018 applies throughout Malaysia, excluding the designated areas and the special areas. Sales tax is a single stage tax levied and charged on all taxable goods manufactured in or imported into Malaysia.

### Charge To Tax

4. Under section 8, sales tax is charged and levied on all taxable goods:

- (i) Manufactured and sold, used or disposed of in Malaysia by a registered manufacturer; or
- (ii) Imported into Malaysia by any person.

5. Sales tax is charged, levied and payable on any importation of goods into Malaysia and is treated as if it were customs duty or excise duty and as if such importation is dutiable and liable to customs duty or excise duty.

### Rate of Sales Tax

6. Sales tax is an **ad valorem** tax and different rates applied based on groups of taxable goods. Sales tax for petroleum is charged on a **specific** rate which is different from other taxable goods.

7. Section 10 of the Sales Tax Act 2018 empowers the Minister to fix the various rates of sales tax as prescribed in the Sales Tax (Rates of Tax) Order 2018 to be imposed on taxable goods which are not exempted by the Minister of Finance through the Sales Tax Exemption Orders which comes into force on 1 September 2018.

### Sales Value

8. In the case of locally manufactured goods, sales tax is levied on the sales value of the taxable goods. As such, it is pertinent that the determination of sales value complies with the provisions under the Sales Tax Act 2018. In this connection, the Sales Tax (Rules of Valuation) Regulations 2018 specifies the rules for the determination of sales value of locally manufactured goods. Generally, the

transaction value of the taxable goods forms the basis of the sales value of such taxable goods.

9. With regards to taxable goods imported into Malaysia for home consumption, the sales value of the taxable goods represents the sum of the following amounts:

- (i) The value of such taxable goods for the purpose of customs duty as determined in accordance with the Customs Act 1967;
- (ii) The amount of customs duty, if any, paid or to be paid on such taxable goods; and
- (iii) The amount of excise duty if any, paid or to be paid on such taxable goods.

### **Taxable Goods**

10. Taxable goods are goods of a class or kind that are not being exempted from sales tax. Goods exempted from sales tax are listed in Schedule A of the Sales Tax (Goods Exempted from Sales Tax) Order 2018.

### **Threshold (Annual sales turnover)**

11. The total sale value of taxable goods for the purpose of registration of any manufacturer is prescribed by the Minister in the Sales Tax (Amount of Sale Value of Taxable Goods Manufactured) Order 2018 Is RM 500,000.

### **Sales Tax Due**

12. The sales tax chargeable under this Act is due at the time when the taxable goods are sold, disposed of otherwise than by sale, or first used otherwise than in the manufacture of taxable goods by the taxable person.

13. The Minister may determine different time of sales tax due in respect of petroleum.

14. No sales tax is due on the purchase or acquisition below when a registered manufacturer ceases to carry on a business as a manufacturer and he is succeeded by another person and that person who succeeds him either:



- (i) Purchases his stock of taxable goods held on hand on the date of cessation; or
- (ii) Acquires any of his stock of taxable goods as a trustee, receiver, liquidator, donee, or beneficiary of the registered manufacturer.

## REGISTRATION

### Liability To Register

15. Every person engaged in the manufacturing of taxable goods in the course of business is required to apply to be a registered manufacturer not later than the last day of the month following the month he is liable to be registered.

#### ***Example 1***

*Liable to be registered is on 15 December 2018*

*Apply for registration within the period 1 January to 31st January 2019*

16. To determine whether a person is subject to such requirement, it is pertinent to ascertain that his operation complies with the definition of 'manufacture' and the product arising from the operation is taxable.

17. 'Manufacture' is defined under section 3 of the Sales Tax Act 2018 and means:

- (i) In relation to goods other than petroleum, manufacture defines as a conversion of materials by manual or mechanical means into a new product by changing the size, shape, composition, nature or quality of such materials and includes the assembly of parts into a piece of machinery or other products. However, manufacture does not include the installation of machinery or equipment for the purpose of construction.
- (ii) In relation to petroleum, any process of separation, purification, conversion, refining and blending.

18. This registration requirement enables RMCD to identify and bring into the tax net the manufacturers who come under the jurisdiction of the Sales Tax Act 2018. A

manufacturer who is registered under the Act is called a registered manufacturer.

19. A manufacturer of taxable goods is liable to be registered at the earlier of:
- (i) Not later than the last day of the month following the end of the month where the total sale value of all his taxable goods in that month and the eleven months immediately preceding the month has exceeded RM 500,000; or
  - (ii) Not later than the last day of the month following the end of the month where the total sale value of all his taxable goods in that month and the eleven months immediately succeeding the month will exceed RM 500,000.
20. A manufacturer who carries out sub-contractor work with threshold exceeding RM500,000 per year is liable to be registered.
21. There are special rules for registration under the transitional period from the previous taxation system to the sales tax system as provided in the Transitional Provision below.

### **Application for Registration**

22. Any person who carries on a business of manufacturing taxable goods shall apply for registration as a registered manufacturer in the SST-01 Form.

#### ***Example 2***

*Able Copier Sdn Bhd manufactures and sells photocopiers besides providing after-sale service. Able Copier sells taxable goods and provides non-taxable services. He is only required to be registered under section 13 of the Sales Tax Act 2018.*

23. The registration date shall be the first day of the month following the month the notification of liability is received or any earlier date agreed by the Director General (DG) of Customs but not earlier than the date he becomes liable to be registered. The registered manufacturer will be notified and assigned with a

registration number.

24. A taxable person who manufactures petroleum has to furnish plans and drawings specifying:

- (i) the site;
- (ii) the layout of the premises;
- (iii) the layout of the plants, machinery, equipment, pipelines, meters and devices; and
- (iv) the storage tanks,

at the time when the application for registration is submitted to the DG.

25. The DG has the power to set conditions for a registered petroleum manufacturer as follows:

- (i) Any plans approved by the DG will be signed by him and the taxable person shall not deviate from the approved plan without his written approval;
- (ii) The registered petroleum manufacturer shall only store taxable petroleum in storage tanks in licensed warehouses;
- (iii) The registered petroleum manufacturer shall not change the grade of any stored petroleum without prior written approval from the DG;
- (iv) All pipelines which have been affixed with meters and devices shall be approved by the DG;
- (v) All meters and devices used for measuring petroleum shall be approved by the DG;
- (vi) The registered petroleum manufacturer shall remedy immediately any leakage of petroleum occurring within his premises.

