

CIRCULAR

Date:	29 October 2025	Ref No.:	ID/ALL/KL-JW-AK/049-25 (Total no. of pages: 2)
To:	UTMC, IUTA, CUTA, PRS PROVIDER, IPRA AND CPRA		
Attn:	Authorised Representative/Chief Executive Officer		

UPDATE ON SERVICE TAX – JKDM PANDUAN: PERKHIDMATAN KEWANGAN VERSI 2

We refer to our circulars ID/ALL/HYF-JW-AK/025-25 dated 25 June 2025 titled “Request for Feedback on Service Tax- Panduan: Perkhidmatan Kewangan Versi 1” and ID/ALL/KL-JW/037-25 dated 18 September 2025 titled “Feedback on Suggested Service Tax Treatment for Fund Management Fees under IUTA/IPRA Arrangement.”

In response to feedback gathered from the industry, the Royal Malaysian Customs Department (JKDM) issued the Guide on Financial Services Version 2 (“the Guide”) on 24 October 2025, providing clarity and additional information to facilitate the industry’s implementation of Service Tax.

The key changes in the Guide that are pertinent to the industry is outlined below for your reference. Industry members are advised to review these changes in detail by referring to **Appendix 1**, which contains a full copy of the *Guide*.

1. Financial Services or Charges Not Subject to Service Tax

- (Paragraph 51(c), Page 14)

2. Exemption from Payment of Service Tax

- (Paragraph 56(b), Page 25)
- (Paragraph 56(f), Page 27)
- (Example 56.13, Pages 30-31)

3. Procedure for Service Tax Exemption

- (Paragraphs 58 to 66, Pages 33–34)

4. Services Without Charge

- (Paragraphs 67–70, Pages 34-35)

5. Determination of Matters Outside Malaysia for Service Tax Purposes (new)

- (Paragraph 71, Pages 35- 36)

6. Invoicing Requirements (*new*)

- (*Paragraphs 72–76 (Pages 36–37)*)

7. Service Tax Treatment During Transitional Period

- (*Paragraphs 77-79, Pages 37- 38*)

8. Service Tax Treatment on Non-Reviewable Contracts

- (*Paragraphs 80–81, Page 38*)

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

Thank you.

Yours faithfully



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SERVICE TAX 2018

GUIDE ON FINANCIAL SERVICES

VERSION: 2

Published by:

**Royal Malaysian Customs Department
Internal Tax Division
Putrajaya**

24th OCTOBER 2025

Publication

Date: 24th October 2025

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Disclaimer

This information is intended to provide a general understanding of the relevant treatment under the Service Tax legislations 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. All information is current during 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 1st September 2018.
2. Service tax is imposed on prescribed services, which are known as “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”. A registered person is required to charge service tax on his taxable services provided to his customers.
4. This guide is prepared to assist you in understanding the service tax treatment on the financial services provided by the financial service provider.

TERMINOLOGY

5. The terms defined in this guide shall have the meanings assigned to them, unless expressly stated otherwise in this guide.

5.1 “Financial services” means;

- a) any services related to activity or business regulated under the following legislations:
 - i) Financial Services Act 2013 [Act 758];
 - ii) Islamic Financial Services Act 2013 [Act 759];
 - iii) Capital Market and Services Act 2007 [Act 671];
 - iv) Labuan Financial Services and Securities Act 2010 [Act 704];
 - v) Labuan Islamic Financial Services and Securities Act 2010 [Act 705]; or
 - vi) Development Financial Institutions Act 2002 [Act 618]
- b) Similar services but not regulated under the act specified in paragraph 5.1(a) and these services include;
 - i) financial leasing;

- ii) factoring;
- iii) trade financing;
- iv) credit facility; or
- v) shariah compliant financing.

However, the services under paragraph 5.1(b) **do not include** the following:

- A) distribution of insurance and takaful products / services (i.e commission earned by insurance or takaful agent); or
- B) Any financial services provided by the following persons;
 - Bank Negara Malaysia;
 - Securities Commission Malaysia; or
 - Labuan Financial Services Authority

5.2 **“Regulated financial services provider”** means any person who provides financial services regulated by Bank Negara Malaysia (BNM), Securities Commission Malaysia (SC) or Labuan Financial Securities Authority (LFSA).

5.3 **“Registered financial services provider”** means any person who is registered under Group H, First Schedule, Service Tax Regulations 2018 and Service Tax Act 2018.

EFFECTIVE DATE

6. The imposition of service tax on financial services will be made in two phases, beginning 1st July 2025.

6.1 First phase - Effective 1st July 2025, certain financial services that are charged for fees or commission, are subjected to service tax. Such services are listed in Appendix A. This list also includes services that were subjected to service tax prior to 1st July 2025.

6.2 Second phase – The provision of all financial services that are charged for fees, commissions, or similar payments is subject to service tax from 1st October 2025.

IMPLICATIONS ON THE CURRENT SERVICE TAX TREATMENT

7. Prior to the implementation of the service tax scope expansion policy (i.e. before 1st July 2025), several financial services were already subject to service tax. These services are:
- a) Insurance and takaful
 - b) Credit or charge card
 - c) Financial management
 - d) Financial consultancy
 - e) Brokerage and underwriting
 - f) Digital financial services

In general, the tax treatment of these services remains unchanged, except for certain specified services. Details of these specified services are provided in the exemptions section of this guide.

8. Description of Group H, First Schedule, Service Tax Regulations 2018, has been renamed from credit and charge card services to financial services.
9. The financial services listed under new Group H, First Schedule, Service Tax Regulations 2018, are as follows:
- a) credit line facility or shariah compliance financing services through the activation of a primary credit card, primary charge card, supplementary credit card or supplementary charge card;
 - b) insurance or takaful services for protection against any risk;
 - c) financial services provided by a regulated financial services provider that are charged for a fee, commission or similar payment; and
 - d) financial services provided by a non-regulated financial services provider, which are charged for a fee, commission or similar payment.
10. The service tax treatment on activation or renewal of credit or charge cards, insurance and takaful including exemptions remain unchanged. However, re-insurance or re-takaful will be a taxable service and the exemptions from tax payment may be applicable but subject to fulfilment of the prescribed conditions.
11. Financial-related management, consultancy, brokerage, underwriting, and digital services which are regulated under the prescribed Acts as stated in Paragraph 5.1(a) above, have

been transferred to item 3, Group H, First Schedule, Service Tax Regulations 2018 and will therefore be included in the financial services.

12. Brokerage fees charged by brokers for brokerage services related to the trading of shares listed on Bursa Malaysia will continue to be exempted under the Service Tax Expansion Scope Policy 2025.
13. The existing exemption for financial-related digital services in Group G, First Schedule, Service Tax Regulations 2018, has been repealed and replaced with an exemption under Group H, First Schedule, Service Tax Regulations 2018. However, the exemption for fees or commissions charged on local commodity trading platforms used exclusively for Islamic financial transactions remains unchanged.
14. Financial services providers who provide non-financial services categorized under Group G, First Schedule, Service Tax Regulations 2018, can still benefit from the group relief.

Example 14.1:

Bank XY is a financial services provider registered for service tax. In addition to its financial services, Bank XY also manages a sports complex and charges other companies, including those within the same group, for the use of the complex's facilities. Both types of services are subject to tax. Financial management services fall under Group H, First Schedule, Service Tax Regulations 2018, while non-financial management services (i.e. management of sport complex service) are categorized under Group G, First Schedule, Service Tax Regulations 2018. Services classified under Group G, First Schedule, Service Tax Regulations 2018 (other than employment services and private agency services), are eligible for group exemption (i.e. group relief), whereas services under Group H, First Schedule, Service Tax Regulations 2018 only qualify for business to business (B2B) exemption.

Example 14.2:

Insurer VVV is a financial service provider registered for service tax under Group G and H. In addition to its provision of insurance services, Insurer VVV also provides shared services (e.g. IT, finance, claim administrative, management) where this service is considered as management services to its related company, Takaful Operator WWW. Such intercompany shared services would qualify for intragroup relief under Group G as they are not financial services regulated under prescribed Acts as stated in Paragraph 22 below.

TAXABLE PERSON

15. The term “taxable person” includes any regulated financial services provider who provides financial services charged for fees, commissions, or any other similar payment.
16. The term “taxable person” also includes any non-regulated financial services provider who provides similar financial services charged for fees, commissions, or any other similar payment. The services include financial leasing, factoring, trade financing, credit facility and shariah compliant financing.
17. Persons who are not classified as taxable persons include:
 - a) Federal Government and State Governments;
 - b) Bank Negara Malaysia (BNM);
 - c) Securities Commission Malaysia (SC);
 - d) Labuan Financial Services Authority (LFSA); or
 - e) Any person whose annual value of taxable financial services does not exceed the registration threshold.

REGISTRATION THRESHOLD

18. The total value of taxable financial services for the purpose of registration of any taxable person is RM1,000,000 per 12-month period as prescribed by the Minister in the Service Tax Regulations 2018.
19. The threshold requirement is not applicable to the provision of credit line facility or shariah compliance financing services through the activation or renewal of a primary credit card, primary charge card, supplementary credit card or supplementary charge card.

