

# SALES TAX (LOW VALUE GOODS) REGULATIONS 2022

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IN exercise of the powers conferred by paragraph 106(2)(ka) read together with subsection 11B(1) of the Sales Tax Act 2018 [Act 806], the Minister makes the following regulations:

## PART I PRELIMINARY

### Citation and commencement

- 1(1) These regulations may be cited as the **Sales Tax (Low Value Goods) Regulations 2022**.
- 1(2) These Regulations come into operation on 1 January 2023.

## PART II REGISTRATION

### Application for registration

- 2(1) Any seller who sells low value goods who is liable to be registered under section 12 of the Act shall apply to be registered in the form and manner as the Director General may determine.
- 2(2) Every application for registration under subregulation (1) shall be submitted to the Director General through electronic service or any manner as the Director General may determine.

### Notification of registration

- 3 Any seller who sells low value goods whose application for registration is approved shall be notified in writing by the Director General and assigned with a registration number.

### Notification of changes on particulars of registered seller

- 4(1) Any seller of low value goods shall immediately notify the senior officer of sales tax in writing when there is—
  - (a) any change to the name of the business;
  - (b) any change to the address of any business premises;
  - (c) any change to the status of the business;
  - (d) any change to the name or details of the authorized person; or
  - (e) an opening of any new business premises or closing of any business premises.
- 4(2) The senior officer of sales tax shall record the changes so notified.
- 4(3) Any registered seller who contravenes subregulation (1) commits an offence.

## PART III DISPLAY OF INFORMATION

### Display of information on package

- 5(1) Every registered seller shall furnish a consignment note that containing the registration number of the registered seller to the Director General under section 11D of the Act.
- 5(2) Every registered seller who sells low value goods shall clearly display the information of the consignment note under subregulation (1) by patching or affixing such information on the package of low value goods.

## PART IV INVOICE OR DOCUMENT

### Contents of invoice or document

- 6(1) Every registered seller who issues an invoice or document in relation to the sales of low value goods to buyer shall state thereon the following particulars:
- (a) the serial number of the invoice or document;
  - (b) the date of the invoice or document issued;
  - (c) the name and address of the registered seller;
  - (d) the registration number of the registered seller;
  - (e) a description sufficient to identify the low value goods being sold; and
  - (f) the total amount payable excluding sales tax, the rate of the sales tax and total sales tax chargeable shown as a separate amount.
- 6(2) Notwithstanding subregulation (1), the Director General may, upon request in writing by any registered seller and subject to any condition as the Director General deems fit, allow any particulars specified under subregulation (1) not to be stated in an invoice or document issued by the registered seller.

## PART V RETURN

### Manner of furnishing return

- 7(1) Every registered seller shall furnish a return for each taxable period as required under section 26 of the Act through electronic service or in the form and manner as the Director General may determine.
- 7(2) All particulars as requested in the return shall be furnished by the registered seller and shall contain a certification that such return is true and complete.
- 7(3) A return made under this Part shall be furnished to the Director General through electronic service or in the form and manner as determined by the Director General and shall be deemed to be furnished when such return has been received by the Director General through the electronic service or in the form and manner as the Director General may determine.

### Correction of errors

- 8 If any registered seller makes an error in any return furnished under the Act, the registered seller may correct the error in the manner as the Director General may determine.

## PART VI PAYMENT

### Payment of sales tax or penalty

- 9(1) Payment of sales tax or penalty payable under the Act shall be made to the Director General through electronic banking or any manner as the Director General may determine.
- 9(2) The sales tax or penalty payable shall be deemed to be paid when the payment is received by the Director General and is credited to the Director General.
- 9(3) Notwithstanding subregulation (2), no penalty shall be imposed if payment of sales tax is proved to have been made by the registered seller not later than the date specified under section 26 of the Act.
- 9(4) Any payment of sales tax or penalty payable received and credited under subregulation (2) shall not take into account the foreign exchange rate at the time it is received by the Director General and is credited to the Director General.

9(5) The total amount of sales tax or penalty payable shall be declared in Ringgit Malaysia in the return.

## PART VII REFUND

### Refund

- 10 Any registered seller may make an application for refund to the Director General under section 39 of the Act, if the registered seller—
- (a) has overpaid or erroneously paid the amount of sales tax; or
  - (b) is entitled to the refund under subsection 41(3) of the Act.

### Manner of claiming refund

- 11(1) Any registered seller who is eligible to claim for refund under subsection 39(1) of the Act shall apply to the Director General in the form and manner as he may determine.
- 11(2) A separate application shall be made in respect of each claim for which the refund is claimed.
- 11(3) The Director General may require the person who makes a claim under subregulation (1) to produce documents and information for the purpose of verifying such claim.

