

SERVICE TAX (AMENDMENT) (NO. 2) REGULATIONS 2019

PU (A) 357

23 December 2019

IN exercise of the powers conferred by section 91 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 (Amendment) (No. 2) Regulations 2019**.

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

Amendment of First Schedule

2 The Service Tax Regulations 2018 [P.U. (A) 214/2018] are amended in the First Schedule—

(a) in paragraph 8—

(i) by renumbering the existing provision as subparagraph (1); and

(ii) by inserting after subparagraph (1) as renumbered the following subparagraph:

“(2) Notwithstanding subparagraph (1), where a company provides any taxable service to another person outside the group of companies, the same taxable service provided to any company within the group of companies shall not be a taxable service, provided that the total value of taxable services to another person outside the group of companies in that month and the eleven months immediately succeeding that month does not exceed an amount equal to five per cent of the total value of taxable services.”;

(b) in Group G—

(i) in column (1)—

(A) in subitem 7(a), by deleting the word “or” at the end of the subitem;

(B) in subitem 7(b), by substituting for the words “statutory bodies;” the words “statutory bodies; or”;

(C) by inserting after subitem 7(b) the following subitem:

“(c) any training centre or coaching centre—

(i) registered with the Ministry of Health;

(ii) registered with the Social Welfare Department; or

(iii) recognized by any national association for persons with disabilities registered with the Registrar of Societies Malaysia.”; and

(D) by inserting after item 11 the following item:

“12. Any person who operates online platform or market place.”; and

(ii) in column (2)—

(A) in subsubitem (g)(ii)(B), by substituting for the full stop at the end of the subsubitem a semicolon;

- (B) by inserting after subitem (g)(ii) the following subitem:
 - “(iii) provision of training services or coaching services provided to a person who holds a valid Kad OKU issued under the Persons with Disabilities Act 2008 [Act 685].”;
- (C) in item (h), by substituting for the words “information technology services,” the words “information technology services including distributing or reselling of information technology services on behalf of any person”; and
- (D) by inserting after item (k) the following items:
 - “(l) Provision of electronic medium that allows the suppliers to provide supplies to customers.
 - (m) Provision of digital services including transaction for provision of digital services on behalf of any person.”; and

(c) in Group I—

- (i) in relation to item 2 in column (1), in column (2), by inserting after item (b) the following item:
 - “(c) Provision of digital services.”; and
- (ii) in relation to item 8 in column (1), in column (2), by substituting for the words “advertising services” the words “types of advertising services including digital advertising services”.