RATE OF SERVICE TAX

20. The provision of taxable services specified in column (2), except for item 1, Group H, First Schedule, Service Tax Regulations 2018 by the taxable person is subject to service tax at 8%.
21. For the provision of credit line facility or shariah compliance financing services through the activation or renewal of a primary credit card, primary charge card, supplementary credit

card or supplementary charge card, the rate of tax is RM25.00 for each card, on the date the card is activated and every 12 months thereafter or part thereof after the card is activated.

TAXABLE SERVICES

22. Any financial services that are charged for fees, commissions, or similar payments related to activity or business regulated by the following legislation:
- a) Financial Services Act 2013 [Act 758];
 - b) Islamic Financial Services Act 2013 [Act 759];
 - c) Capital Market and Services Act 2007 [Act 671];
 - d) Labuan Financial Services and Securities Act 2010 [Act 704];
 - e) Labuan Islamic Financial Services and Securities Act 2010 [Act 705]; or
 - f) Development Financial Institutions Act 2002 [Act 618]
23. Commission charged by a financial services provider and payable to intermediaries shall include the remuneration as interpreted in Bank Negara Malaysia's Operating Cost Controls for General Insurance and Takaful Business, as well as Operating Cost Controls for Life Insurance and Family Takaful Business. The examples are as follows:
- a) Basis commission;
 - b) Overriding commission;
 - c) Production and persistency bonus / Balanced scorecard (BSC) remuneration;
and
 - d) Allowances.
24. Financial services that are provided by financial services provider regulated under Financial Service Act 2013, Islamic Financial Service Act 2013, Labuan Financial Services and Securities Act 2010, Labuan Islamic Financial Services and Securities Act 2010 and Development Financial Institutions Act 2002 includes the following services:
- a) Banking services (including conventional and Islamic);
 - b) Investment banking services;
 - c) Credit facility;
 - d) Insurance and takaful services, including reinsurance and re-takaful;
 - e) Payment system;
 - f) Shariah-compliant financial advisory;

- g) Financial advisory;
- h) Digital financial services, including e-money/ e-wallet business;
- i) Islamic trusts and foundations;
- j) Merchant acquiring services.

25. Financial services that provided by financial services provider regulated under Capital Market and Services Act 2007 includes the following services:

- a) Investment advice;
- b) Fund management;
- c) Financial planning;
- d) Clearing for securities or derivatives;
- e) Corporate Finance;
- f) Debt Capital market;
- g) Underwriting;
- h) Nominees and Trustee services.

26. Taxable services also include similar financial services provided by non-regulated service providers. These services include:

- a) Factoring;
- b) Financial leasing;
- c) Trade financing;
- d) Credit facility; or
- e) Shariah compliant financing

Example 26.1:

JP Leasing Sdn. Bhd (lessor), a licensed leasing company in Malaysia entered into a lease agreement with TFK Manufacturing Sdn. Bhd. (lessee). Lease agreement details are as follows:

- *Lease Type is Financial Lease. Assets leased are 5 units of Computer Numerical Control Machines.*
- *Lease Term: 7 years (84 months). Lease start date is July 1, 2026 and Lease End Date is June 30, 2033*
- *Residual Value (at end of lease): RM 100,000 (This is the expected value of the machinery at the end of the lease term, which the lessee can pay to own the machinery outright.)*

This agreement is subject to the following fees and charges:

- *Monthly Lease Payment: RM 15,000. This payment includes the cost of financing the machinery, depreciation, and related charges.*
- *Lease Setup Fee is RM 2,000, one-time fee to cover the costs of processing and setting up the lease agreement and stamp duty is RM 300.*
- *Interest rate is 5% per annum and total financing charges are RM 50,000.*
- *Late Payment Fee is RM 100, if the lessee does not make the lease payment within 7 days of the due date. and early termination fee is RM 5,000, if the lessee decides to terminate the lease early, a penalty will be charged to compensate the lessor for lost revenues.*

In this example, the fee subject to service tax under financial services is only the lease setup fee of RM2,000. Although JP Leasing Sdn. Bhd. is not regulated by BNM, SC or LFSA, it provides finance lease services. Therefore, JP Leasing Sdn. Bhd. must register for service tax if its total revenue generated from the lease setup fees and other fee-based financial services exceeds RM1,000,000 per 12-month period.

Example 26.2:

Aly wants to buy a smartphone via online for RM 1,200. The online store offers a Buy Now Pay Later (BNPL) service through a service provider, GRC Pay Later. The terms of the BNPL are as follows:

- *Instalments: 3 equal payments over 3 months.*
- *Interest Rate: 1.5%*
- *Administrative Fees is RM10*
- *Late Payment Fee: RM 15*

In this example, the only fee subject to service tax under Group H is the administrative fee of RM10. Although GRC Pay Later is not regulated by BNM, SC or LFSA, it provides credit facility services. Therefore, GRC Pay Later must register for service tax if its revenue generated from administrative fees exceeds RM1,000,000 per 12-month period. If there is no administrative fee charged to all its customers, GRC Pay Later will not be required to register for service tax.

27. However, certain services are not included as taxable services if provided by non-regulated service providers. The services include distribution of insurance and takaful

products/services (i.e. commission earned by insurance or takaful agent)

Example 27.1:

Muthu (i.e. an insurance agent) proposes a life insurance product to Ali who wishes to purchase a life insurance policy for himself. Since the policy is distributed by an individual agent not regulated by Bank Negara Malaysia, any payments (e.g. commission) for such distribution services will not be subject to service tax.

IMPORTED SERVICES

28. Imported taxable financial services refer to financial services provided by a service provider located outside Malaysia or by a business that operates outside Malaysia (i.e. foreign service provider). These services are provided to a recipient who is located in Malaysia, including in Special Areas (SA) and Designated Areas (DA).
29. A foreign service provider that provides services to a recipient in Malaysia is not required to charge service tax. Instead, the responsibility for the tax is shifted to the recipient in Malaysia.
30. The recipient in Malaysia, regardless of whether they are not registered, is obligated to account for and pay service tax on the imported taxable services if:
 - a) the services are used for the purpose of any business carried on by him; and
 - b) the services are taxable when they are made in Malaysia.
31. The recipient of imported taxable services is required to account and pay for service tax, at the earlier of:
 - a) the date of payment made by the recipient, or
 - b) the date of invoice received by the recipient from the foreign service provider.
32. An invoice from the foreign service provider can be considered as received by the recipient on the date the invoice is recorded in the company's accounting system.
33. The value of imported services by the recipient who is not connected to the supplier of such services shall be taken to be such amount as is equal to: -
 - a) The actual premiums paid or takaful contributions paid for the insurance or takaful,
or

- b) The actual value of imported taxable services, other than imported insurance or takaful services.
34. In the case of the recipient who is connected or related to the supplier of such services, the value of imported services shall be the value of the imported taxable services which would have been acquired in the ordinary course of business by the person who is not connected with the person who is outside Malaysia.
35. Financial services acquired from abroad (i.e. imported services) by registered financial service providers are eligible for the tax exemption. Details of the exemption are provided in the exemptions section of this guide.
36. For further explanation, please refer to the Service Tax Guide on Imported Services.

SERVICE TAX TREATMENT IN A DESIGNATED AREAS (DA) OR A SPECIAL AREAS (SA)

37. Services provided within or between Designated Areas or Special Areas are not subject to service tax, except for services specified in the Service Tax Order (Imposition of Tax for Taxable Services in Respect of Designated Areas and Special Areas) Order 2018.
38. Financial service provider shall be treated as providing any financial services within or between the DA or SA if fulfilled the following conditions: –
- a) The principal place of business (PPOB) of financial services provider is in the SA or DA; and
 - b) The PPOB or place of residence of its client is in the SA or DA.
39. The determination of the PPOB is based on the following criteria:
- a) The primary location where the essential decisions concerning the general management of a company / business are adopted and where the functions of its central administration are carried out;
 - b) Registered office, central administration, directors meet, and the place, the general policy of that company / business is being determined; or
 - c) The place of residence of the main directors, general meetings are held, and administrative and business documents are kept.
40. A taxable person is not required to meet all the criteria outlined in paragraph 40. However, they must evaluate the criteria in order (i.e. in sequence), starting with criterion (a), followed by criterion (b), and finally criterion (c). Criterion (b) can only be used if criterion

(a) cannot determine the PPOB and so on. Criterion (c) cannot be used alone without first assessing the qualifications in the previous criteria.

41. For an individual, the place of residence refers to the location where they usually reside.
42. A registered business address or office cannot solely determine the PPOB unless it meets the criteria set out in Paragraph 40 above.
43. Under normal circumstances, the PPOB is the location where the headquarters or head office of a company is situated.
44. If a financial services provider has its headquarters in either the SA or DA and operates additional locations, such as branches, in different locations in Malaysia, the headquarters shall be considered the main business establishment. This will determine the PPOB for the services offered by the financial services provider.

