



SERVICE TAX 2018

**GUIDE ON:
REFUND ON THE ACQUISITION OF
SERVICES BY FOREIGN MISSIONS
AND INTERNATIONAL
ORGANIZATIONS**

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Disclaimer

This information is intended to provide a general understanding of the relevant treatment under Services Tax Legislation and aims to provide a better general understanding of taxpayers' tax obligations. It is not intended to comprehensively address all possible tax issues that may arise. While RMCD has taken the initiative to ensure that all information contained in this Guide is correct, the RMCD will not be responsible for any mistakes and inaccuracies that may be contained, or any financial loss or other incurred by individuals using the information from this Guide. All information is current at the time of preparation and is subject to change when necessary.

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INTRODUCTION

1. Service Tax is a consumption tax governed by the Service Tax Act 2018 and its subsidiary legislation. The effective date of the Service Tax Act 2018 is 1 September 2018.
2. Service tax is imposed on prescribed services called “taxable services”.
3. A person who provides taxable services exceeding a specified threshold is required to be registered under the Services Tax Act 2018 and is known as a “registered person” who is required to charge service tax on his taxable services made to his customers.
4. In accordance with Subsection 34(3)(b), Service Tax Act 2018, the Minister Finance has directed the Director General of Customs to make a refund for service tax paid on the provision of services acquired from 17 December 2019 of all taxable services as listed in First Schedule, Service Tax Regulation 2018 and acquisition of digital services from Foreign Registered Person from 01 January 2020.
5. The Guide is prepared to assist foreign missions and international organisation in understanding the procedure for the application of Service Tax Refund on the acquisition of services by foreign missions and international organization.

PROCEDURE TO APPLY FOR REFUND OF SERVICE TAX PAID ON ACQUISITION OF SERVICES

6. Condition for claiming refund are as follows:
 - i. Bills / receipts issued are for the purchases of taxable services are meant for the official use of foreign missions or international organizations only.
 - ii. Bills / receipts for the taxable services are issued by Service Tax Registered Person. All receipts/bills are in the name of diplomatic missions, consular offices or international organizations.

- iii. Payments are made by foreign missions or international organizations. Payments using personal charge cards or credit cards for services acquired are not eligible for refund.
- iv. Service tax refund is claimable for bills / receipts of the approved service acquired.
- v. Claims are to be made before 31 December 2019 for services acquired from 01 September 2018 to 31 August 2019.
- vi. Claim for the services acquired from 01 September 2019 onward should be submitted on quarterly basis.

7. Service tax refund claims must be submitted to the Royal Malaysian Customs Department and the Ministry of Foreign Affairs (MOFA), which will take the following action:

- i. Verifying the refund claim is made for service tax paid on approved taxable services used for official purposes.
- ii. Verifying the refund claim is signed by officers designated / appointed by diplomatic missions, consular offices and international organizations.

ACTION TO BE TAKEN BY FOREIGN MISSIONS AND INTERNATIONAL ORGANIZATION

8. Service tax refund should be submitted with the following documents;
- i. Application for Approval of Refund of Service Tax (as per Appendix 1)
 - ii. List of bills / receipts containing the following information as per Appendix 1A
 - a) Service Tax Registered Person (Name of Company);
 - b) Service Tax Registration Number;

- c) Bills / Receipts Number;
- d) Date of Bills / Receipts;
- e) Price / Charge for services purchased (RM); and
- f) Refund of service tax claim (RM).

9. Original bills/ receipts to be enclosed. All documents must be submitted to MOFA in two (2) copies, the original and photostate copy.

10. Submit the application of the claim with original bills/ receipt enclosed, to relevant State Customs Department after the claim has been verified by MOFA.

INQUIRY

For any inquiries for this guide please contact:

Royal Malaysian Customs Department
Internal Tax Division
Level 3 – 7, Block A, Menara Tulus,
No. 22, Persiaran Perdana, Presint 3,
62100 Putrajaya.

FURTHER ASSISTANCE AND INFORMATION ON SST

Further information on can be obtained from:

- (i) SST website : <https://mysst.customs.gov.my/>
- (ii) Customs Call Center:
 - Tel: 03-7806 7200 / 1-300-888-500
 - Fax: 03-7806 7599
 - Email: ccc@customs.gov.my

SUMMARY OF DOCUMENT CHANGE

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