



SERVICE TAX POLICY NO 10/2020 (Amendment No. 1)

1. The Service Tax Policy No. 10/2020 is amended as follows:
 - 1.1 Substituting paragraph 5.2 the following paragraph:
 1. Effective from **1st January 2020**, digital services provided by local service providers are subject to service tax under item (I), Group G, First Schedule, Service Tax Regulations 2018.
 - 1.2 By inserting new paragraph 4.4. after paragraph 4.3:
 - 4.4 Paragraph 4.3 (iii) shall be applied as the following:
 - i. Digital service provider, who charged fee/charges to the service recipient (bank account holder) to initiate transfer or withdrawal of fund;
 - ii. The fee/charges charged refers to fee charges for transaction of withdrawal or transfer of funds only; and
 - iii. The fee/charges are charged direct to service recipient (bank account holder).
 - 1.3 Substituting paragraph 5.2 the following paragraph:
 - 5.2 Provision of digital services other than digital service related to banking/financial provided by local service provider in paragraph 4.1 – 4.4 as above.

**INTERNAL TAX DIVISION
ROYAL MALAYSIAN CUSTOMS DEPARTMENT HEADQUARTERS, PUTRAJAYA**