Example 44.1:

ZAN Bank (Labuan) Ltd provides loans to businesses in Labuan and charges processing fees. Both parties have their PPOB in Labuan. The fees charged by ZAN Bank (Labuan) Ltd are not subject to service tax as the services are provided within Labuan.

45. In Labuan, a financial service provider (FSP) shall be considered to have its PPOB in Labuan if it is regulated by the Labuan Financial Services Authority.

Example 45.1:

Wei Bank Bhd operates from its headquarters in Kuala Lumpur and has two establishments in Labuan namely, Wei Bank Bhd Labuan Branch (non-LFSA licensed) and Wei Bank (L) Ltd. The latter is regulated by the LFSA. Both establishments provide financial services to person or companies based in Labuan (i.e. headquarters in Labuan).

The financial services offered by Wei Bank Bhd's Labuan Branch are subject to service tax, as these services are considered to be provided from Malaysia to Labuan. Conversely, the financial services offered by Wei Bank (L) Ltd. are not subject to tax, since they are deemed as being provided within Labuan.

46. Any financial services provided by a financial services provider with its PPOB in Malaysia (other than DA or SA) to either a DA or a SA, are subject to service tax.

Example 46.1:

BHB Bank operates in Malaysia with its head office located in Kuala Lumpur and a branch in Labuan. The Labuan branch offers loans to Labuan residents and charges a processing fee for these services. Since the PPOB (i.e. head office) of BHB Bank is in Malaysia (other than DA or SA), this processing fee is subject to service tax.

47. Any financial services provided to Malaysia (other than DA or SA) by a financial service provider with its PPOB in a DA or SA are also subject to service tax. The financial service provider is required to register for service tax if the total value of taxable services within a 12-months period exceeds the prescribed threshold, regardless of whether the business establishment is located in a DA or SA.

Example 47.1:

Sine Bank (Labuan) Ltd, provides loans to a business in Kota Kinabalu, Sabah and charges processing fees. This fee is subject to service tax because the services are provided from DA to Malaysia.

48. Financial services provided by a financial service provider that has its PPOB in a DA or SA to a client in a foreign country are not subject to service tax if such services are related to goods, land or matters outside Malaysia.

Example 48.1:

ACBC Bank (Labuan) Ltd provides investment advisory services to an overseas client, Shift Pvt Ltd for its operations in the UK. The fee charged for these services is not subject to service tax, as it is related to the matters outside Malaysia.

49. Services provided by a financial service provider from overseas (i.e. imported services) to businesses in DA or SA are subject to service tax. Registered financial services providers are eligible for tax exemption if they meet the specified conditions. However, financial service providers in Labuan, whether registered for service tax or not, are exempted from payment of service tax on imported services, subject to fulfilment of conditions. Details of this exemption are provided in the exemptions section of this guide.

FINANCIAL SERVICES OR CHARGES THAT ARE NOT SUBJECT TO SERVICES TAX

50. Certain charges or returns related to financial services are not subject to tax. These charges may be incurred alongside fees or commissions that are taxable for the same financial services.
51. The financial charges or returns that are not subject to service tax are as follows:
- a) Interest or profit charged under conventional or Islamic financial services.

Example 51.1:

A bank grants a home loan to a customer and charges setup fee and interest on the loan. While the setup fee is subject to service tax, the interest charged is not subject to service tax.

Example 51.2:

An Islamic bank provides a financing facility to a customer for the purchase of a vehicle. The bank charges a profit rate on the financing amount as agreed in the contract. While the bank may charge a processing fee that is subject to service tax, the profit earned on the financing is not subject to service tax.

Example 51.3:

A life insurer provides a policy loan facility to its policyholders using the insurance policy as the underlying collateral and charges interest on the policy loan. The interest charged is not subject to service tax.

- b) Return in the form of a spread. It refers to the difference between the buying and selling price in any trading of financial products. This spread represents the profit earned by the financial service provider.

Example 51.4:

A bank buys USD at RM4.50 and sells it at RM4.55, earning a RM0.05 spread per USD. The RM0.05 spread is not subject to service tax.

- c) Punitive charges, whether in the context of law, regulation, or contracts, are

penalties intended to punish rather than simply compensate or reimburse. The criteria for determining whether a charge is punitive in nature typically depend on the context (e.g., civil litigation, criminal law, contracts, or administrative enforcement). Punitive in nature signifies that an action is taken with the primary goal of imposing a penalty for a past transgression, deterring future similar acts, and upholding the integrity of the law or established rules, terms or conditions. This distinguishes them from rehabilitative, corrective, or compensatory measures, although elements of deterrence and consequence are often present across all. Punitive actions can range from imprisonment and fines in criminal cases to disciplinary actions in employment, and substantial penalties for corporate non-compliance. In general, the criteria for punitive in nature are as follows;

- i) Malicious intent or wilful misconduct
The actions must be intentional, malicious, or show a deliberate disregard for the rights and safety of others. This is a higher standard than mere negligence or carelessness.
- ii) Gross negligence
The conduct demonstrates a reckless disregard for the safety or rights of others.
- iii) Calculated profit
In certain situations, punitive damages may be applicable when a person's actions are intended to generate a profit that significantly surpasses the compensation owed to the plaintiff. The goal is to ensure that the wrongdoer does not gain a financial advantage from their misconduct.

The punitive charges include, but are not limited to, the following examples (non-exhaustive list):

- i) late payment charges on loans;
- ii) charges for early withdrawal of fixed deposits;
- iii) charge for dishonoured cheque;
- iv) overdraft excess fee; and
- v) policy surrender fee;

Example 51.5:

Mr. Hazlee issues a cheque for RM5,000 to pay for his car loan. However, due to insufficient funds in his account, the cheque bounces (is dishonoured). The bank imposes a charge of RM50 for processing the dishonoured cheque. The RM50 charge is not subject to service tax because it is a penalty fee.

Example 51.6:

A bank charges a customer RM50 for exceeding their overdraft limit. Since this is a punitive charge, it is not subject to service tax.

52. In other circumstances, the financial service provider is not required to charge service tax on fees, commissions, or similar payments for the provision of specific financial services to the service recipient. The specific financial services excluded from service tax are as follows:

- a) Any basic banking services that incur fees or commission related to the operation of savings accounts, current accounts or similar accounts which have purposes like those accounts such as e-wallet. The basic banking services are as follows:
 - i) Deposit, withdrawal, payment or fund transfer;
The term “fund transfer” shall include all forms of fund transfer whether it is via online or over-the-counter, including DuitNow, MyDebit, Interbank GIRO, AutoDebit, Direct Debit, and RENTAS, so long as the fund transfer transaction originates from / to current accounts, saving accounts or similar accounts (collectively referred as “CASA”) maintained with a Bank, this would qualify for service tax exclusion. However, this does not include the international outward remittance services originated from CASA (i.e. from Malaysia to overseas).
 - ii) Issuance of debit card;
 - iii) Basic transaction over the counter;
This service would include services performed with the bank’s teller at the Bank’s branch. This includes coin counting services, standing instruction requests, bill payments and Tabung Haji / SSPN contributions.
 - iv) Basic transaction using Automatic Teller Machine (ATM); or

This service would include cheque deposits, Tabung Haji contribution, bill payments, fund withdrawal services. To qualify for service tax exclusion, the transactions must originate relate to the CASA facility maintained with a Bank.

- v) Printing of account statements.

Example 52.1:

Sarah withdraws RM1,000 from her savings account at an ATM machine. The bank charges her RM1.00 as a withdrawal fee for using an ATM from a different bank. The RM1.00 withdrawal fee is not subject to service tax because it is considered as a basic banking service.

Example 52.2:

A customer uses online banking to pay their monthly utility bills. The bank charges a transaction fee of RM2 for each utility bill payment made through the online platform. Since this service relates to the operation of the customer's current account, the fee charged is considered part of basic banking services and is not subject to service tax.