26. The registered manufacturer is required to occupy the premise at that place for the purpose of his business. If he fails to do so, he commits an offence under regulation 5 of the Sales Tax Regulation 2018.

27. The registered manufacturer is required to notify RMCD immediately of any changes in the particulars of the company relating to matters such as name of business, status of business, changes in the taxable goods manufactured, etc. as provided under regulation 6 of the Sales Tax Regulation 2018.

### **Late Registration**

28. Where a manufacturer fails to register when he is liable under this Act and fails to notify the DG of his liability, the DG shall register him on the date as the DG may determine but not earlier than the date his liability to be registered become known or made known to the DG.

### **Online Registration**

29. On-line application for registration may be made via the MySST Portal, which is set up to facilitate manufacturers who wish to apply to be a registered manufacturer. The online application is accessible at [www.mysst.customs.gov.my](http://www.mysst.customs.gov.my).

### **Voluntary Registration**

30. The following manufacturers that are not liable to be registered may apply to be registered under the Sales Tax Act 2018 subject to conditions as determined by the DG:

- (i) Manufacture taxable goods but below threshold
- (ii) Persons who are exempted from registration

31. The DG shall register him on the date as the DG may determine subject to conditions he deems fit to impose.

### **Registration of Partnership**

32. The registration of persons carrying on a business in a partnership as a registered manufacturer shall be in the name of the firm. If the same persons are

carrying on separate businesses in a partnership as a registered manufacturer, the registration may be in the name of the respective firms.

### **Cessation of Liability to Be Registered**

33. The registered manufacturer shall notify the DG in writing including the date of cessation if:

- (i) He ceases to carry on the business of manufacturing taxable goods; or
- (ii) His total sale value of taxable goods in that month and the eleven months immediately succeeding that month does not exceed RM500,000

34. The registered manufacturer may make a written request to cancel his registration within 30 days from the date of cessation.

35. Before the said registration is cancelled, a notice shall be served on the registered manufacturer informing him of the proposed cancellation and requiring him to make representation on the matter. If the DG of Customs is satisfied that the registration should be cancelled, a notice of cancellation shall be served on the registered manufacturer and the cancellation shall take effect from the date as determined by the DG.

36. The DG may cancel any registration which had been approved if it was found that there was any breach of the conditions by the registered manufacturer imposed by the DG.

### **Exemption from Registration**

37. Section 20 of the Sales Tax Act 2018 provides the Minister the power to exempt certain persons from registration. Such exemption is granted in the Sales Tax (Exemption from Registration) Order 2018.

38. The following manufacturers are excluded from registration as provided under such order:

- (i) Manufacturer of non-taxable goods (*not eligible for voluntary registration*)

- (ii) Manufacturer below threshold;
- (iii) Sub-contractor manufacture below threshold; or
- (iv) Manufacturing activities that have been exempted from registration.  
*e.g. tailoring, installation or incorporation of goods into building, jeweller, optician*

39. Manufacturers who are exempted from registration are not required to obtain a certificate of exemption from RMCD. However, any person exempted from registration may apply to be registered as a registered manufacturer.

## ACCOUNTING FOR SALES TAX

40. This section explains taxable period and types of records that you are required to keep in relation to taxable goods manufactured, as a registered person under the **Sales Tax Act 2018**. It also provides circumstances where invoice is required or not required to be issued and some guidelines on how to keep these records.

### Taxable Period

41. The first taxable period of every taxable person shall begin from the date he should have been registered under section 13, Sales Tax Act 2018 and end on the last day of the following month and the subsequent taxable period shall be a period of two months ending on the last day of any month of any calendar year.

Filing Frequency	Taxable Period
First Taxable Period	Bimonthly Sept – Oct 2018
Subsequent Taxable Period	Nov-Dec, Jan-Feb, Mar-Apr, May-Jun, Jul-Aug, Sept-Oct...
Specific Basis	Subject to an approval from the DG

42. The DG may determine a different taxable period in respect of petroleum subject to such conditions as the DG deems fit.

43. The DG may reassign the taxable person to any taxable period other than the period previously assigned to him and also upon an application in writing, vary the

length of any taxable period or the date on which any taxable period begins or ends if he considers it necessary in the circumstances of any particular case.

## **Invoices**

44. Every registered manufacturer is required under the Act, unless otherwise prescribed by regulation, to issue an invoice, either in hard copy or soft copy to the purchaser in respect of any transaction relating to the sale of taxable goods.

45. The amount of sales tax payable is to be stated separately to the value of the taxable goods sold and be recovered by the registered manufacturer from the purchaser.

46. The invoice must comply with the following requirements:

- (i) Contain prescribed particulars
  - (a) The tax invoice serial number;
  - (b) The date of the invoice;
  - (c) The name, address and identification number of the registered manufacturer
  - (d) The name and address of the person to whom the taxable goods is sold
  - (e) Quantity and description of the goods;
  - (f) Any discount offered;
  - (g) For each description, distinguish the type of goods, quantity and amount payable excluding tax;
  - (h) The total amount payable excluding tax, the rate of tax and the total tax chargeable to be shown as a separate amount or a total amount payable inclusive of total of tax chargeable; and
  - (i) 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 of manufacturing.

- (ii) It must be in the national language or English;

### **Production of Invoices by Computer**

47. The Act makes provision to enable computer generated invoices for transactions relating to sales of taxable goods. For the purposes of any provision under section 22 in relation to an invoice, it shall be presumed that an invoice has been issued to a customer, even though there is no delivery of any equivalent document in paper form to the customer. This is so if the requisite information is recorded in a computer and

- (i) Are transmitted to such customer by electronic means; or
- (ii) Are produced in any material other than paper and is delivered to the customer.

48. Issuance of invoice electronically is allowable.

#### *Example 3*

*Able Furniture manufactures and sells kitchen cabinets and appliances besides providing consultancy services to design and remodel kitchens. Able Furniture is manufacturing taxable goods and providing taxable services (consultancy services). Hence he is required to be registered under section 13 of the Sales Tax Act 2018 and section 13 of the Service Tax Act 2018. However, he may use the same invoice format for either the sale of goods or provision of services subject to approval of the DG of Customs.*

### **Credit Notes and Debit Notes**

49. A credit note is issued when the amount previously invoiced is reduced or a transaction is cancelled due to the following circumstances :-

- (i) Where goods are returned by the purchaser due to wrong quantity, poor



or defective quality or uncontracted goods, provided that the goods have not been subsequently sold or disposed of by the purchaser; or

- (ii) Discounts given on taxable goods sold by the taxable person where the discount is given freely to all his customers.

