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**TECHNICAL**

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**Indirect Taxation**

**[Minutes of Meeting No. 1/2020 of Technical Committee on Sales Tax and Service Tax Implementation Issues dated 13 August 2020](#)**

The Royal Malaysian Customs Department (RMCD) has released the [Minutes of Meeting No. 1/2020 of Technical Committee on Sales Tax and Service Tax Implementation Issues](#) (“*Minit Mesyuarat Jawatankuasa Teknikal Isu Pelaksanaan Cukai Jualan dan Cukai Perkhidmatan Bil. 1/2020*”) which was held on 13 August 2020. The issues raised at the meeting include the following: -

**Sales Tax (page 3 to page 5 of the Minutes)**

- Registration / exemption from registration – sorting and repacking of used clothing
- Disposal of manufacturing waste with zero value – procedure and process

**Service Tax (page 5 to page 13 of the Minutes)**

- B2B service tax exemption condition on ‘same service’ and ‘not for personal consumption’ – does not avoid double taxation in some cases
- Ambiguity and confusion caused by digital service versus other taxable services e.g. IT services, telco services and subscription broadcasting services
- Service Tax (Amendment) Act 2019 [Act A1597]
- Service Tax (Amendment) (No. 2) Regulations 2019 [P.U.(A) 357/2019]
- Column (2), Item (h), Group G - IT services
- “Personal Consumption” condition in P.U.(A) 388/2019
- Exemption on all professional services
- Service tax policy to be gazetted
- Service tax on online distance learning services

**Other issues (page 13 to page 15 of the Minutes)**

- Delay in issuance of customs ruling in some cases
- Sales tax and service tax exemptions for classes of persons and goods / services, which are not prescribed by order, to be published on a specific webpage in MySST portal
- Update on item 3, Schedule B, Sales Tax (Person Exempted From Payment of Tax) Order 2018
- Goods exported to Designated Area (DA), Item 57, Schedule A, Sales Tax (Person Exempted From Payment of Tax) Order 2018
- MIDA endorsement, application for exemption

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

You may write to the Institute at [technical@ctim.org.my](mailto:technical@ctim.org.my) or [secretariat@ctim.org.my](mailto: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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