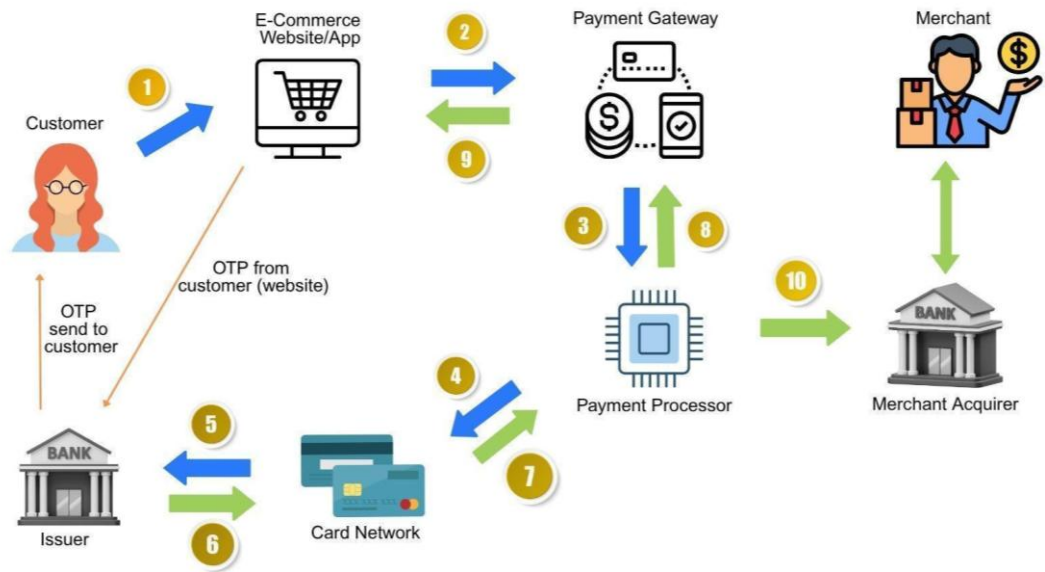
Example 52.3:

Jay has transferred RM100 from his e-wallet account to another person's e-wallet. The e-wallet provider charges a transfer fee of RM1 for this service. Since this fee is related to the operation of the e-wallet account, it is considered as a basic banking service, and the fee charged is not subject to service tax.

Example 52.4:

Fara deposits RM10,000 into her investment account with her financial institution. The institution charges a processing fee of RM10 for managing the deposit. Since this fee is related to investment purposes rather than everyday banking transactions, it is not considered a basic banking service. Therefore, the processing fee may be subject to service tax.

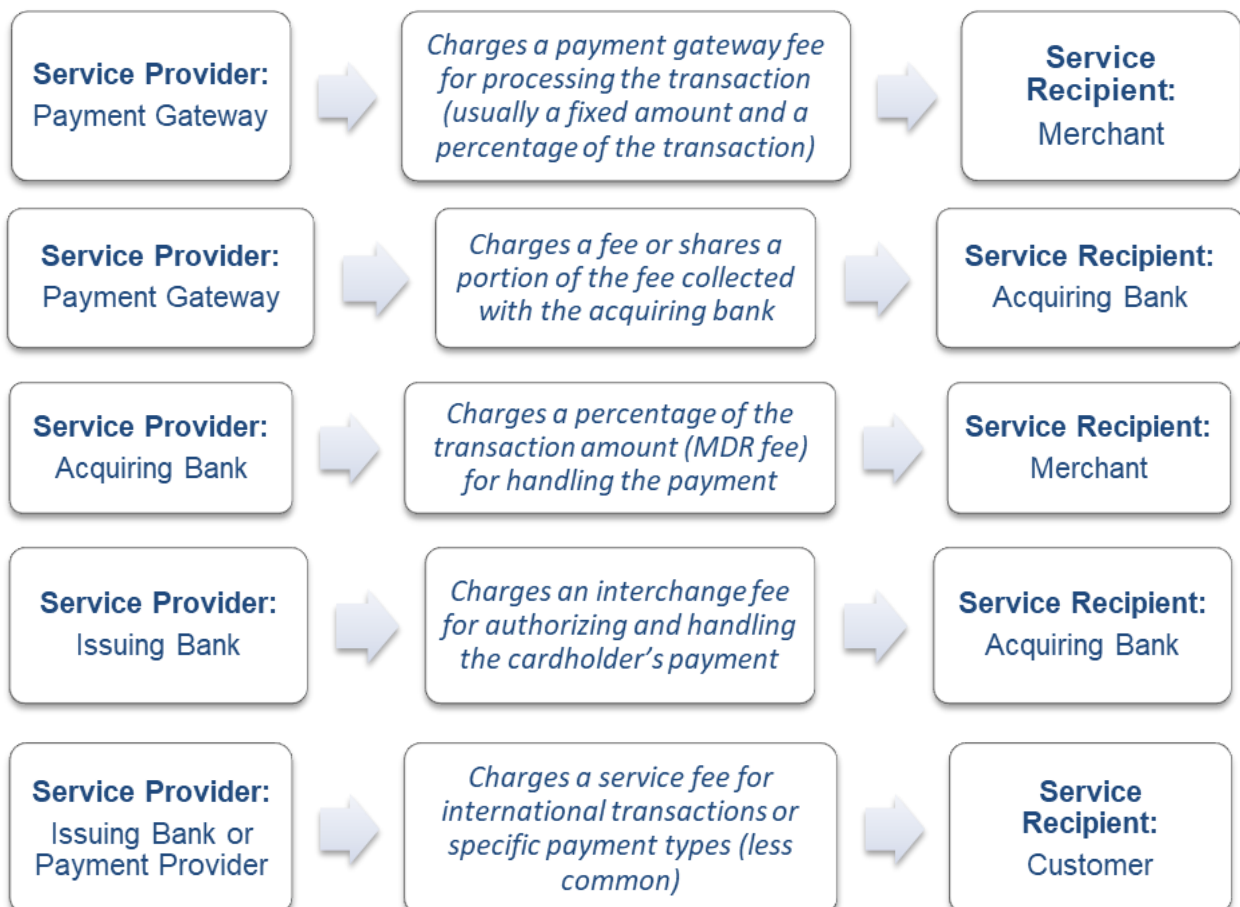
Example 52.5:



ONLINE PAYMENT PROCESS FLOW		
1	Customer initiates purchase	The customer selects an item on the merchant's website and proceeds to checkout.
2	Customer provides payment details	The customer enters their credit/debit card information, address, etc.
3	Merchant submits transaction to payment gateway	The merchant's website sends the payment details to the payment gateway.
4	Payment gateway processes the transaction	The payment gateway verifies the card information, securely transmits it to the acquiring bank.
5	Acquiring bank requests authorization	The acquiring bank sends the transaction details to the issuing bank and card networks to verify the transaction and get authorization.
6	Issuing bank authorizes the transaction	The issuing bank checks the cardholder's balance and credit limit and authorizes the payment if it's valid.

7	Acquiring bank receives authorization	<i>The issuing bank sends an authorization response to the acquiring bank.</i>
8	Payment gateway receives authorization and confirms	<i>The payment gateway receives the authorization response from the acquiring bank and informs the merchant of the transaction outcome.</i>
9	Merchant confirms payment and fulfills order	<i>The merchant receives confirmation of payment and fulfills the customer's order.</i>
10	Settlement	<i>The acquiring bank settles the funds with the merchant, and the merchant pays the payment gateway.</i>

Fees or Charges Incurred:



Since all these fees and charges relate to payment and deposit services connected to savings and current accounts, they are considered basic banking services and are therefore excluded from service tax.

- b) Provision of financial services in connection with goods, land or matters outside Malaysia, but excluding outward remittance services where charges are imposed on customers located in Malaysia. Further explanations are available in Paragraph 71 below (under the Section “Determination of Matters Outside Malaysia for Service Tax Purposes”)

For avoidance of doubt, customers shall be treated as “located in Malaysia” if they maintain a banking facility / account with the FSP, including having a Malaysian address in the customer records maintained with the FSP, or the customers physically visit the branch to obtain financial services from the FSP.

Example 52.6:

ARL Bank Malaysia provides a mortgage loan of RM5 million to Dato Lim, who is currently residing in Malaysia to purchase a piece of land in Singapore. The bank charges a loan processing fee of RM5,000. The loan processing fee is not subject to service tax because it relates to the land situated outside Malaysia.

Example 52.7:

Eksim Bank Malaysia Bhd offers trade financing services to Knot Trading Sdn Bhd, a Malaysian importer, to assist in the purchase of electronic components from GHI Electronics Ltd. in Japan. To ensure a secure transaction, Eksim Bank Malaysia Bhd issues a Letter of Credit (LC) on behalf of Knot Trading Sdn Bhd, guaranteeing payment to GHI Electronics Ltd. upon the shipment of goods and the submission of required documents.

In addition to this, the bank facilitates foreign exchange conversion to help Knot Trading Sdn Bhd manage risks associated with currency fluctuations when making payments in Japanese Yen. To further support the transaction, Eksim Bank Malaysia Bhd arranges trade credit insurance and documentary collection services, ensuring that payment is released only after verifying the shipment documents.

For these services, Eksim Bank Malaysia Bhd charges a trade financing fee of RM8,000. Since these financing services are related to the importation of goods from abroad, the fee is excluded from service tax as it is connected with goods outside Malaysia.

Example 52.8:

Ahmad decides to send money to his daughter, Nora, who is pursuing her postgraduate studies in the UK. He approaches P&G Bank Berhad and requests an outward remittance to his daughter's bank account in the UK. After verifying the necessary documents and ensuring compliance with regulatory guidelines, the bank processes Ahmad's request. Within a few days, Nora receives the funds in her UK bank account. For this service, the bank charges a processing fee of RM25 for the international fund remittance service. Although the financial service relates to funds received outside Malaysia, the fee charged by the bank is subject to service tax because it is related to outward remittance services.

