
TECHNICAL

Indirect Taxation

Service Tax on Management Services of Freight Forwarders and Inbound Tour Packages by Tourist Agents

The Institute had sought clarification from the Royal Malaysian Customs Department (RMCD) - Policy and Implementation of Service Tax Division, Putrajaya Headquarters on the **deferral of service tax** on management services of freight forwarders and inbound tour packages by tourist agents with the intention to update members of the RMCD's / Ministry of Finance's decision on these deferrals pending the official announcement by the RMCD.

The Institute has prepared the following questions and obtained specific answers from RMCD and the release of these questions and answers have been endorsed: -

Question and Answers:

- 1. Confirmation that the Minister of Finance / RMCD had decided to defer the imposition of service tax on management services of freight forwarders and inbound tour packages by tourist agent.**

RMCD's response:

Yes, MOF has decided to defer the imposition of service tax on management services of freight forwarders and inbound tour packages.

- 2. If yes, what is the effective date of this deferment? –**

RMCD's response:

The effective date is **3 May 2019**.

- 3. Are these deferrals going to be officially announced to the public or made available in the MySST website? –**

RMCD's response:

Will be announced once proper documentation settled.

- 4. Does the deferment of the imposition of service tax also affect other industries or service providers?**

RMCD's response:

The deferment are for freight forwarders, inbound tour packages, amusement park and coin operated laundry machine. However, amusement park and coin operated laundry machine will not be subjected to service tax starting on **1 June 2019**.

- 5. Confirmation whether the service tax which has been charged and paid by customers on or after the effective date of the deferment need to be declared in the SST-02 return.**

RMCD's response:

Services provided before 3 May 2019 are subject to service tax whilst services provided from 3 May 2019 onward are not subject to service tax.

6. Can SST registrants issue credit notes for invoices which are yet to be paid by customers in relation to the deferment of service tax? –

RMCD's response:

Only if the services provided from 3 May 2019 onwards.

Members should refer to the above for the purpose of information only and not to rely on the answers for any action to be taken until the release of any relevant official document by the authorities to confirm the above matters.

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