## PART VIII ELECTRONIC SERVICE

### Interpretation

- 12 In this Part, “authentication code” means an identification or identifying code, password or any other authentication method or procedure which is assigned by the Director General to any person for the purpose of identifying and authenticating the access to and use of the electronic service by such person.

### Use of electronic service

- 13(1) The Director General may, in order to use the electronic service provided under section 102 of the Act, subject to any terms and conditions as the Director General may determine, assign to any person—
- (a) an authentication code; and
  - (b) an electronic service account.
- 13(2) Any person assigned by the Director General an authentication code under subregulation (1) shall be a registered user and the person—
- (a) shall acknowledge receipt of the authentication code;
  - (b) shall ensure that the authentication code is kept confidential; and
  - (c) shall not disclose the authentication code to any unauthorized person.
- 13(3) An electronic notice made and transmitted under the Act by a registered user shall be deemed to have satisfied the requirement for filing, lodgement or submission if such notice is transmitted to the Director General in such manner as determined under this Part.

### **Manner in using electronic service**

- 14(1) The Director General or any senior officer of sales tax authorized by the Director General may serve any notice on a registered user by transmitting such notice through electronic service to the account of the registered user.
- 14(2) Where a document that is required to be stamped, signed or sealed under these Regulations is electronically filed, lodged or transmitted by way of electronic service, the requirement for attestation of the stamp, signature or seal does not apply.
- 14(3) Any person who is authorized by a registered user may make and transmit any electronic notice on behalf of the registered user through the electronic service.
- 14(4) Where any electronic notice is made and transmitted on behalf of any registered user under subregulation (3), the notice shall be deemed to have been made and transmitted with the authority of the registered user and such registered user shall be deemed to be cognizant of all matters in the electronic notice.
- 14(5) Where an electronic notice is transmitted to the Director General using the authentication code assigned to a registered user with or without the authority of the registered user before notification to the Director General for cancellation of the authentication code is given, that notice shall, for the purposes of the Act, be presumed to be duly made by the registered user unless the registered user is able to adduce evidence to the contrary.

### **Error in using electronic service**

- 15(1) Where an error is made in any electronic notice by a registered user under this regulation, the registered user shall rectify it by way of electronic service within a time period as the Director General may determine and subject to any condition as the Director General may impose.
- 15(2) Notwithstanding subregulation (1), the Director General may direct or allow a registered user to rectify any electronic notice made and transmitted by the registered user under this regulation in any manner and within a time period as the Director General may require.
- 15(3) The Director General may, for the purpose of the electronic service, approve the use of any symbol, code, abbreviation or notation to represent any particulars or information required under the Act.
- 15(4) Where an electronic notice is made and transmitted by a registered user to the Director General under the Act which does not comply with any requirement of this Part, the Director General or any senior officer of sales tax authorized by the Director General, may serve a notice to the registered user indicating the non-compliance of the requirement, and such electronic notice sent by the registered user shall not be deemed to have been made and transmitted to the Director General by such registered user.

### **Termination of the provision of electronic service to the registered user**

- 16 The Director General may, at any time by notice to a registered user, terminate the provision of the electronic service to the registered user, if the registered user—
  - (a) fails to comply with any terms and conditions imposed by the Director General;
  - (b) contravenes any regulation in this Part; or
  - (c) notifies the Director General for cancellation of authentication code and electronic service account assigned to him.

## PART IX MISCELLANEOUS

### **Hours for submission of return and payment**

- 17(1) For the purposes of receiving returns and payments of sales tax or penalty payable through electronic banking, the ordinary hours shall be from 7.30 a.m. to 11.30 p.m. Malaysian standard time (UTC/GMT + 8 hours) on any day of the week.
- 17(2) Where any returns and payments of sales tax or penalty payable is received beyond the ordinary hours, hours of receiving such returns and payments of sales tax or penalty payable shall be deemed to be received on the next following day.
- 17(3) For the purposes of receiving returns and payments of sales tax or penalty payable, where the last date specified in subsection 26(1), 26(3) or 26(5) of the Act falls on the Federal weekly holiday or Federal public holiday in Malaysia or in the country where the registered seller established, then the last day to receive such returns and payments of sales tax or penalty payable is on the Federal weekly holiday or Federal public holiday in Malaysia or in the country where the registered seller established.

### **General penalty**

- 18 Any person who commits an offence under these Regulations shall be liable, on conviction, to a fine not exceeding thirty thousand ringgit or to imprisonment for a term not exceeding two years or to both.