- c) Any financial services directly related to goods that are exported out of Malaysia. For clarity purposes, the exportation of goods shall include the transportation of goods from a port in Malaysia to another port in Malaysia, so long as the domestic transportation leg forms part of the overall goods exportation shipment.

Example 52.9:

A company in Malaysia arranges for the export of electronic goods to a buyer in Singapore. The financial institution provides financing services specifically to support the shipment of these goods from Malaysia to Singapore. The bank charges a service fee of RM1,000 for this export-related financing. Since the financial services are directly related to goods exported out of Malaysia, the fees charged are excluded from service tax.

- d) Brokerage or underwriting services related to medical insurance or medical takaful covered by an individual.

Example 52.10:

Joey wants to purchase a medical insurance policy for himself. He engages an insurance broker who helps him compare and choose the best medical insurance

plan from various insurers. The broker facilitates the application process and negotiates terms with the insurance company. Since the brokerage service relates to medical insurance for an individual, it is not subject to service tax under the current service tax treatment.

- e) Brokerage or underwriting services related to life insurance or family takaful covered by an individual.

Example 52.11:

Siti wants to secure financial protection for her family in case of unforeseen events. She decides to purchase a life insurance policy for herself. Siti consults an insurance broker who helps her compare different life insurance policies and find the most suitable coverage. The broker assists in policy selection, application processing, and risk assessment before finalizing the insurance. An underwriter from the insurance company evaluates Siti's health and financial background to determine the insurance premium and coverage eligibility. Since the brokerage or underwriting service is related to a life insurance policy for an individual, it is not subject to service tax under the current tax treatment.

Example 52.12:

A Malaysian company, Zig Sdn. Bhd., purchases a group life insurance policy for its employees as part of its employee benefits package. The company engages an insurance broker to find the best group life insurance coverage. The underwriter assesses the risk for the entire group before finalizing the policy terms. Since this is a corporate insurance policy and not an individual policy, the brokerage or underwriting service is subject to service tax.

- f) Annual fees related to credit line facility services or shariah compliant financing through the activation or renewal of a primary credit card, primary charge card, additional credit card or additional charge card.

Example 52.13:

Lisa holds a credit card issued by ACBC Bank. As part of the card agreement, ACBC Bank charges Lisa an annual fee of RM100 for the use and maintenance of the credit card account. This fee is billed to Lisa once every year regardless of her

spending activity. The annual fee, being related to the credit card facility, is not subject to service tax.

- g) Financial services provided by the Federal Government, State Governments or Local Authorities. This exclusion does not apply to statutory bodies or Government linked companies. For Local Authorities, the exclusion applies only for the period from 1st July 2025 to 30th September 2025.
- h) Service tax exclusions applicable to insurance and takaful industry are follows:
- i) Premiums or contributions charged for providing medical insurance, medical takaful, life insurance or family takaful incurred to an individual (B2C) to cover against any risks in Malaysia.
 - ii) Premiums or contributions charged for providing insurance or takaful services to business organizations against risks relating to the transportation of passengers or goods (i.e. international transportation) from:
 - (A) a place outside Malaysia to another place outside Malaysia;
 - (B) the last exit point within Malaysia to any place outside Malaysia; or
 - (C) a place outside Malaysia to the first point of entry within Malaysia.
 - iii) Premiums or contributions charged for providing insurance or takaful services to business organizations against risks relating to the transportation of passengers or goods from a place within Malaysia to another place within Malaysia to the extent the services are provided by the same provider which forms part of the transportation services from:
 - (A) the last exit point within Malaysia to any place outside Malaysia; or
 - (B) a place outside Malaysia to the first point of entry within Malaysia.
 - iv) Premiums or contributions charged for providing insurance or takaful services on educational institutions and religious organizations registered under any written law;
 - v) Premiums or contributions charged for providing insurance or takaful services for protection against any risk incurred in making advances or granting credit directly related to the export of goods, services or investment outside Malaysia;
 - vi) Premiums or contributions charged for providing insurance or takaful services for protection against any risk outside Malaysia

For further details, please refer to the Service Tax Guide on Insurance or Takaful.

EXEMPTION FROM PAYMENT OF SERVICE TAX

53. The Minister grants exemption from service tax payment to specific persons on taxable financial services received by them. Consequently, service providers are not required to charge service tax when providing financial services to these exempted persons.
54. To qualify for the exemption, exempted persons (i.e. service recipient) must comply with the conditions prescribed by the Minister. If any of these conditions are not met, the exempted person is required to repay the service tax on the date the non-compliance occurs.
55. Prior to the expansion of the Service Tax scope 2025, the following persons were exempted from paying service tax on the specific services, and this exemption will continue after 1st July 2025:
- a) Any person, on brokerage fees charged by a broker related to the trading of shares listed on Bursa Malaysia.

Example 55.1:

Lim wants to buy 1,000 shares of a company listed on Bursa Malaysia. He contacts his broker, Tulips Securities, to execute the trade on his behalf. Tulips Securities charges Lim a brokerage fee of RM50 for providing the brokerage service related to this transaction.

Since this brokerage fee is related to trading shares listed on Bursa Malaysia, Lim is exempted from paying service tax on the brokerage fee according to the exemption rules.

- b) Financial service providers, on fees or commissions charged by local commodity trading platform providers, when these fees or commissions are incurred for the purpose of providing Islamic financial services

Example 55.2:

An Islamic bank wants to provide Murabaha financing to its customers by

purchasing commodities through Bursa Suq Al-Sila'. The bank buys commodities on the platform, then sells them to clients at a marked-up price, with deferred payment terms. For the transaction, the Islamic bank pays Bursa Suq Al-Sila' a total of RM 10,000 in various fees.

Since the fees charged by Bursa are directly related to the provision of Islamic financial services by the Islamic Bank, these fees are exempted from service tax.

56. In conjunction with the expansion of the scope of Service Tax 2025, the following persons were exempted from paying service tax on the taxable services:

- a) Financial service providers in Labuan, whether registered or not, are exempted from service tax on the acquisition of taxable financial services, subject to the following conditions:
 - i) The exempted person (i.e. recipient) is regulated by the Labuan Financial Services Authority;
 - ii) The financial services are provided by registered financial service providers or by persons located outside Malaysia (i.e., imported services); and
 - iii) The financial services acquired are used by the exempted person to provide any services regulated under Labuan Financial Services and Securities Act 2010 [Act 704] or Labuan Islamic Financial Services and Securities Act 2010 [Act 705].

Example 56.1:

BHB Labuan Ltd engages an investment bank in Kuala Lumpur to provide financial advisory and risk management services. These services assist BHB Labuan Ltd in managing its financial products offered to its clients.

Since BHB Labuan Ltd uses the financial services acquired from the investment bank to provide onward financial services regulated under the Labuan Financial Services and Securities Act 2010, the fees paid to the investment bank are exempted from service tax.

Example 56.2:

A foreign financial advisory firm provides risk assessment and financial

consultancy services to ABC Capital Ltd, a company located in Labuan, and charges an advisory fee. ABC Capital Ltd then utilizes these imported services to support financial advisory services provided to another Labuan-based company.

Therefore, ABC Capital Ltd is exempted from accounting for service tax on the imported services acquired from the foreign firm.

- b) Federal Government, State Governments and Local Authorities, in relation to the provision of taxable financial services by any registered person. This exemption does not apply to all statutory bodies or all Government linked companies. For Local Authorities, the exemption applies only for the period from 1st July 2025 to 30 September 2025.

Financial services that were subject to tax prior to 1st July 2025 are not eligible for this exemption. It is important to note that this exemption exclusively applies to financial services that are subject to tax beginning on 1st July 2025. This distinction is crucial for understanding the benefits available under the new SST Expansion Scope.

Example 56.3:

A Malaysian bank arranges a RM500 million loan for the Federal Government to fund a new highway project. The bank charges a loan processing fee of RM50,000. The RM50,000 loan processing fee is not subject to service tax because the service is provided to the Federal Government.

- c) Financial services providers who act as a broker, on the clearing fees and trading fees charged by Bursa Malaysia in relation to share listed on Bursa Malaysia;

Example 56.4:

A client of Mawar Investment Bank placed a trade to buy 10,000 shares of Xypor Berhad on Bursa Malaysia. When executing the trade, Mawar Investment Bank is charged the Trading Fee RM50 and Clearing Fee RM30 by Bursa Malaysia.

Bursa Malaysia's trading fee and clearing fee related to listed shares are exempt from Service Tax.

- d) Issuers or listed companies, in respect of the following regulatory services that are

subject to perusal fee or processing fees imposed by Bursa Malaysia;

- i) Applications for listing on the ACE or LEAP Market;
- ii) Applications for bonus issues and rights issues for the MAIN, ACE or LEAP Markets; or
- iii) Perusal of Circulars for the MAIN or ACE Market.

