

**TECHNICAL**

**Indirect Taxation**

**INDIRECT TAX UPDATES – RECENT SERVICE TAX ORDERS AND REGULATIONS**

The following Orders and Regulations have been gazetted on 31 December 2019 and came into operation on 1 January 2020: -

P.U. (A)	Remarks
388/2019 <a href="#">Service Tax (Persons Exempted from Payment of Tax) (Amendment) Order 2019</a>	<p>This Order amends the <a href="#">Service Tax (Persons Exempted from Payment of Tax) Order 2018 [P.U.(A) 380/2018]</a> (reported in our e-CTIM TECH-IT 1/2019 dated 7 January 2019) to include an additional condition that the taxable service exempted is not for personal consumption by the person exempted from payment of tax.</p> <p>2 new items have also been inserted to the Schedule of the P.U.(A) 380/2018 to exempt the persons from payment of tax - i.e.:-</p> <ul style="list-style-type: none"> <li>any person who, in carrying on his business, is exempted from payment of tax in respect of digital services acquired from foreign registered person;* and</li> <li>the taxable person specified in Group G, column (1), item 8 in the First Schedule of the <a href="#">Service Tax Regulations 2018</a> is exempted from payment of tax in respect of information technology services acquired from any person who is outside Malaysia.*</li> </ul> <p>* Subject to stipulated conditions stated in column 4 of the P.U.(A) 388/2019.</p>
389/2019 <a href="#">Service Tax (Digital Services) (Amendment) Regulations 2019</a>	<p>These Regulations amend the <a href="#">Service Tax (Digital Services) Regulations 2019 [P.U. (A) 269/2019]</a> (reported in our e-CTIM TECH-IT 43/2019 dated 7 November 2019).</p> <p>The amendment is to include the manner of furnishing return to the Director General (DG) by the use of electronic means as the DG may determine as an alternative to furnishing such a return through electronic service.</p> <p>In addition, the application for digital service registration form (DST-01) and the digital service return form (DST-02) in the Schedule of the P.U.(A) 269/2019 have been amended with minor changes.</p>
393/2019 <a href="#">Service Tax (Imposition of Tax for Taxable Service in</a>	<p>This Order amends the <a href="#">Service Tax (Imposition of Tax for Taxable Service in Respect of Designated Areas and Special Areas) Order 2018 [P.U.(A) 212/2018]</a> (reported in our e-CTIM TECH-IT 25/2018 dated 30 August 2018).</p>

<p><a href="#">Respect of Designated Areas and Special Areas (Amendment) (No. 2) Order 2019</a></p>	<p>The Schedule of the P.U.(A) 212/2018 with regard to services chargeable to service tax in respect of the provision of accommodation premises has been amended to exclude accommodation premises operated by an employer as a facility to his employees.</p> <p>Furthermore, the amendment of the said Schedule also excludes the provision of accommodation premises by the State Government from services chargeable to service tax.</p>
<p>406/2019 <a href="#">Service Tax (Customs Ruling) (Amendment) Regulations 2019</a></p>	<p>These Regulations amend the <a href="#">Service Tax (Customs Ruling) Regulations 2018 [P.U. (A) 211/2018]</a> (reported in our <a href="#">e-CTIM TECH-IT 25/2018</a> dated 30 August 2018) by amending the application form for customs ruling in the First Schedule, customs ruling form in the Second Schedule and the application form for renewal of customs ruling in the Third Schedule of the P.U.(A) 211/2018.</p>

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

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 Orders and Regulations so that we may raise them to the RMCD.

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