

TECHNICAL

Indirect Taxation

INDIRECT TAX UPDATES - SERVICE TAX REGULATIONS AND SALES TAX ORDERS

The following Regulations and Orders have been gazetted: -

SERVICE TAX

P.U. (A)	Remarks
<p>357/2019</p> <p>Service Tax (Amendment)(No.2) Regulations 2019</p> <p>Gazette date: 23 December 2019</p>	<p>These Regulations came into operation on 1 January 2020.</p> <p>Amendments are made to the Service Tax Regulations 2018 [P.U.(A) 214/2018] dated 29 August 2018 (reported in our e-CTIM TECH-IT 25/2018 dated 30 August 2018) in the First Schedule which include: -</p> <ul style="list-style-type: none"> • Insertion of new paragraph 8(2) in First Schedule of the Service Tax Regulations 2018 [P.U.(A) 214/2018] which states that – “....where a company provides any taxable service to another person outside the group of companies, the same taxable service provided to any company within the group of companies shall not be taxable service, provided that the total value of taxable service to another person outside the group of company in that month and the 11 months immediately succeeding that month does not exceed an amount equal to 5% of the total value of taxable service.”; • Insertion of new taxable persons and taxable services in Group G (Professionals) – i.e. any training centre or coaching centre (with specific criteria), any person who operates online platform or market place, etc; and • Inclusion of provision of digital services and digital advertising services as taxable service in Group I (Other service providers)

SALES TAX

P.U. (A)	Remarks
<p>370/2019</p> <p>Sales Tax (Rates of Tax)(Amendment) Order 2019</p> <p>Gazette date: 26 December 2019</p>	<p>This Order came into operation on 1 January 2020.</p> <p>Amendments are made to the Sales Tax (Rates of Tax) Order 2018 [P.U.(A) 221/2018] dated 29 August 2018 (reported in our e-CTIM TECH-IT 25/2018 dated 30 August 2018) in the First Schedule which include insertion of following items which are to be charged at the sales tax rate of 5% : -</p> <ul style="list-style-type: none"> • Heading 39.26 – Other articles of plastics and articles of other materials of headings 39.01 to 39.14; • Heading 70.07 – Safety glass, consisting of toughened (tempered) or laminated glass; and • Heading 94.01 – Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof.
<p>371/2019</p> <p>Sales Tax (Persons Exempted from Payment of Tax)(Amendment)(No.2) Order 2019</p> <p>Gazette date: 26 December 2019</p>	<p>This Order came into operation on 1 January 2020.</p> <p>Amendments are made to the Sales Tax (Persons Exempted from Payment of Tax) 2018 [P.U.(A) 210/2018] dated 28 August 2018 (reported in our e-CTIM TECH-IT 25/2018 dated 30 August 2018) in Schedule A in relation to item no. 38 on manufacturer in the Principal Customs Area and item no. 54 on any manufacturer in a free zone established under the Free Zones Act 1990.</p>

Members may read the above Regulations and Orders in full at the official website of the [Attorney-General's Chambers](#).

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