

INDIRECT TAX

[Service Tax \(Amendment\) Regulations 2012 \[P.U.\(A\) 244/2012\]](#)

The above amends Group G in the Second Schedule of the Service Tax Regulations 1975 [P.U. (A) 52/1975] under the heading "Taxable Service" by substituting for item "q" with the following item:

"q". *Provision of hire-and-drive car or hire-car services with or without chauffeur in Peninsular Malaysia licensed under the Land Public Transport Act 2010 and the Commercial Vehicles Licensing Board Act 1987 for Sabah and Sarawak excluding provision of hire-and-drive car as defined under the Tourism Vehicles Licensing Act 1999 as operated by tourism operators registered under the Tourism Industry Act 1992.*

The amendment is deemed to have come into operation on **31 January 2011**. This is because vehicles licensing for Peninsular Malaysia will be governed by *Land Public Transport Act 2010* **with effect from 31 January 2011**. However, vehicles licensing for Sabah and Sarawak continue to come under the *Commercial Vehicles Licensing Board Act 1987*.

The provision also clarifies that position of hire-and-drive car operated by tourism operators registered under the *Tourism Industry Act 1992*, as **not a taxable service** and thus excluded from service tax.

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