50. If the taxable person has furnished his return to the DG and subsequently there is a deduction of sales tax due to paragraph 49, the taxable person selling taxable goods must issue a credit note for such deduction.

51. On the other hand, a debit note is issued when the amount previously invoiced is increased due to an addition of sales tax to be paid for any price adjustment.

52. The taxable person is required to do the adjustments relating to a credit note or debit note in his return when the credit note or debit note is issued or if he has ceased to be a taxable person, he shall make the adjustment in the return for the last taxable period during which he was registered.

53. A credit note or debit note must contain the following particulars:

- (i) The words “credit note” or “debit note” in a prominent place;
- (ii) The serial number and date of issue;
- (iii) The name, address and identification number of the registered manufacturer;
- (iv) The name and address of the person to whom the taxable goods is sold;
- (v) The reason for the issuance;
- (vi) The description, quantity and amount of taxable goods for which the credit note or debit note is given;
- (vii) the total amount excluding tax;
- (viii) The rate and amount of tax; and
- (ix) The number and date of the original invoice.

54. The DG may disallow any deduction where the credit notes presented are untrue or incorrect.

55. Where the deduction for any taxable period exceeds the amount of sales tax payable by a taxable person, the balance is to be carried forward to the next taxable period and subsequent taxable periods, until the whole balance has been deducted.

56. In the case where the taxable person ceases to carry on business, no refund shall be allowed on any balance that is carried forward to the period where such taxable person has ceased to carry on business.

### **DUTY TO KEEP RECORDS**

57. In addition, it is the duty of every registered manufacturer to maintain full and true records of all transactions involving the sales of taxable goods. Such records or books of accounts must be maintained in the national language or English.

58. The records must be kept in Malaysia unless otherwise approved by the DG. The required records are: -

- (i) All records of sales of taxable goods by or to that taxable person including invoices, receipts, debit notes and credit notes;
- (ii) All records of importation and exportation of taxable goods; and
- (iii) All other records as DG may determine.

59. Where records are kept in an electronically readable form, such records must be readily accessible and easily converted into writing. Where records are initially kept in manual form but subsequently converted into electronic form, the records are required to be retained in its original form prior to its conversion.

60. The basic records to be kept are :

- (i) Invoices and payment receipt;
- (ii) Daily, Monthly or Yearly Sales Report;

- (iii) Debtor Aging Listing;
- (iv) Credit / Debit Note Listing;
- (v) Audited Financial Statement;
- (vi) Bank statement; and
- (vii) Contractual Agreement and Progressive Report

61. Records or books of accounts are to be preserved for a period of seven years from the latest date to which such records relate. Failure to comply with such requirement constitutes an offence under section 24 of the Sales Tax Act 2018 and the offender is liable to a fine not exceeding RM50,000 or an imprisonment for a term not exceeding three years or to both such imprisonment and fine.

## **FURNISHING OF RETURNS AND PAYMENT OF SALES TAX**

### **Sales Tax Return**

62. A taxable person has to furnish a sales tax return and account for sales tax in SST-02 Form every two months according to his taxable period which is defined as two calendar months.

63. The submission can be done electronically at MySST or the taxable person can download and print the SST-02 Form from the MySST portal. The return shall be furnished by post to the Customs Processing Centre (CPC).

### **Last Date to Furnish the Sales Tax Return**

64. The sales tax return is required to be furnished to the DG not later than the last day of the month following the end of the taxable period.

65. Where a taxable person's taxable period does not end on the last day of the month, the sales tax return should be furnished not later than the last day of the thirty (30) days period from the end of the varied taxable period.

66. The sales tax return should be furnished whether or not there is tax to be paid.

67. The taxable person shall furnish, among others, the following particulars in the sales tax return:

- (i) sales value of all taxable goods sold during the taxable period;
- (ii) value of taxable goods disposed of otherwise than by sales;
- (iii) value of all taxable goods used by him otherwise as raw materials;
- (iv) the amount of sales tax payable.

### **Correction of Errors**

68. If a person makes an error in any return, he can correct it in SST-02 Form in such manner and within such time as the officer of sales tax may require.

### **Final Sales Tax Return**

69. Any taxable person who ceases to be liable to be registered or cease manufacturing taxable goods has to furnish a final return not later than thirty (30) days after such cessation.

70. Where any taxable person who ceases to carry on a business as a manufacturer holds on hand any taxable goods where sales tax has not been paid and subsection 11(4), Sales Tax Act 2018 does not apply, he is required to include particulars of such taxable goods in his return as if the goods were sold by him in the last taxable period and pay the tax accordingly.

### **Offence for Late Submission of Return**

71. A registered manufacturer who fails to submit sales tax returns within the stipulated period shall be guilty of an offence under subsection 26(7) of the Sales Tax Act 2018 and shall be liable to a fine not exceeding RM50,000 or an imprisonment for a term not exceeding 3 years or to both such imprisonment and fine.

## **Payment of Sales Tax Due and Payable**

72. Any taxable person who is required to furnish a sales tax return must pay to the DG of Customs the amount of tax due and payable by him not later than the last day on which he is required to furnish the sales tax return.

73. In the case of locally manufactured taxable goods, the sales tax chargeable is due at the time the taxable goods are:

- (i) Sold;
- (ii) Disposed of otherwise than by sale;
- (iii) First used otherwise than as materials in the manufacture of taxable goods.

## **Method of Payment**

74. The payment of sales tax can be made by:

- (i) Electronically; or
- (ii) By cheque, bank draft and posted to CPC. Post-dated cheques are not allowed.

### ***Example 4***

*Company ABC posted a cheque for the payment of sales tax on 25 Jan 2019. The cheque was post-dated as 29 Jan 2019. The cheque was received by the CPC on 26 Jan 2019. Cheques written by the registered person for a date in the future is not accepted as payment for sales tax by RMCD.*

## **Time of Payment**

75. Any cheque or bank draft, for tax payment is considered received by the DG on the date the amount is duly paid to the DG i.e. when the cheque is cleared.

