

TECHNICAL - INDIRECT TAXATION

e-CTIM TECH-IT 23/2021

12 March 2021

RMCD SST Industry Guides – Guide on Manufacturing & Import/Export and Guide on Information Technology Services

The following Sales Tax and Service Tax (SST) Industry Guides have been published by the Royal Malaysian Customs Department (RMCD):

1. Sales Tax Industry Guide - [Guide on Manufacturing & Import/Export dated 1 January 2021](#) (announced on 8 March 2021):

This Guide is divided into a section on 'Manufacturing' and another section on 'Import and Export'. It also includes frequently asked questions on 'Transitional GST at Standard Rate (0%) to Sales Tax' and 'Manufacturing'. The Appendix to the Guide lists the sales tax treatment for designated areas, special areas (free zone, licensed warehouse, licensed manufacturing warehouse, joint development area) and duty free shop.

The 'Manufacturing' section of the Guide assists in understanding sales tax matters pertaining to the scope of manufacturers, activities in manufacturing, exemption from registration, purchase of raw materials/ components/ machinery/ equipment, disposal of machines/ equipment/ spare parts, taxable period, submission of return, payment of tax, issuance of documents, record keeping, calculation of duty/ tax and facilities.

The 'Import and Export' section of the Guide explains the sales tax treatment on the following:

- Importation and transportation of goods into Principal Customs Area;
- Importation and transportation of goods into/from Designated Areas and Special Areas;
- Importation of goods into duty free shop;
- Direct export; and
- Export through third party.

2. Service Tax Industry Guide - [Guide on Information Technology Services dated 8 March 2021](#):

This Guide replaces the previous [Guide dated 13 July 2020](#). The Guide assists in understanding the service tax treatment on information technology services. A summary of document change since the issuance of the previous Guide dated 13 July 2020 is stated on the last page of the Guide dated 8 March 2021.

You may write to the Institute at technical@ctim.org.my in respect of any suggestions, concern or comments you may have on the above Guides so that we may raise them to the RMCD.

Disclaimer

This document is meant for the members of the Chartered Tax Institute of Malaysia (CTIM) only. CTIM has taken all reasonable care in the preparation and compilation of the information contained in this e-CTIM. CTIM herein expressly disclaims all and any liability or responsibility to any person(s) for any errors or omissions in reliance whether wholly or partially, upon the whole or any part of this e-CTIM.