
TECHNICAL

Indirect Tax

RMCD – Notice on Exemption of Import Duty and Sales Tax for Medical and Laboratory Equipment, Personal Protective Equipment and Consumables donated to the Ministry of Health to curb COVID-19

The Royal Malaysian Customs Department (“RMCD”) has uploaded the [Notice](#) on exemption of import duty and sales tax for medical and laboratory equipment, personal protective equipment and consumables donated to the Ministry of Health (“MOH”) to curb COVID-19 (only available in Bahasa Malaysia) dated 24 March 2020 on its [MySST website](#).

According to the [Notice](#), pursuant to the provisions of S.14(2) of the [Customs Act 1967](#) and S.35(3)(a) of the [Sales Tax Act 2018](#), the Minister of Finance has agreed that importation or local purchases by any person for the purpose of donation to the MOH be given exemption from import duty and sales tax on equipment which are subject to duty / tax as per the [“LAMPIRAN A” dated 25 March 2020](#) (which supersedes the [“LAMPIRAN A” dated 24 March 2020](#)).

The said approval is subject to the following:

- i. An importer is exempted from payment of import duty and sales tax in accordance with the provisions under S.14(2) of the Customs Act 1967 and S.35(3)(a) of the Sales Tax Act 2018;
- ii. A manufacturer registered for sales tax is given exemption from charging sales tax in accordance with the provision of S.35(3)(a) of the Sales Tax Act 2018. Exemption is given based on S.35(4) of the Sales Tax Act 2018;
- iii. The abovementioned import duty and sales tax exemption are effective from **25 March 2020 at 12:01 a.m.** until a date which is to be announced later by the Ministry of Finance after the end of the COVID-19 pandemic has been declared by the Government; and
- iv. This import duty / sales tax exemption is subject to the donors who import or make local purchases of dutiable / taxable goods submitting an endorsement letter from the MOH Malaysia to the RMCD.
- v. Application for permit should be made to the relevant Ministry / Department / Agency as per the [“LAMPIRAN B” dated 25 March 2020](#) (which supersedes the [“LAMPIRAN B” dated 24 March 2020](#)).

For goods that are only subject to import duty, the importers / donors may also use the import duty exemption facility provided under item 77 of the [Customs Duties \(Exemption\) Order 2017](#) [P.U. (A) 445/2017] for the purpose of donating goods to any Federal or State Government Department or a statutory body, subject to the conditions stipulated under the said item 77 as per [“LAMPIRAN C” dated 25 March 2020](#).

Members may view the above [Notice dated 24 March 2020](#) and the [“Lampiran A, B and C” dated 25 March 2020](#) 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 matter.

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 [Notice dated 24 March 2020](#) and the [“Lampiran A, B and C” dated 25 March 2020](#) so that we may raise them to the RMCD.

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