76. Any payment made through electronic means, the amount is considered received when such payment is lodged to the credit of the DG.

77. Any payment received by post to the CPC is considered received on the date of the post mark.

### **Offence for Late Payment of Tax**

78. A registered manufacturer who fails to pay the sales tax due and payable within the stipulated period shall be guilty of an offence under subsection 26(7) of the Sales Tax Act 2018 and shall be liable to a fine not exceeding RM50,000 or an imprisonment for a term not exceeding 3 years or to both such imprisonment and fine.

### **Penalty for Late Payment of Tax**

79. Where any tax due and payable is not paid wholly or partly by any taxable person after the last day on which it is due and payable and no prosecution is instituted, the taxable person 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 remain 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 remain 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 remain unpaid.

80. The taxable person will be subject to a maximum penalty of 40% after the expiry period of 90 days.

**Example 5: Late payment of tax**

Taxable Period (monthly)	Penalty Imposition Due Date	Sales Tax			Due Date	
		Tax due (RM)	Tax paid before due date (RM)	Balance (RM)	Rate of penalty %	Penalty due (RM)
1.09.2018 to 31.10.2018	31.12.2018	10,000	-	10,000		
	31.01.2019	10,000	5,000	5,000	10%	500
	28.02.2019	5,000	3,000	2,000	15%	300
	31.03.2019	2,000	1,000	1,000	15%	150

*Amount of penalty due is calculated as below: -*

- 31.01.2019:  $RM5,000 \times 10\% = RM500$
- 28.02.2019:  $RM2,000 \times 15\% = RM300$
- 31.03.2019:  $RM1,000 \times 15\% = RM150$

**Power to Assess**

81. The DG may assess the amount of sales tax and the penalty due and payable from the taxable person who:

- Fails to apply for registration;
- Fails to furnish a return; or
- Furnishes a return which appears to be incomplete or incorrect for any taxable period.

82. The proper officer may assess the sales tax payable on any goods imported by any person. However, the DG may assess the amount of tax including the penalty due and payable from the taxable person who fails to pay tax on any goods imported by any person in the course or furtherance of his business by reason of:

- (i) The taxable goods have been sold by him;
- (ii) The taxable goods have been exported or removed by way of sale; or
- (iii) The taxable goods have been lost or destroyed.

A notice of the assessment will be sent to the person in writing.

## **RECOVERY OF SALES TAX, ETC**

### **Recovery Of Sales Tax, Surcharge, Penalty, Fee Or Other Money As Civil Debt**

83. The sales tax authorities may institute a civil proceeding to recover any sales tax due and payable, any surcharge accruing or any penalty, fee or other money payable be recovered as a civil debt due to the government.

### **Collection of Sales Tax or Penalty From Person Owning Money to Taxable Person**

84. Where any sales tax, penalty or surcharge is due and payable by a taxable person, the DG may, by notice in writing, recover such outstanding amount from the following persons:

- (i) Any person by whom any money is due or accruing or may become due to the taxable person;
- (ii) Any person who holds or may subsequently hold money for or on account of the taxable person;
- (iii) Any person who holds or may subsequently hold money on account of some other person for payment to the taxable person;
- (iv) Any person having authority from some other person to pay money to the taxable person.

85. A copy of notice shall be forwarded to the taxable person at his last known address.



86. All payments made pursuant to the notice shall be construed to be made on behalf of the taxable person.

### **Recovery of Sales Tax from Persons Leaving Malaysia**

87. If there is reason to believe that a taxable person is about to leave Malaysia before any sales tax due by him becomes payable, the DG may invoke power provided under section 30 of the Sales Tax Act 2018 to direct that such sales tax be payable on such earlier date as he may determine.

88. In addition, the DG may issue to any Director of Immigration a notice containing particulars of the person and the offence committed and request that such person be prevented from leaving the Malaysia until payment in respect to the sales tax, penalty, surcharge or other moneys has been made or a security to the satisfaction of the DG has been furnished.

89. Upon receiving the request, the Director of Immigration shall exercise all measures, including the removal and retention of any certificate of identity, passport, exit permit or other travel document in relation to that person, to prevent such person from leaving Malaysia.

90. When payment in respect to the sales tax, penalty, surcharge or other moneys has been made or a security to the satisfaction of the DG has been furnished, the DG would issue a written statement specifying that all sales tax, penalty, surcharge or other moneys stated in the certificate has been made or that a security has been furnished for its payment. Such written statement signed by the DG shall be sufficient authority for allowing that person to leave Malaysia.

### **Payment by Instalments**

91. Where the registered manufacturer fails to remit sales tax to the sales tax office, a demand may be made to compel the registered manufacturer to pay the unpaid amount. In the event that such registered manufacturer is unable to settle the unpaid amount in a single payment, he may apply to the DG of Customs who may allow the unpaid sales tax to be paid by instalments on such amounts and on such dates he may determine. In this case, penalty would not be imposed on such

amount of sales tax from the date of allowance.

92. If the registered manufacturer defaults in payment of any one instalment, a surcharge equivalent to 10% of the outstanding amount will be imposed. In addition, the whole outstanding amount and the surcharge shall become due and payable on the date of default in payment.

### **Joint and Severable Liability of Directors**

93. Section 34 of the Sales Tax Act 2018 stipulates that directors, partners are jointly and severally liable for the sales tax payable by the company, firm, as the case may be. In this respect, the sales tax incurred by the registered manufacturer may be recovered from the:

- (i) Directors of the company, including persons who were directors of such company (in the case where the registered manufacturer is a company);
- (ii) Compliance officers appointed among the partners of the limited liability partnership or if no compliance officer is appointed as such, any one or all of the partners of the limited liability partnership;
- (iii) Partners of the firm, including persons who were partners of such firm (in the case where the registered manufacturer is a firm).
- (iv) Office-bearers of the society; or
- (v) Persons responsible for the management of the body of persons.

94. The directors of a company that is being wound up under the Companies Act 2016, shall only be liable for any sales tax, surcharge, penalty, fee or any other money due when the assets of the company are not sufficient to meet the amount due, after making those payments having priority under the Companies Act 2016 over the sales tax, surcharge, penalty, fee or any other money.

