



SERVICE TAX 2018

**GUIDE ON :
RETURN & PAYMENT**

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INTRODUCTION

1. This guide provides information pertaining to the requirements and procedures for submitting the Service Tax return in a prescribed form (SST-02) and make Service Tax payments under the Service Tax Act 2018.

OVERVIEW OF SERVICE TAX

2. Service tax shall be charged and levied on any taxable services provided in Malaysia by a registered person in carrying on his business.

3. Service tax only can be charged and levied on any services under the First Schedule of the Service Tax Regulations 2018.

4. Registered person is a taxable service provider who is liable to be registered under Section 13, Service Tax Act 2018 with taxable service value exceeds RM 500,000 within the period of 12 months.

SERVICE TAX RETURN

5. Every registered person is required to account for service tax based on the payment basis where tax is required to be accounted for whenever the payment of services is received or used.

6. Every registered person shall in respect of his taxable period account for the service tax due in a return as may be prescribed and the return shall be furnished to the Director General in the prescribe manner not later than the last day of the month following the end of his taxable period to which the return relate by using the Form SST-02.

7. All particulars as requested in Form SST-02 should be furnished by the registered person and should contain a declaration that such return true and complete.

TAXABLE PERIOD

8. The first taxable period shall begin from the date the registered person should have been registered and end on the last day of the following month. The subsequent taxable period shall be a period of two months ending on the last day of any month of any calendar year.

9. For example: Odd Financial Year End (FYE) Month. (If your effective date of registration is 1st September 2018).

| Month of Financial Year End | First Taxable Period | Return and Payment Period Due | Subsequent Taxable Period (Every Two Months) |
|-----------------------------|--|---|--|
| January | 1 st to 30 th September 2018 | 1 st to 31 st October 2018. | 1 st October to 30 th November 2018, 1 st December 2018 to 31 st January 2019, 1 st February to 31 st March 2019 and so on. |
| March | | | |
| May | | | |
| July | | | |
| September | | | |
| November | | | |

10. For example: Even Financial Year End (FYE) Month. (If your effective date of registration is 1st September 2018).

| Month of Financial Year End | First Taxable Period | Return and Payment Period Due | Subsequent Taxable Period (Every Two Months) |
|-----------------------------|---|--|---|
| February | 1 st September 2018 to 31 October 2018 | 1 st to 30 th November 2018. | 1 st November to 31 st December 2018, 1 st January to 28 th February 2019, 1 st March to 30 th April 2019 and so on. |
| April | | | |
| June | | | |
| August | | | |
| October | | | |
| December | | | |

11. However a registered person may apply in writing to the DG for a taxable period other than the period as determined above.

LAST DATE TO FURNISH THE SST-02 RETURN

12. The SST return (Form SST-02) is required to be furnished to the DG not later than the last day of the month following the end of the taxable period.

13. Where a registered person's taxable period does not end on the last day of the month, the SST-02 return should be furnished no later than the last day of the thirty-day period from the end of the varied taxable period.

14. For the purpose of receiving returns of service tax, if the last day falls on the Federal weekly holiday or Federal public holiday then the last day to receive such return and payment is on the day immediately after the Federal weekly holiday or the Federal public holiday.

SUBMISSION OF SST-02 RETURN

15. The registered person can submit the SST-02 return through any of these means:

- (i) Submitting electronically through MySST Portal by log in to MySST System by key in User Id and password. *For further information, please refer Appendix I - User Manual*); OR
- (ii) By posting to the Customs Processing Centre (CPC):
 - (a) Download SST-02 from portal MySST and type in by using block letters. For further information, please refer *Appendix II – SST-02 Return Guidelines (Manual Submission)*); and
 - (b) The completed form **must be posted** to the following address:

Customs Processing Centre (CPC),

Jabatan Kastam Diraja Malaysia,
Kompleks Kastam WPKL,
No. 22 Jalan SS 6/3 Kelana Jaya,
47301 Petaling Jaya, Selangor.

16. For the return submitted by post, the receipt of the return is acknowledged based on the post-mark date. However, for the return submitted electronically, the

receipt of the return is acknowledged based on the date received by the MySST system.

17. The SST-02 return should be furnished whether there is tax to be paid or not (Nil Return).

18. The declaration of the SST-02 return shall contain all taxable services performed to the customer including the service for own use.

19. According to section 26 (6) of the Service Tax Act 2018, any registered person who contravenes section 26 subrule (1), (2) or (3) of the Service Tax Act 2018 or furnishes an incorrect return shall be guilty of an offense and can be fined up to a maximum of RM50,000.00 or a maximum of 3 years imprisonment or both.

NOTICE OF SST ASSESSMENT

20. The Director General may assess to the best off of his judgement the amount of service tax due and payable and the penalty payable if any by the registered person and shall forthwith notify him of the assesment in writing.

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

SST RETURN AMENDMENT

22. If a registered person makes an error in any return SST-02 furnished under the Act, he shall correct it in such manner and within such time as the officer of customs may require.

| SITUATION | ACTION |
|---|------------------------------|
| Before due date and payment not made | No limitation for amendment. |
| Before due date and payment was made | No amendment allowed. |
| After due date | No amendment allowed. |

PAYMENT

23. Any registered person who is required to furnish a SST-02 return must pay to the DG the amount of tax due and payable by him.

METHOD OF PAYMENT

24. Payment of service tax can be made electronically through the MySST system (Financial Process Exchange (FPX)) or manually by cheque or bank draft only. Any cash payment is **not allowed**.