Example 56.5:

Yoyo Services Bhd is applying to Bursa Malaysia to list its shares on the ACE Market. As part of the application process, Bursa Malaysia charges a perusal fee to review all the submitted documents, such as the company's prospectus, financial statements, and compliance paperwork. For this type of listing application, the perusal fee might be RM20,000. This fee is exempt from service tax.

- e) Any person, on the fees charged in accordance with Shariah principles in the provision of Islamic financial services and subject to the following conditions:
 - i) The fee is charged by an Islamic financial services provider who is a registered person under Service Tax Act 2018;
 - ii) The imposition of the fees is in accordance with Shariah principles;
 - iii) The fees charged are for Islamic financial services that support the main Islamic financial services provided to customers;
 - iv) The fees are not used as the main contract and are not charged separately by the Islamic financial service provider;
 - v) The fees are mandatory payment within the structure of the Islamic financial product or instrument;
 - vi) The fees charged on the Islamic financial services do not have any similarity with the fees charged in conventional financial services; and
 - vii) The product or service has received Shariah compliance certification from the relevant authority, namely the Shariah Advisory Council of BNM, the Shariah Advisory Council of the SC or the Shariah Committee of the Islamic Financial Service Provider, whichever is applicable.

Example 56.6:

Abu applies for Islamic home financing with AON Islamic Bank under a Murabahah contract. As part of the agreement, AON Islamic Bank charges a wakalah fee for acting as an agent to manage the purchase and sale of the property on Abu's behalf.

Fee details are as follow:

- *The wakalah fee is set at 1.5% of the total financing amount.*
- *The total financing amount is RM500,000.*
- *Therefore, the wakalah fee charged is $RM500,000 \times 1.5\% = RM7,500$*

This wakalah fee of RM7,500 is exempt from service tax

- f) Any person, on management fees charged by a registered financial service provider for fund management services related to fixed price funds under Amanah Saham Nasional Berhad (ASNB), including Amanah Saham Bumiputera (ASB) and Amanah Saham Malaysia (ASM).
- g) Any person, on fee-based financial services for transactions involving securities issued and guaranteed by the Federal Government or State Governments, subject to the following conditions:
- i) The financial service provider is a person registered under the Service Tax Act 2018 or a financial service provider outside of Malaysia;
 - ii) Securities issued either conventionally or in compliance with Shariah principles, which evidence indebtedness, namely;
 - (A) Bonds / sukuk;
 - (B) Debentures;
 - (C) Notes; or
 - (D) other instruments.
 - iii) Fee-based financial services on such securities are directly related to;
 - (A) Purchase, sale, and transfer;
 - (B) Custody;
 - (C) Clearing;
 - (D) Settlement; or
 - (E) Transaction administration.

- iv) This exemption does not apply to:
 - (A) financial advisory services;
 - (B) financial consultancy services or
 - (C) securities which are not issued by the Federal Government or State Governments.

- h) Registered financial services providers (including those in SA or DA) on the acquisition of taxable financial services, if they satisfy the following conditions:
 - i) The financial services are provided by another registered financial service provider or by a person outside of Malaysia (i.e. imported services); and

 - ii) The financial services must be acquired for the purpose of providing the following services:
 - A. taxable financial services,
 - B. financial services in connection with goods, land or matters situated outside Malaysia, or
 - C. financial services directly related to goods that are exported out of Malaysia.

If the taxable services consist of both taxable and non-taxable services and unable to be segregated, the B2B relief will be applicable on the financial service acquired related to such taxable service. However, if the non-taxable services can be matched directly with the acquired financial services, then such exemption is not applicable.

Example 56.7:

JKL Insurance Berhad sells a motor insurance policy to Maju Sdn Bhd for a premium of RM50,000, plus an additional 8% service tax, through PQR Bank Berhad, its bancassurance partner. PQR Bank Berhad, charges a commission of RM5,000 to JKL Insurance Berhad.

In addition, JKL Insurance Berhad cedes 30% of the aforementioned motor insurance premium (i.e., RM15,000) to UVW Reinsurance Berhad for risk diversification purposes.

Since the motor insurance policy provided by JKL Insurance Berhad to Maju Sdn

Bhd is a taxable financial service, both the bancassurance commission of RM5,000 charged by PQR Bank Berhad and the reinsurance premium of RM15,000 charged by UVW Reinsurance Berhad qualify for service tax exemption. Therefore, these registered financial providers are not required to charge service tax on the taxable services provided to JKL Insurance Berhad.

Example 56.8:

A Malaysian asset management firm (a registered person) contracts an overseas financial advisory firm (a foreign service provider) to provide investment research and strategy recommendations. The Malaysian firm uses this research to manage its clients' investment portfolios, an activity considered taxable financial services. Since the imported financial service is acquired to support its provision of taxable financial services, it qualifies for an exemption from service tax.

Example 56.9:

XYZ Asset Management Sdn Bhd contracts BAM Holding Bhd to provide specialized financial advisory services at a fee of RM100,000. The advisory service includes market analysis, risk assessment, and portfolio structuring advice. XYZ Asset Management then uses this advisory service to offer onward financial services to its clients investing in commercial real estate in the United Kingdom.

Since the advisory services provided by BAM Holding Bhd are used by XYZ Asset Management in delivering financial services related to goods situated outside Malaysia, the fee charged by BAM Holding Bhd is exempt from service tax.

Example 56.10:

A Malaysian retakaful company (registered person) enters into a retrocession arrangement with a foreign retakaful company (foreign provider) to cede a portion of its portfolio to the foreign provider. The portfolio of the Malaysian retakaful company represents a consolidated risk pool of taxable and exempted services. However, as the Malaysian retakaful company is providing a taxable service to its cedants, the imported service directly correlates to the onward provision of taxable financial service, it is exempted from service tax.

Example 56.11:

An investment bank PPP, which is a registered financial service provider, provides underwriting services to a commercial bank QQQ for a corporate bond issuance for CCC Berhad. The investment bank PPP charges a fee of RM500,000. The RM500,000 underwriting fee is exempted from service tax because both entities are registered as financial service providers under Service Tax Act 2018 and the underwriting fee is used by QQQ to make its onward taxable financial services (i.e. corporate bond issuance assistance for CCC Berhad).

Example 56.12:

KLM Islamic Bank is engaged by TKF Takaful Operator as its sole bancatakaful partner to distribute TKF's individual and corporate medical and family takaful products. Under the bancatakaful arrangement, KLM Islamic Bank is entitled to an upfront fee and a remuneration package (e.g. production bonus) based on the total amount of takaful certificates sold. In addition, KLM Islamic Bank will be entitled to a commission upon every successful issuance of any takaful certificate by TKF Takaful Operator.

In this example, the bancatakaful upfront fee and remuneration package are eligible for B2B relief as both KLM Islamic Bank and TKF Takaful Operator are SST registrants and these are incurred for the furtherance of taxable financial services by TKF Takaful Operator.

As the takaful commission is triggered by issuance of each takaful certificate, the commission will be eligible for B2B relief if it relates to taxable takaful certificate (e.g. group medical product).

However, the takaful commission will not be eligible if it relates to a non-taxable takaful certificate (e.g. individual family takaful certificate).

Example 56.13:

Bank GGG distributes fund units of YYY Growth Fund, which is managed by SSS Asset Management Sdn Bhd ("SSS"), under the IUTA ("Institutional Unit Trust Scheme Adviser") structure. Bank GGG maintains the client relationship with the end investors and SSS has no knowledge on the end investor details.

Upon fund subscription by investors, SSS will charge a sales charge to Bank GGG with service tax as the sales charge represents the financial service provided by SSS. Bank GGG will collect the full sales charge (with SST) from the investors under disbursement arrangement.

Bank GGG subsequently earns the sales commission from SSS Asset Management for its fund distribution services. The commission earned by Bank GGG will qualify for B2B relief as it is related to the onward taxable service provided by SSS on the sales charge imposed.

- i) Insurance companies or takaful companies, on the acquisition of re-insurance services or re-takaful services, subject to the following conditions:
- i) The service provider is a person registered under the Service Tax Act 2018 or financial service provider outside Malaysia;
 - ii) The recipient of the service is the registered person specified in column (1), Group H, in the First Schedule to the Service Tax Regulations 2018; and
 - iii) The re-insurance or re-takaful services acquired are used for the purpose of providing medical insurance, medical takaful, life insurance, or family takaful services.

Example 56.14:

ABC Reinsurance Bhd is a registered FSP operating as a reinsurer. It provides reinsurance services to XYZ Insurance Berhad, which is also a registered FSP.

XYZ Insurance Berhad provides Life and Medical insurance to both individual and corporate customers and cedes out a portion of the risk to ABC Reinsurance Bhd as part of the treaty portfolio block. A premium is paid to ABC Reinsurance Bhd as reinsurance premium.

The reinsurance premium is eligible for B2B relief as both ABC Reinsurance Bhd and XYZ Insurance Berhad are SST registrants. Furthermore, the reinsurance services are used by XYZ Insurance Berhad to provide Life and Medical insurance to the clients.