## **FACILITIES UNDER THE SALES TAX ACT 2018**

### **Exemption under section 35 of the Act**

95. Section 35 of the Sales Tax Act 2018 provides the Minister the power to exempt. The exemption can be categorised as follows:

- (i) Specific exemption; or
- (ii) Exemption by Order of the Minister

#### **Specific Exemption**

96. Person or class of persons may apply to the Minister to be exempted from the payment of the whole or any part of the sales tax which would have been payable by such person or class of persons. In this case, application shall be submitted to the Tax Analysis Division of the Ministry of Finance. In granting the exemption, the Minister may subject such person or class of person to such conditions as he may deem fit to impose.

97. When any person to whom an exemption has been granted fails or ceases to comply with any condition, the person to whom the exemption was granted or any person found in possession of such goods shall be jointly and severally liable to pay the sales tax.

#### **Exemption by Order**

98. The Minister may by order exempt:

- (i) Any goods or class of goods from the whole or any part of the sales tax;
- (ii) Any persons or class of persons from the payment of the whole or any part of the sales tax.

### **Exemption under Schedule A of the Sales Tax (Goods Exempted from Sales Tax) Order 2018**

99. Goods or class of goods that are exempted from sales tax are listed in the Schedule A of the Sales Tax (Goods Exempted from Sales Tax) Order 2018.

*Examples are live animals, unprocessed food, vegetables, medicines, machinery, chemicals, etc.*

### **Exemption under Schedule A, B and C of the Sales Tax (Person Exempted from Sales Tax) Order 2018**

100. The schedules in the Order provides for the following:

- (i) **Schedule A** of the Order provides the list of persons or class of persons exempted from payment of sales tax

*e.g. Ruler of States, Federal or State Government Department, Local Authority, Inland Clearance Depot, Duty Free Shop*

- (ii) **Schedule B** extends exemption of sales tax to manufacturers, not being registered manufacturers, in respect of goods acquired by such manufacturers for use in manufacturing of certain products.

*e.g. Manufacturer of specific non taxable goods – exemption of tax on the acquisition of raw materials, components, packaging to be used in manufacturing activities*

- (iii) **Schedule C** provides exemption of sales tax to registered manufacturer on the acquisition of raw materials, components and packaging materials to be used in manufacturing of taxable goods.

### **REFUND, DRAWBACK AND REMISSION**

#### **Claim for Refund of Sales Tax in Relation to Bad Debt**

101. For the purpose of sales tax, bad debt means an outstanding amount of the payment in respect of the sale of taxable goods including the sales tax which is due to a person who is, or has ceased to be, a registered manufacture but has not been paid to, and irrecoverable by, the person.

102. Any claim for bad debts from the DG can be made by a registered manufacturer or a person who has ceased to be a registered manufacturer. The claim for bad debt on the whole or any part of the sales tax payable shall be made

within six (6) years from the date the taxable goods is sold subject to conditions and satisfaction of the DG as follows:

- (i) Sales tax has been paid;
- (ii) The whole or any part of the sales tax payable has been written off in his accounts as bad debts;
- (iii) He has not received any payment in respect of the sale of taxable goods from the debtor six months from the date the goods is sold;
- (iv) Reasonable efforts have been made by him to recover the debt.

103. The payment in respect of taxable goods sold by the manufacturer owed by the debtor shall be deemed as irrecoverable if;

- (i) The debtor has been considered as insolvent; or
- (ii) The registered manufacturer has not received the whole or any part of such payment after six (6) months from the date such sales tax was paid by him; and
- (iii) The payment owed by the debtor has been provided as doubtful debt or written off in the registered manufacturer account.

104. The debtor where the whole or any part of the sale tax payable to registered manufacturer has been written off in his account as bad debt shall be treated as insolvent. The registered manufacturer is entitled to a bad debt claim if the DG is satisfied that:

- (i) In the case the debtor is an individual, he is adjudged of bankrupt, a deed or arrangement is made for the benefit of his creditors or a composition or scheme of arrangement proposed by him is approved under the Bankruptcy Act 1967 [Act 360]; or
- (ii) In the case where the debtor is a company;

- (a) It is ordered by the court to be wound up because it is unable to pay its debts within the meaning of the Companies Act 2016 [Act 777]; and
- (b) A receiver is appointed and the statement of affairs lodged with the Companies Commission of Malaysia shows that its assets would be insufficient to cover the payment of any dividends in respect of debt which are neither secured nor preferential.

105. The person making the claim for a refund is entitled for a refund of the whole of the sales tax paid if he has not received any payment in respect of the sale of taxable goods.

106. If he has received any payment in respect of the sale of taxable goods, the claim can be made for the difference between the sales tax paid and the amount calculated according to the following formula:

$$\frac{A}{B} \times C$$

Where    A    =    is the payment received in respect of the sale of such taxable goods

          B    =    is the sale value of such taxable goods plus sales tax payable on such taxable goods; and

          C    =    is the sales tax payable on such taxable goods

**Example 6:**

*Kilang Kertas Merah Sdn Bhd is a registered manufacturer, whom yet to receive the balance of payment including the sales tax amounting RM120,000 from the value of sales of RM220,000 which are not be able to collect. Later, his debtor has been declared as a bankrupt and he is unable to pay the debt. The registered manufacturer has accounted for sales tax of 10% to*

*RMCD. Hence, Kilang Kertas Merah Sdn Bhd is entitled to claim for bad debt based on the calculation as follows: -*

$$\frac{\text{RM } 100,000}{\text{RM } 220,000} \times \text{RM } 22,000 = \text{RM } 10,000$$

*The bad debt that can be claimed from RMCD is  
RM12,000 (RM22,000 – RM10,000)*

107. Where a refund for bad debt has been made by the DG to a person and any payment in respect of the sale of taxable goods for which the tax payable is subsequently received by the person, the person shall repay to the DG the tax claimed in accordance with a formula in paragraph 106.

