
CIRCULAR

Date:	24 March 2025	Ref No.:	ID/ALL/HYF-JW-AK-TK/010-25 (Total no. of pages: 2)
To:	UTMC, IUTA, CUTA, PRS PROVIDER, IPRA AND CPRA		
Attn:	Authorised Representative/Chief Executive Officer		

FEEDBACK REQUESTED ON DRAFT SST GENERAL GUIDE ON FINANCIAL SERVICES

1. Background

- 1.1 Following our earlier Circular dated 18 February 2025 (Ref: ID/ALL/HYF-JW-AK/004-25), an Industry Working Group (IWG) was formed on 19 February 2025 to consolidate industry feedback on the implementation of Sales and Services Tax (SST) in relation to fund management services and related activities.
- 1.2 The compiled feedback from the IWG was presented to Jabatan Kastam Diraja Malaysia (JKDM) on 21 February 2025 (Friday), along with a proposal for targeted exemptions developed to address key concerns raised by the industry.
- 1.3 JKDM convened a meeting on 21 March 2025 to provide an update. It was indicated that minimal changes would be made to the proposed scope intended for inclusion in the legislation. On 24 March 2025, JKDM shared the attached General Guide on Financial Services for industry feedback.
- 1.4 FIMM is currently working closely with the Securities Commission Malaysia (SC) to jointly propose the following exemptions to the Ministry of Finance (MOF):
 - I. Maintain the current SST exemption for fund management services provided under the Capital Markets and Services Act (CMSA);
 - II. Recognise unit trusts and PRS Funds as "businesses" for B2B relief eligibility;
 - III. Exempt commission payments to distributors and individual consultants from SST;
 - IV. Exempt or provide relief for sales charges and related downstream tax effects borne by investors;
 - V. Exempt punitive and transactional charges (e.g. Switching, Transfer, Redemption Fees) to avoid tax burdens on investors.

2. Actions Needed from Members and Distributors

2.1 Please find the attached “Draft SST General Guide on Financial Services” for your review and feedback if any.

2.2 **The deadline for feedback is 25 March 2025.**

If you require further information or clarification, please contact the Industry Development Department (ID) at ID@fimm.com.my.

Thank you.

Yours faithfully



Heow Yen Fen
General Manager, Industry Services
FEDERATION OF INVESTMENT MANAGERS MALAYSIA