

TECHNICAL

Indirect Taxation

Minutes of Meeting No. 1/2018 of Technical Committee on Sales Tax and Service Tax Implementation Issues

The Royal Malaysian Customs Department (RMCD) has released the [Minutes of Meeting No. 1/2018 of Technical Committee on Sales Tax and Service Tax Implementation Issues](#) (*"Minit Mesyuarat Jawatankuasa Teknikal Isu Pelaksanaan Cukai Jualan dan Cukai Perkhidmatan Bil. 1/2018"*) which was held on 13 December 2018. The issues raised at the meeting include the following: -

Sales Tax (page 3 to page 7 of the Minutes)

- Section 9(3) – Valuation of service for subcontracting arrangements
- Section 11(1) – Time of sale, disposal and first used is subjective
- Sales Tax exemption
- Exemption for manufacturing inputs
- Consultation and Guidelines
- LMW/Free Zones buying from traders or registered manufacturers in PCA
- Sales Tax drawback under item 33
- Hardcopy of Sales Tax exemption certificate
- Drawback - Regulation 17 of the Sales Tax Regulations
- Treatment for drop shipment

Service Tax (page 7 to page 20 of the Minutes)

- Group G, Management Services
- Disbursement and reimbursement
- Exemption for Intra Group services
- Employment services
- Export of services
- Accommodation (Group A) and Food and Beverage (Group B)
- Service Tax relief for Intra Group services
- Classification of freight forwarder's services as taxable under Group G, First Schedule of the Service Tax Regulations 2018
- Management services
- Forwarding services
- Import / Export charges
- Container movement
- Warehousing
- Forwarding Agent
- Reimbursement service/Local transportation/Haulage fees
- Warehousing
- Customs Agents
- Freight forwarder

- Customs clearance
- Logistics services
- Warehousing services
- Intra Group relief
- Conversion of foreign currency to Ringgit - Regulation 10 of Service Tax Regulations 2018
- Public Bonded Warehouse

Transitional issues *(page 20 to page 21 of the Minutes)*

- Issuance of invoice
- Retention sum
- Bad debt
- Advance payment

Other issues *(page 21 to page 22 of the Minutes)*

- MySST system
- Penalties
- Deregistration
- Return

Members may view the [Minutes](#) in full at the website of the Institute.

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concern or comments you may have on the above Minutes so that we may raise them to the RMCD.

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