

TECHNICAL

Indirect Taxation

RMCD Announcement on Service Tax Amendments 2019

The Royal Malaysian Customs Department (RMCD) has uploaded an [announcement on Service Tax Amendments 2019](#) on its website. According to the announcement, there are amendments to the service tax treatment effective from 1 January 2019 as follows: -

1. Exemption from payment of service tax under the Service Tax (Persons Exempted from Payment of Tax) Order 2018; (also reported in our [e-CTIM TECH-IT 1/2019 – P.U.\(A\) 380/2018](#))
2. Minister's exemption for imported taxable service in Group G (Professionals); *
3. Management services in item 9 of Group G (Professionals); (refer to [Appendix of the announcement on Service Tax Amendments 2019](#) for the list of provision of management services); *
4. **Additional taxable services in Group I (Other Service Provider); *** and
 - a) Taxable services of Group I has been expanded by inserting new services as follows: -
 - i. Amusement park services
 - ii. Brokerage and underwriting services
 - iii. Cleaning services
 - iv. Training or coaching services will be under consultancy services in Group G
 - b) The threshold for the additional taxable services is RM500,000 in a year.
5. **Registration and charging for the new taxable services**
 - a) Any person who provides the new taxable services before 1 January 2019 shall apply for registration not later than 28 February 2019 in accordance with section 13 of the Service Tax Act 2018 if there are reasonable grounds for believing that the total value of his taxable services provided in the month of January 2019 and eleven months immediately following the month of January 2019 will exceed the total value of RM500,000;
 - b) The registration will take effect from 1 March 2019 as provided under section 13(3) of the [Service Tax Act 2018](#).
 - c) The registered person shall **start charging service tax from 1 March 2019**.

*Note: * Also refer to the [Service Tax \(Amendment\) \(No. 3\) Regulations 2018 – P.U.\(A\) 398/2018](#) reported in our [e-CTIM-TECH-IT 1/2019](#)*

Members may read the announcement on Service Tax Amendments 2019 in full on the websites of the [Institute](#) and the [RMCD](#). Members are also encouraged to visit the [MySST website](#) for further updates by the RMCD on the above matters.

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 announcement on Service Tax Amendments 2019 so that we may raise them to the RMCD.

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