***Example 7:***

*A registered manufacturer has received a bad debt refund from DG amounting RM5,000 in respect of the sale of taxable goods at the value of RM105,000 which cannot be collected from the debtor. Four years later the debtor is free from bankruptcy and has paid RM10,000 including 5% of sales tax to the registered manufacturer to settle his debt. Even though the payment is partially received, the registered manufacturer is required to repay the sales tax to RMCD based on the calculation as below: -*

$$\frac{\text{RM } 10,000}{\text{RM } 105,000} \times \text{RM } 5,000 = \text{RM } 476.20$$

*The repayment of sales tax to be paid to RMCD is **RM 476.20**.*

108. Whenever any person make a repayment of sales tax to the DG, he shall:-

- (i) In the case of registered manufacturer, repay the amount of sales tax to the DG in his SST-02 Form return in the taxable period in which he receives the payment of the sales tax from the debtors; and

- (ii) In the case of person who has ceased to be a registered manufacturer, the repayment shall be made to the DG in his SST-02 Form return in the last taxable period during which he was registered.

109. The person who is claiming bad debt is required to keep all the records and documents related to the claim for a period of seven (7) years from the date of the claim for inspection by the proper officer at any time.

***Example 8:***

*The registered manufacturer is selling taxable goods on 2 September 2018 and no payment has been received. His debtor has been declared bankrupt and the registered manufacturer is claiming the bad debt in the fifth year from the date of sales tax was paid on 1 October 2023. Hence, the records relating to the bad debt claim shall be kept for an additional period of seven (7) years until 30 September 2030.*

110. A registered manufacturer referred to in paragraph 102 who is eligible to apply for bad debt claim shall make an application in JKDM Form No.2 together with the following documents:

- (i) A copy of invoice issued;
- (ii) Form SST-02 form or any other documents showing sales tax have been paid and accounted for;
- (iii) Records or any other documents showing that the payment has not been received;
- (iv) Records or any other documents showing that all reasonable efforts have been taken by the person to recover the payment in respect of the provision of taxable goods;
- (v) Record showing that the payment in respect of the provision of sales of taxable goods has been written off in the person's account as bad debt; and



- (vi) Records or any other documents relating to the debtor's status as insolvent.

and to be submitted to the Revenue Accounting Branch (*Cawangan Perakaunan Hasil*) in the controlling zone / state / station.

111. A registered manufacturer referred to in paragraph 110 will be issued an approval letter if his application is approved by the DG and his approved refund amount will be transferred into his bank account.

112. The DG may disallow any refund if;

- (i) The record or any document that was submitted is untrue or incorrect; or
- (ii) For any other reasons for the purpose of protection of revenue.

#### **Payment of Sales Tax, etc. Short Paid or Erroneously Refunded**

113. The DG shall demand any person:

- (i) To pay the sales tax, surcharge, penalty, fee or other money; or
- (ii) To pay the deficient sales tax, surcharge, penalty, fee or other money; or
- (iii) To repay the refund erroneously paid to him

if the whole or any part of any sales tax due and payable, surcharge accrued, or penalty, fee or other money payable has not been paid by a person or after having been paid, has been erroneously refunded to a person.

114. Such demand shall be made within six (6) years from the time such underpayment or erroneous refund occurred.

115. Any person who has erroneously paid tax in pursuance of an order that has ceased to have effect in whole or in part, may claim for refund within one year from the date the order ceases to have effect. These claims may involve changes in the rate or type of supply.

116. Any person making such claims is required to submit an application for

approval to make amendments in his Form SST-02.

### **Refund of Sales Tax, etc. Overpaid or Erroneously Paid**

117. It is provided under section 39 of the Sales Tax Act 2018 that the DG may allow the refund of sales tax, penalty, surcharge, or any other money that was overpaid or erroneously paid, provided a claim is made within one year after the overpayment or erroneous payment was made. The application for refund must be made in the prescribed form JKDM 2 together with the relevant supporting documents as follows:

- (i) Application letter from the manufacturer that explain about refund of sales tax, penalties, surcharges, fees and any other money.
- (ii) A copy of invoice and receipt.
- (iii) A copy of exemption letter if applicable.
- (iv) A copy of Customs Form No. 1 (for imported goods).
- (v) A copy of SST-02 return.
- (vi) Statement of Refund.
- (vii) Other related documents as required by the DG.

118. Under section 39 the DG may reduce or altogether disallow any refund due to the extent that the refund would unjustly enrich the claimant on the assumption that the money refunded would not be passed on to the consumers.

### **Drawback of Sales Tax**

119. Section 40 of the Sales Tax Act 2018 allows the drawback of sales tax paid in respect of goods which are subsequently exported. It is the intention of the Government to promote export of the locally manufactured products by reducing the cost of production, thereby enhancing the competitiveness of such products in the global market.

120. A person may apply for drawback of sales tax paid in respect of goods upon exportation of such goods except petroleum. Generally, drawback of sales tax may be broadly categorised as follows:

- (i) Drawback of sales tax on tax-paid finished goods, either imported or purchased from a registered manufacturer, which are re-exported;
- (ii) Drawback of sales tax on tax-paid raw material and components that are used in the manufacturing of finished goods for export.

### **Eligibility for Drawback**

121. Application for drawback of sales tax is allowed if :

- (i) The said goods are exported within 6 months from the date on which the sales tax has been paid for the importation of taxable goods or the date of invoice for the purchase of taxable goods; and
- (ii) The application is made within three months from the date of export in the prescribed form JKDM 2 and supported by the relevant documents such as customs form no. 1, customs form no. 2, customs form no. 9, invoice from the registered manufacturer, sales invoices and other documents as may be required by the DG.
- (iii) The goods on which sales tax has been paid and drawback is claimed and must be declared on customs form no. 2 for export and to be identified to the satisfaction of a senior officer of sales tax that such goods have been exported;
- (iv) Payment of drawback on the class of goods to be exported has not been prohibited by regulations made under the customs act 1967;
- (v) The goods have not been used after importation or after payment of sales tax;
- (vi) Every application for drawback of sales tax shall be made in form JKDM no. 2 except that in cases where such goods are also eligible for

drawback under the customs act 1967, the claim may be submitted in the same form as for drawback of customs duties;

- (vii) Every person claiming the drawback must declare that the said goods are not to be relanded or detained And are not intended to be relanded or detained at any place in Malaysia.

122. Drawback is not allowed for petroleum.

123. The application of drawback required to fill in the JKDM Form No. 2 and submit the documents as follows:

- (i) Customs Form No.1 or Customs Form No.9
- (ii) Purchase invoice from registered manufacturer
- (iii) Sales invoice to exporter
- (iv) Copy of Customs Form No. 2
- (v) Copy of SST-02 Statement of Sales Tax from registered manufacturer
- (vi) Air waybill, sea waybill, manifest or bill of lading
- (vii) Other related documents containing the particulars of import / export tax.