25. Only full payment can be made through online. Partial payment can be made by cheque or bank draft.

26. For Corporate Account payment (B2B) minimum payment is RM2 to maximum of RM10 million and Individual (B2C) minimum payment is RM1 to maximum of RM30,000. If your total paid amount exceeded the maximum limit, please pay by cheque at **Customs Processing Center**.

27. For payment by cheque or bank draft, registered person must attach the the printed SST-02 return and post to:

Customs Processing Center (CPC)

Jabatan Kastam Diraja Malaysia

Kompleks Kastam WPKL

No. 22 Jalan SS 6/3 Kelana Jaya

47301 Petaling Jaya, Selangor.

28. Cheque or bank draft must be in the name of **KETUA PENGARAH KASTAM MALAYSIA**.

29. The registered person needs to send the return and make payment at the same time. Any manual payments made without submitting a SST-02 **will not be processed**.

30. The important information that needs to provide on the back of the cheque :

(i) Company Name – e.g. : *Syarikat ABC*

- (ii) SST Number– e.g. : W24-YYMM-XXXXXXXX
- (iii) Taxable Period – e.g. : 01.09.2018 – 30.09.2018
- (iv) Telephone Number – e.g. : 03-8888 9999

HOURS OF PAYMENT

31. The ordinary hours which the service tax administration offices shall be open for matters relating to service tax are as follows:

- (i) For the state of Malacca, Negeri Sembilan, Pahang, Perak, Perlis, Penang, Selangor, Sarawak, Sabah and Federal Territories (Kuala Lumpur, Putrajaya and Labuan) where the weekly holidays are Saturday and Sunday, the hours shall be from 8.00 am to 5.00 pm on Monday to Friday.
- (ii) For the state of Johore, Kedah, Kelantan and Terengganu where the weekly holidays are Friday and Saturday, the hours shall be:
 - (a) From 8.00 am to 5.00 pm on Sunday to Wednesday; and
 - (b) From 8.00 am to 3.30 pm on Thursday

41. For the purpose of receiving payments of service tax, penalty, surcharge and other payment via the **electronic service** made after 11.30 pm shall be deemed to receive on the following day.

42. For the purpose of payment of service tax, if the last day falls on the Federal weekly holiday or Federal public holiday then the last day to make payment is on the day immediately after the Federal weekly holiday or the Federal public holiday.

LAST DATE TO MAKE PAYMENT

32. Any tax due in respect of a taxable period becomes payable not later than the last day on which the registered person is required to furnish the SST-02 return.

33. Any cheque and bank draft for tax payment is considered received by the DG on the date of the amount is duly paid.

PENALTY FOR LATE PAYMENT OF TAX

34. Where any tax due and payable is not paid wholly or partly by any registered person after the last day on which it is due and payable and no prosecution is instituted, the registered person shall pay a penalty:-

- (i) For the first thirty-day period, that the service 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-day period that the service 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-day period that the service 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.

| Period of late payment of tax | Rate of Penalty |
|---|--|
| 1 to 30 days from the 1 st day after due date | 10% |
| 31 to 60 days from the 1 st day after due date | 15% |
| 61 to 90 days from the 1 st day after due date | 15% |
| 91 days and above from the 1st day after due date | 40% (maximum) (10% + 15% + 15%) |

FREQUENTLY ASKED QUESTIONS (FAQs)

Return

1. Q : **Can I submit SST-02 returns manually?**

A : Yes. The registered person can submit the SST-02 return manually by posting to the Customs Processing Centre (CPC);

(i) Download SST-02 from portal MySST and type in by using capital letter (**handwritten is not allowed**) ; and

(ii) The complete form **must be posted** to the following address:

Customs Processing Centre (CPC)

Jabatan Kastam Diraja Malaysia,
Kompleks Kastam WPKL,
No. 22 Jalan SS 6/3 Kelana Jaya,
47301 Petaling Jaya, Selangor.

2. Q : **Can I amend the SST-02 after the SST-02 return has been submitted?**

A : Yes. An Amendment can be made based on the following condition;

| SITUATION | ACTION |
|---|------------------------------|
| Before due date and payment not made | No limitation for amendment. |
| Before due date and payment was made | No amendment allowed. |
| After due date | No amendment allowed. |

Payment

3. Q : **What is the payment method for SST payment?**

A : The Payment of SST can be made via two (2) method as follows:

(i) Eelectronically through the MySST system (Financial Process Exchange (FPX)); and

(ii) Manually by cheque or bank draft.

****Cash payment is not allowed.***

4. Q : **Can the payment made manually at any nearest Customs station?**
A : No. Manual payment ONLY can be made by posting to Customs Processing Centre (CPC)
5. Q : **If I choose to make payment manually, what are the documents require to submit?**
A : For manual payment method, documents as follows are required to submit;
- (i) Copy of Completed SST-02 returns if already submitted online or Completed SST-02 returns that you want to submit manually to CPC
 - (ii) The important *information* that needs to provide on the *back of the cheque*:
 - (a) Company Name – e.g. : *Syarikat ABC*
 - (b) SST Number– e.g. : *W24-YYMM-XXXXXXXXX*
 - (c) Taxable Period – e.g. : *01.09.2018 – 30.09.2018*
 - (d) Telephone Number – e.g : *03-8888 9999*
6. Q : **If I choose to make payment online (via FPX), when is my transaction is considered received?**
A : For the purpose of receiving payments of service tax, penalty, surcharge and other payment via the electronic service made after 11.30 pm shall be deemed to receive on the following day.
7. Q : **If the last day of the month falls on a weekend, when do I have to make payment?**
A : If the last day falls on the Federal weekly holiday or Federal public holiday then the last day to make payment is on the day immediately after the Federal weekly holiday or the Federal public holiday.

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 SST 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