Example 56.15:

CBA Insurance Berhad (“CBA”) cedes 30% of its medical risk portfolio to EFG Reinsurance Berhad (“EFG”), which is a registered FSP. The medical portfolio is a mixture of taxable and non-taxable medical policies, however, segregation of the specific value of the policies is not possible. It is the industry practice that the ceded reinsurance premium is calculated on a net basis, after the deduction of cedent commission.

EFG further cedes out 50% of its entire medical portfolio to a foreign reinsurer, MMM Reinsurance plc (“MMM”) under another risk diversification exercise. EFG’s medical portfolio contains a mixture of local and foreign medical risks ceded to it.

The net ceded reinsurance premium paid by CBA to EFG would qualify for B2B relief as the reinsurance services are used by CBA to provide medical insurance to the clients. Furthermore, the importation of reinsurance services by EFG from MMM also qualifies for B2B relief as it is used for the furtherance of EFG’s taxable financial services.

57. However, the exemption mentioned in paragraph 56(h) does not apply to registered financial services provider who uses the acquired financial services to provide the following services or impose the following charges:
- a) brokerage services related to the trading of shares which are listed on Bursa Malaysia;
 - b) clearing and trading fee related to the trading of shares which are listed on Bursa Malaysia; or
 - c) perusal fee and processing fee for the MAIN, LEAP or ACE Market in Bursa Malaysia related to application for listing, application for bonus issues and right issues and perusal of circulars.

Example 57.1:

XYZ Securities Sdn Bhd acquires investment advice from Dynamica Sdn Bhd for a fee of RM80,000. XYZ Securities uses this information to assist its clients in making informed investment decisions and to support its brokerage services for shares listed on Bursa.

The investment advisory services provided by Dynamica Sdn Bhd are subject to service tax, as they are used by XYZ Securities Sdn Bhd to provide onward financial services that do not qualify for the B2B exemption.

PROCEDURES FOR SERVICE TAX EXEMPTION

58. As exempted persons, the following service recipients are required to provide the registered financial service provider with an undertaking letter confirming that they qualify for exemption from the payment of service tax on the taxable financial services provided to them:
- a) Financial service providers using the local commodity trading platform for the purpose of providing Islamic financial services;
 - b) Any financial services providers regulated by LFSA, using the acquired taxable financial services to provide onward financial services regulated under Labuan Financial Services and Securities Act 2010 or Labuan Islamic Financial Services and Securities Act 2010;
 - c) Registered financial services provider (including those in SA or DA), using the acquired taxable financial services to provide:
 - i) taxable financial services, excluding those specified in paragraph 57,
 - ii) financial services in connection with goods, land or matters situated outside Malaysia, or
 - iii) financial services directly related to goods that are exported out of Malaysia.
59. This undertaking letter must be issued by the exempted persons mentioned in paragraph 57 to ease the administrative burden of the service provider in applying the correct service tax treatment and for future audit purposes by the Royal Malaysian Customs Department.
60. The undertaking letter is not applicable in cases where the taxable financial services are acquired from a person located outside Malaysia.
61. A letter of undertaking may be issued only once to a registered financial service provider, prior to the acquisition of taxable financial services. The contents of the letter of undertaking are provided in Appendix B.

62. However, the recipient must immediately inform the service provider or issue a new undertaking letter if there is any change in their exemption status.
63. The undertaking letter issued by the exempted person shall be retained by the registered financial services provider and made available for inspection upon request by the Director General.
64. When providing taxable financial services to an exempted person, the registered financial services provider is not required to charge service tax. However, an invoice must still be issued to the exempted person. Failure to issue an invoice is an offence.
65. An invoice issued on the provision of taxable services should contain the following particulars:
- a) An invoice serial number;
 - b) The date of issuance of the invoice;
 - c) Name, address and service tax registration number of the registered provider;
 - d) A description sufficient to identify the taxable services provided;
 - e) Any discount offered;
 - f) Total amount payable excluding tax, the rate of tax and the total tax chargeable to be shown separately;
 - g) Total amount payable inclusive of the total tax chargeable; and
 - h) any amount expressed in a currency other than Ringgit, shall also be expressed in Ringgit at the selling exchange rate prevailing in Malaysia at the time when the taxable service is provided.
66. In addition to all particulars described in paragraph 63, an invoice issued to an exempted person shall include the following particulars:
- a) Name and address of the service recipient;
 - b) Service tax registration number for the service recipient (if applicable); and
 - c) The total amount of service tax exempted to the service recipient.

SERVICES WITHOUT CHARGE

67. In general, the provision of taxable services for free, the service tax shall be accounted on the value of taxable service which would have been provided in the ordinary course of business to a person not connected with the taxable person, pursuant to Section 9 of

Service Tax Act 2018.

68. In the financial services industry, it is common that authorities (e.g. Bank Negara Malaysia or Securities Commission) may prescribe that some financial services must be provided by all FSPs for no fee charged. In such case, the open market value of such services would be zero and thus no service tax would be required to be accounted for by the FSP even though such financial services are provided for free and these services are treated as outside the scope of service tax.
69. In addition, if the FSP is providing a particular financial service or product to all customers for free, such financial service / product would not be treated as a fee-based financial service and thus would not be in-scope for service tax purposes. This paragraph does not apply to provision of credit card and charge card, where the service tax of RM25 per card activation or annual card renewal still applies regardless of whether any annual card fee is imposed.
70. There could be circumstances where the FSP only waives the fee for the provision of financial services to certain group of customers, while maintaining the fee to the remaining customers. In such case, the FSP should account service tax on the provision of free financial services to the customers.

Example 70.1:

Bank A provides outward fund remittance services and trade finance services. It is Bank A's policy to provide outward fund remittance services to all its customers for free and to waive the fee for trade finance services to certain customers who meets the Bank A's criteria. In this case, Bank A is not required to deem service tax on the provision of free outward fund remittance services. However, Bank A is required to account for service tax on the waiver of trade finance fees to certain customers.

DETERMINATION OF MATTERS OUTSIDE MALAYSIA FOR SERVICE TAX PURPOSES

71. Under the service tax legislations, financial services related to goods, land or matters outside Malaysia are not subjected to service tax. To this end, the examples to be treated as matters outside Malaysia for the selected financial products are as follows:

Financial services or products	Services to be treated as matters outside Malaysia
Treasury products, trading and custody of shares / fund / derivatives or equivalent	Foreign (non-Malaysia) shares / fund / derivatives / securities / other financial instruments or listed at foreign stock exchanges
Insurance and Takaful, including reinsurance and re-takaful, insurance and takaful brokerage, bancassurance and bancatakaful services	Related to insurance policy and takaful certificates where risk coverage is outside Malaysia. Operationally, BNM's Integrated Transaction Statistics Reporting classification (or equivalent for LFSA Statistical reporting) for "business outside of Malaysia" can be used as a reference of risk outside Malaysia for service tax purposes.
Loan / Financing	Related to foreign (non-Malaysia) projects, foreign items or foreign goods
Trade Finance Services	Related to importation of goods from overseas to Malaysia (i.e. goods located at outside Malaysia when the trade finance services are provided)
Investment management services	<ul style="list-style-type: none"> • Investment portfolio related to financial instruments, and securities issued outside Malaysia as well as property located at overseas; or • Investment management services provided to fund / trust which is set up or established outside Malaysia.

INVOICING REQUIREMENTS

72. Pursuant to Section 21 of Service Tax Act 2018, every registered person who provides any taxable service shall within one year from the date the taxable service was provided or such extended period as may be approved by the Director General, issue an invoice containing prescribed particulars in the national language or English language to the customer in respect of the transaction.
73. For any provision of taxable services by registered FSP for free or no consideration, the supplier is not required to issue service tax invoices as there is no service tax to be imposed on customers.
74. For any reversal of previous charges which have been charged with service tax, a credit note shall be issued by FSP pursuant to Section 23 of Service Tax Act 2018.

75. Upon request in writing by any registered person, and subject to such conditions as the Director General deems fit may allow the supplier for **not** issuing service tax invoice, debit note and credit note (for the reversal) to the service recipient (buyer), on any taxable services provided by a registered person. For example, issuance of self-billed e-invoice by service recipient (e.g. bancassurance commission payments).
76. Under certain circumstances and upon request in writing, the FSP is also allowed to use its periodical statement (or equivalent) for service tax invoicing purposes. This may include prior period adjustments and may follow the current e-invoice issuance frequency.

SERVICE TAX TREATMENT DURING TRANSITIONAL PERIOD

77. As a general rule, any financial services provided before 1st July 2025 and spanning after that date, and no payment is received prior to 1st July 2025, the portion of financial services that corresponds to the period on or after 1st July 2025 shall be subject to service tax.
78. However, if any payment is received before 1st July 2025 for the portion of financial services to be provided on or after that date, no service tax shall be chargeable on the payment received.

Example 78.1:

FAZ Advisory Sdn. Bhd. (FAZ), a licensed financial advisory firm, provides portfolio management services to a corporate client under a 6-month contract from 1 April 2025 to 30 September 2025, with a total fee of RM60,000 (RM10,000 per month). The corporate client paid RM40,000 as an upfront payment to FAZ before the services were provided, and the remaining amount was paid after the end of the contract period.