124. Any registered manufacturer who is eligible to apply for drawback shall make an application in JKDM Form No.2 to the DG and submitted to the Revenue Accounting Branch (*Cawangan Perakaunan Hasil*) in the controlling zone / state / station.

125. In the case of drawback of sales tax related to raw material and components, prior application must be submitted to the sales tax office for the use of the drawback facility. The manufacturer is required to disclose the particulars in respect of raw materials and components, the finished goods as well as the proposed formula for the computation of drawback. Visits to the manufacturing premises are usually conducted to verify the application and for purpose of confirming the formula of computation. Where the drawback involves import duty and sales tax, the claim

for drawback is made together in the same form. In all cases, the claim for drawback would be thoroughly scrutinised to ensure that the applicant has complied fully with the imposed conditions.

### **Remission by the Minister of Finance**

126. The Minister of Finance may remit the whole or any part of the sales tax due and payable by any person.

127. Application for such remission can be made in writing to the Minister of Finance. There is no specific form to be filled but the application should provide all relevant details.

### **Remission by the DG**

128. The DG may remit the whole or any part of the penalty payable or surcharge accrued by any persons where it is just and equitable to do so. Such application can be made in writing to the DG with supporting evidence and documents to substantiate the application. The application of the remission shall be made to the DG through the respective Customs controlling zone / state / station.

129. Any person who intend to apply for remission on any sales tax, surcharges, penalties, fees and other money payable is required to submit the documentation as follows:

- (i) An appeal letter
- (ii) Account audit report (if applicable)
- (iii) Police report (such as theft / fire / natural disaster / etc.)
- (iv) Fire report (in case of fire)
- (v) A copy of insurance policy (if applicable)
- (vi) Other related documents (if applicable)

## **Refund by the Minister of Finance and DG**

130. Minister of Finance and the DG subject to conditions in a particular case may direct a refund of the whole amount of sales tax, surcharge or penalty to which the remission relates.

## **SALES TAX RULING**

### **Public Ruling**

131. A public ruling is a ruling made by the DG and issued to the public to provide guidance on the interpretation and application of any provision of the Sales Tax Act 2018. The aim is to provide clarity and transparency in the application of the sales tax legislation.

132. Any public ruling issued is applicable to any person or class of persons, or any type of arrangement. Where a ruling has been issued to the public, the DG may withdraw either wholly or partially such ruling to facilitate the implementation of the Sales Tax Act 2018.

### **Customs Ruling**

133. A customs ruling is a ruling made by the DG upon application by any person to seek ruling on the application of the provisions of the Sales Tax Act and arrangement for which the customs ruling is sought. The issuance of a customs ruling aims to ensure clarity and certainty of tax treatment and consistency in the application of the Sales Tax legislations. This will help to promote compliance and minimise disputes.

134. An application for customs ruling is required to be made in such form and manner as the DG may determine and subject to a prescribed fee.

135. When an application for customs ruling is received, the DG will make a ruling sought by the person which will take effect from the date as specified in the ruling.

136. A person who has obtained a customs ruling is required to notify in writing to the DG the following information:

- (i) Whether there are material changes made to the arrangement identified in the customs ruling;
- (ii) Whether the person accepts the customs ruling and intends to apply such ruling to the said arrangement; and
- (iii) Whether the person has entered into or effected the arrangement for which the customs ruling is sought.

137. Any customs ruling issued for the purpose of any arrangement is final and no appeal can be lodged against such ruling.

138. Where a provision of the Sales tax Act is amended or repealed which relates to a customs ruling issued, such ruling shall be treated as not applicable effective from the date when the provision is amended or repealed.

139. Any person may apply to the DG for customs ruling under section 43 of the Sales Tax Act 2018 on the following matters:

- (i) Classification of taxable goods;
- (ii) Determination of a taxable person;
- (iii) The principles to be adopted for the purposes of determination of value of taxable goods;
- (iv) Any other matters as prescribed by the DG.

## **SPECIAL PROVISIONS RELATING TO DESIGNATED AREAS (DA)**

### **Interpretation**

140. Under Part VIII of the Sales Tax Act 2018, the interpretation of Malaysia and designated area are as follows:

- (i) 'Malaysia' excludes designated areas and the special areas;
- (ii) 'designated areas' means Labuan, Langkawi, and Tioman;
- (iii) 'Langkawi' means the Island of Langkawi and all adjacent islands lying

nearer to the Island of Langkawi than to the mainland.

- (iv) 'Labuan' means the Island of Labuan and its dependent islands namely Rusukan Besar, Rusukan Kecil, Keraman, Burong, Papan and Daat.
- (v) 'Tioman' means the Island of Tioman and the islands of Soyak, Rengis, Tumok, Tulai, Chebeh, Labas, Sepoi and Jahat.

### **Application**

141. The Sales Tax Act 2018 shall not apply to any taxable goods manufactured in the DA other than petroleum. Taxable goods manufactured and sold, used or disposed or transported in the DA other than petroleum is not subject to sales tax.

142. Any taxable goods imported into DA from outside Malaysia or transported to DA from Malaysia is not subject to sales tax unless they are prescribed by the Minister in an order published in the Gazette. The taxable goods prescribed are:

- (i) Langkawi : Importation of marble, petroleum and anchovies
- (ii) Tioman : Importation of petroleum and motor vehicles
- (iii) Labuan : Importation of petroleum

143. Taxable goods transported between the DA are not subject to sales tax.

144. Taxable goods transported from DA to Malaysia are treated as if the goods were importation imported into Malaysia. Sales tax shall be payable on such taxable goods upon importation into Malaysia. The sale value of taxable goods that is liable to sales tax shall be determined in accordance with paragraph 8 above.

145. Taxable goods transported from Malaysia to DA are treated as if such goods had been exported from Malaysia or to a place outside Malaysia.

146. Taxable goods transported from DA to Special Area (SA) are not subject to sales tax.



## **Application of Drawback**

147. Section 40 provides that drawback is applicable to taxable goods other than any goods declared by the Minister to be taxable on importation into DA.

