



SERVICE TAX POLICY NO. 4/2025 (Amendment No. 1)

THE MINISTER OF FINANCE, pursuant to paragraph 34(3)(a) of the Service Tax Act 2018, exempts the payment of service tax with **effect from 1 July 2025** for –

EDUCATION SERVICES
Group M, First Schedule
Service Tax Regulations 2018

NO.	EXEMPTION	CONDITIONS
1.	<p>Exemption from being subject to compound, prosecution, and penalty until 31 December 2025 for the following offences:</p> <p>(a) Late registration</p> <p>(b) Late submission of returns</p> <p>(c) Late payment</p> <p>(d) Incorrect declaration (under-declaration & underpayment)</p> <p>(e) Any errors related to invoices, credit notes, or debit notes</p>	<p>(a) The offence involved is detected by the Royal Malaysian Customs Department (RMCD) or the company makes a voluntary confession or declaration regarding the offence.</p> <p>(b) The exemption does not apply to fraud offences or offences committed intentionally.</p> <p>(c) An application for penalty remission must be submitted to the Royal Malaysian Customs Department (RMCD) in accordance with the prescribed procedures.</p> <p><i>*Please refer to the announcement section displayed on the MySST portal.</i></p>
2.	<p>Charges or fees that are exempted from service tax are specified in APPENDIX A.</p>	<p>None.</p>



APPENDIX A

EDUCATION SERVICE FEES OR CHARGES EXEMPTED FROM SERVICE TAX

A. ITEM 1, GROUP M

1. Book charges;
2. Uniform charges;
3. Food and beverage charges;
4. Transportation charges;
5. Accommodation charges;
6. Refundable deposit fees that are not part of the tuition fees;
7. Parent-Teacher Association (PTA) fees;
8. Fees for educational trips within or outside the country that are not part of the tuition fees; or
9. Student pass or visa charges.

B. ITEM 2 & 3, GROUP M

1. Book charges;
2. Accommodation charges;
3. Transportation charges;
4. Food or beverage charges;
5. Refundable deposit fees that are not part of the tuition fees;
6. Fees for study tours within or outside the country that are not part of the tuition fees;
or
7. Student pass or visa charges.



Responsibilities of Service Providers and Recipients:

1. If any service recipient who has been granted a service tax exemption is found to have failed to comply with the stipulated exemption conditions or is not eligible for the exemption, the service tax will be imposed and must be paid immediately.
2. The service provider (registered person) is responsible for declaring the value of taxable services provided to recipients eligible for service tax exemption in the SST-02 return, under column 18c (Total Value of Exempted Taxable Services).
3. The service provider (registered person) must ensure that the invoice issued complies with the requirements of Regulation 10, Service Tax Regulations 2018.
4. Transaction records such as invoices, receipts, and debit/credit notes involving service tax exemptions must be retained for 7 years in either Bahasa Malaysia or English. These records must be submitted to RMCD officers upon request for audit, verification, or investigation purposes.

Disclaimer:

The service tax policy issued herein is subject to amendments should there be any changes to the relevant policy.

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