

SERVICE TAX (DIGITAL SERVICE) (AMENDMENT) REGULATIONS 2020

PU (A) 150
13 May 2020

IN exercise of the powers conferred by paragraph 91(2)(m) of the Service Tax Act 2018 [Act 807], the Minister makes the following regulations:

Citation and commencement

1(1) These regulations may be cited as the **Service Tax (Digital Service) (Amendment) Regulations 2020**.

1(2) These Regulations come into operation on 14 May 2020.

New Part IIA

2 The Service Tax (Digital Service) Regulations 2019 [*P.U. (A) 269/2019*] is amended by inserting after Part II the following part:

“PART IIA DIGITAL SERVICE PROVIDED BY A FOREIGN REGISTERED PERSON

Digital service provided to group of companies

- 5A (1) Where a company who is a foreign registered person provides any digital service to any company in Malaysia within the same group of companies with the foreign registered person, such digital service shall not be subject to service tax.
- (2) Notwithstanding subregulation (1), where a foreign registered person provides any digital service to another person in Malaysia outside the group of companies of the foreign registered person, the same digital service provided to any person or company in Malaysia outside or within the group of companies of foreign registered person shall be subject to service tax.
- (3) In these Regulations, for the purpose of determining that the company who received digital services is within the same group of companies with the foreign registered person, the relevant principles referred to in paragraphs 4, 5, 6 and 7 of the First Schedule Service Tax Regulations 2018 [*P.U. (A) 214/2018*] shall apply.”