## **SPECIAL PROVISIONS RELATING TO SPECIAL AREAS (SA)**

### **Interpretation**

148. Under Part IX of the Sales Tax Act 2018, the interpretation of Malaysia and special areas are as follows:

- (i) 'Malaysia' excludes designated areas and the special areas;
- (ii) 'Special areas' means any free zone, licensed warehouse, licensed manufacturing warehouse and the Joint Development Areas.

### **Application**

149. The Sales Tax Act 2018 shall not apply to any taxable goods manufactured in the SA.

150. Taxable goods manufactured and sold, used or disposed or transported in the SA is not subject to sales tax

151. No sales tax shall be levied and payable on any taxable goods imported into the special areas or transported to the special areas from Malaysia except for any taxable goods which the Minister may from time to time declare by order published in the Gazette.

152. Taxable goods transported between the SA are not subject to sales tax

153. Taxable goods transported from SA to Malaysia are treated as if such goods were imported into Malaysia. Sales tax shall be payable on such taxable goods upon importation into Malaysia. The sale value of taxable goods that is liable to sales tax shall be determined in accordance with paragraph 8 above.

154. Taxable goods transported from Malaysia to SA are treated as if such goods had been exported from Malaysia or to a place outside Malaysia.

155. Taxable goods transported from SA to DA are not subject to sales tax.

### **Application of Drawback**

156. Section 40, Sales Tax Act 2018 provides that drawback is applicable to taxable goods other than any goods declared by the Minister to be taxable on importation into SA.

## **REVIEW AND APPEAL**

157. Any person who is aggrieved with any decision made by the DG may apply for review and revision of the decision to the DG within thirty (30) days from the date of notification of such decision. Upon receiving such application, the DG will make a decision within sixty (60) days or within the time practicable and notify the person.

158. Every application for a review to be made under section 96 of the Sales Tax Act 2018 shall be made in Form **SST-03 Form**.

159. Where any person is aggrieved by the decision of the DG (including decision after review and revision), he may appeal against such decision to the Customs Appeal Tribunal within thirty (30) days from the date of the disputed decision. Any appeal must be made in a prescribed form together with a prescribed fee.

## **TRANSITIONAL PROVISIONS**

### **Repeal of GST Act 2014**

160. With effective from 1 September 2018, the Goods and Service Tax (GST) Act 2014 is repealed. The impact on GST and sales tax from 1 September 2018:

- (i) GST can no longer be imposed on any supply of goods made in Malaysia including deemed supplies under GST Act 2014 and any importation into Malaysia; and
- (ii) The sale of taxable goods will be subject to sales tax.
- (iii) Continuance of liability, etc.

- (a) Any liability incurred may be enforced;
- (b) GST due, overpaid or erroneously paid may be collected, refunded or remitted,
- (c) Sections 178, 181 and 191 of the GST Act 2014 shall continue to remain in operation after 1 September 2018.

### **Registration During The Transitional Period**

161. A manufacturer, who manufactures taxable goods before the 1 September 2018 and has exceeded the threshold on 1 September 2018 shall apply for registration within 30 days from 1 September 2018. The DG shall register the manufacturer with effect from the first day of the month following the month in which the application is made and the manufacturer shall charge sales tax with effect from such date. His registration will commence on 1 October 2018.

162. A manufacturer who manufactures goods before 1 September 2018 but this goods will become taxable goods on 1 September 2018 and has applied for registration before 1 September 2018. The DG shall register the manufacturer if his total sales value of taxable goods exceeds the threshold using the future method (in the month of effective date and eleven months immediately succeeding that month), on 1 September 2018 and the registered manufacturer shall charge sales tax on the taxable goods sold, used or disposed of with effect from such date.

163. A manufacturer who is registered for GST before 1 September 2018 who manufactures taxable goods on 1 September 2018 is deemed to be registered under the Sales Tax Act 2018 if his total sales value of taxable goods exceeds the threshold using the future method (in the month of effective date and eleven months immediately succeeding that month) and shall charge sales tax on 1 September 2018.

### **Automatic Registration**

164. Manufacturers who are GST registered persons which have been identified and fulfilled the required registration criteria will be registered automatically as

registered manufacturer under Sales Tax Act 2018 with effect from 1 September 2018. The registered manufacturer needs to charge sales tax from 1 September 2018 onwards.

165. Please refer to the SST Online Registration guide for registration in MySST portal.

### **Furnishing of Return/Declaration For The Last Taxable Period, Payment of GST, Claiming for Input Tax and Refund.**

166. The taxable period for a person registered for GST which begins before 1 September 2018 and ends after 1 September 2018 shall be deemed to end on 1 September 2018.

167. The submission of GST-03 under section 40 of the Repealed GST Act 2018, for the last taxable period shall be furnished and corresponding payment of GST shall be made no later than one hundred and twenty (120) days from 1 September 2018 i.e. before or on 29 December 2018.

168. Any declarations under subsection 42(1) of the Repealed GST Act 2018 shall be made and furnished with payment of GST to be made no later than thirty (30) days from 1 September 2018 i.e. before or on 30 September 2018.

169. Any input tax claim under Repealed GST Act 2018 which has not been claimed before 1 September 2018 shall be claimed in the return under paragraph 156 and that claim shall be considered as the final claim for all input tax.

170. Any refund which is subject to verification, audit or investigation which relates to any input tax that has not been made by the DG on 1 September 2018, or any input tax claim made under paragraph 158, the refund shall be paid by the DG within six years from 1 September 2018.

### **Pending Reviews and Appeals**

171. DG may make decision on any review application made immediately before 1 September 2018, on or after 1 September 2018.

172. Decision of review made by the DG before or after 1 September 2018, which is appealable to the GST Appeal Tribunal, may be appealed to the Customs Appeal Tribunal provided that the appeal is made within thirty (30) days from the date of the decision;

173. GST Appeal Tribunal may continue to hear and decide any appeal which is pending immediately before 1 September 2018, on or after 1 September 2018.

### **GST Tax Agent**

174. A registered tax agent under section 170 GSTA 2014 is allowed to represent a GST registered person until the expiry of his license and not allowed to represent a taxable person on sales tax.

### **Invoices**

175. A registered manufacturer may continue to issue invoices which were pre-printed during the implementation of GST as invoices required to be issued under section 21 of STA 2018 until such invoices are disposed of or within the period of three months from 1 September 2018, whichever is the earlier.

## **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](mailto:ccc@customs.gov.my)