

Malaysia Tax Authority publishes FAQs and proposed implementation models for SST

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In preparation for the re-introduction of the Sales and Service Tax (SST) on 1 September 2018, the Royal Malaysian Customs Department (RMCD) has released a list of frequently asked questions (FAQs) and details pertaining to the proposed implementation models for SST.

The table below summarizes the key points of the proposed SST implementation models:

Framework	Sales Tax	Service Tax
Scope	Levied on: <ul style="list-style-type: none"> ▶ Taxable goods manufactured in Malaysia by a taxable person and sold by him; and ▶ Taxable goods imported into Malaysia 	Charged on any provision of taxable services made in the course or furtherance of any business by a taxable person in Malaysia
Registration and threshold	Person who manufactures taxable goods and the annual turnover exceeds the MYR500,000 (approx. US\$123,000) threshold	Service provider who provides taxable services and the value of the taxable services provided for a period of 12 months exceeds the MYR500,000 threshold

Framework	Sales Tax	Service Tax
Rate(s)	5%, 10% or a specific rate	Fixed rate of 6%, and a specific rate of MYR25 (approx. US\$6) for the provision of credit card or charge card services
Filing of returns	Submission on a bi-monthly basis via electronic filing or by post	Submission on a bi-monthly basis via electronic filing or by post

The scope of the Service Tax has been expanded to include provision of IT services, electricity and domestic flights, except Rural Air Services.

Along with the expansion in scope, it is anticipated that certain exemptions from the previous SST legislation will be removed or restricted under the new Acts such as exemption for the provision of services to companies within the same group and certain other exemption facilities.

RMCD has also clarified that it will carry on with Goods and Services Tax (GST) audits for closure purposes after the SST comes into effect.

Access the list of FAQs, the proposed implementation models for SST, and the list of proposed goods exempted from Sales Tax using the links below:

- ▶ [Sales Tax FAQ \(English\)](#) or [Sales Tax FAQ \(Bahasa Malaysia\)](#)
- ▶ [Service Tax FAQ \(English\)](#) or [Service Tax FAQ \(Bahasa Malaysia\)](#)
- ▶ [Proposed Sales Tax Implementation Model](#)
- ▶ [Proposed Service Tax Implementation Model](#)
- ▶ [Proposed Goods Exempted from Sales Tax](#)

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