Since the payment of RM40,000 (covering the fee for April to July 2025) was made before 1st July 2025, this amount is not subject to service tax. However, the remaining RM20,000 shall be subject to service tax, either exempted or charged at 8%, depending on the applicable treatment.

79. In relation to imported taxable financial services acquired before 1st July 2025 and spanning after that date, the portion of financial services that corresponds to the period on or after 1st July 2025, shall be subject to service tax.

Example 79.1:

A Malaysian company, XYZ Sdn. Bhd. (XYZ), engages a foreign consultancy firm based in the UK to provide financial risk advisory services from 1st May 2025 to 31st July 2025, with a total service fee of RM90,000. The full payment is scheduled to be made in August 2025.

The portion of services provided before 1st July 2025 (i.e. May–June), amounting to RM60,000, is not subject to service tax. However, the portion of services for July, amounting to RM30,000, shall be subject to service tax.

XYZ needs to account for service tax on the imported taxable financial risk advisory services of RM30,000 at the earlier of:

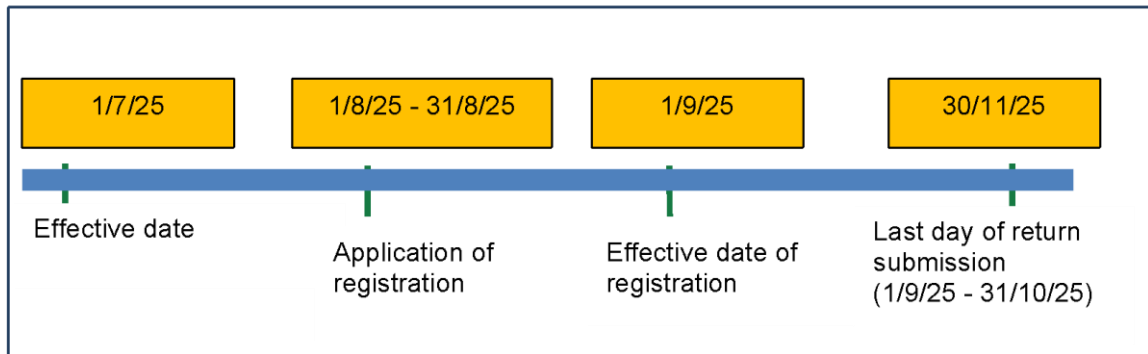
- i) The date payment is made to the overseas service provider, or*
- ii) The date the invoice is received from the overseas service provider.*

SERVICE TAX TREATMENT ON NON-REVIEWABLE CONTRACT

80. Financial services provided under non-reviewable contracts are granted an exemption from the payment of service tax for the period from 1st July 2025 to 30 June 2026 subject to the following conditions:
- a) The financial service provider is a registered person for service tax;
 - b) The contract does not contain a price revision clause or any value adjustment mechanism;
 - c) The contract is made in writing, signed, and stamped by the Inland Revenue Board of Malaysia (LHDN) on or before 9th June 2025;
 - d) The contract clearly states:
 - i) the type of service provided;
 - ii) a fixed contract value (non-variable);
 - iii) the contract duration; and
 - e) The contract remains in force after 1st July 2025.
81. This exemption only applies to financial services that become taxable services on or after 1st July 2025.

REGISTRATION AND RETURN SUBMISSION

82. Financial services that are exempted from payment of tax are treated as taxable services provided by financial services providers. Therefore, if financial services providers provide taxable services including those exempted from tax payment, they are liable to register if the annual value of such services exceeds RM1,000,000. All qualified financial service providers must register after 1st July 2025.



83. Existing registered service providers are required to update their registration details in the MySST portal by adding the new service type (Financial Services) in their registration info and begin charging service tax on taxable financial services provided from the effective date.
84. The total value of tax payable, as well as the total value of exempted taxable services provided in each taxable period, must be declared in the tax return accordingly. For clarity, the total value of exempted taxable services provided by registered FSP (e.g. services qualify for B2B relief) is required to be reported in Box 18(c) of SST-02 returns. For avoidance of doubt, the acquisition of local and imported taxable services qualifies for B2B relief are not required to be reported in the SST-02 returns.
85. A registered person must submit a service tax return using SST-02 Form according to the prescribed taxable period. The return must be submitted no later than the last day of the month following the end of the taxable period. For further details, kindly refer to the Sales and Service Tax Guide on Registration.

FREQUENTLY ASKED QUESTIONS (FAQs)

1. Q: Who is required to register for Financial Services Tax?

A: Any financial service provider whose taxable services exceed the RM1,000,000 threshold must register under the Service Tax Act 2018.

2. Q: Are all financial services and charges subject to service tax?

A: No, some financial services and charges are excluded from service tax, including:

- a. Interest or spread-based charges (e.g., loan interest)
- b. Late payment penalties
- c. Compensation for dishonoured cheques
- d. Overdraft excess fees
- e. Financial services related to exports

3. Q: What is the difference between Group H and Group G under Service Tax Regulations 2018?

A: Group H covers financial services such as banking, insurance, and investments, financial related management or consultancy, whereas Group G covers non-financial services such as management and consultancy.

4. Q: Are services provided to the government subjected to service tax?

A: No, financial services provided to the Federal Government or State Government are not subjected to service tax (i.e. exemption from tax payment). However, any financial services that were subject to tax before 1st July 2025 are not eligible for the exemption. Therefore, services such as insurance, takaful, management, consultancy and etc. are still subject to tax even though they are provided to the government on or after 1st July 2025.

5. Q: A Malaysian company hires a foreign financial advisor to manage its investments in Malaysia. Are these imported financial services subject to tax?

A: Since financial advisory services are taxable in Malaysia, the company must self-account for the service tax on the services received.

- 6. Q: A Malaysian company provides reinsurance services to overseas customers and charges a fee for these services. Is the company required to consider this fee when determining the threshold computation?**

A: This service is included in the exclusion from service tax (i.e. financial services related to goods, land or matters outside Malaysia). Therefore, the value of these services is not included in the threshold calculation. All services listed in the exclusions shall not be included in the threshold calculation.

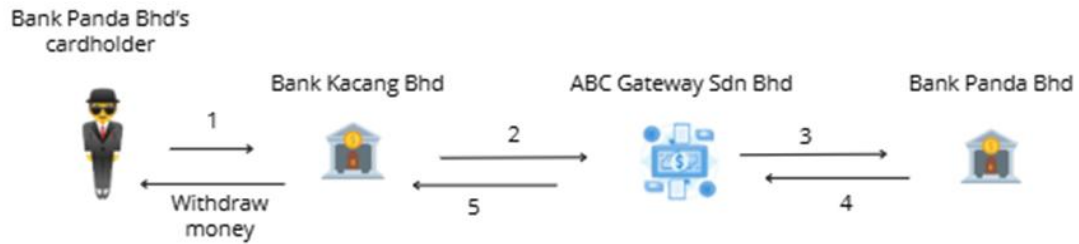
- 7. Q: A company registered under Group H of the Service Tax Act is providing financial services to another company within the same group of companies, which is also registered under Group H of the same Act. Does the service provided qualify for group relief?**

A: No, the service provided does not qualify for group relief. However, the companies may be eligible for the B2B exemption if all the conditions are fulfilled.

- 8. Q: All Bank Bhd (ABB) provides outward fund remittance services and trade finance services. It is ABB's policy to provide outward fund remittance services to all its customers for free and to waive the fee for trade finance services to certain customers who meet the ABB's criteria. What is the service tax treatment for remittance services provided free of charge and the waiver of fees on trade finance services by ABB?**

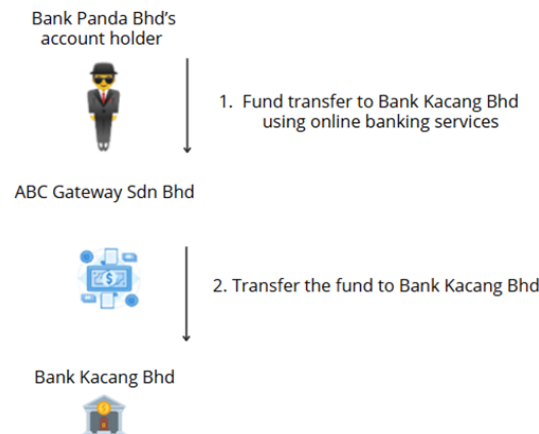
A: In this case, ABB is not required to account for service tax on the provision of free outward fund remittance services. However, ABB is required to account for service tax on the waiver of trade finance fees to certain customers.

- 9. Q: Bank Panda's cardholder withdraws money at Bank Kacang's ATM. ABC Gateway (Payment Gateway) processes fund transfer between Bank Panda (issuer) and Bank Kacang. Bank Panda utilises services from both ABC Gateway and Bank Kacang. Bank Panda is charged with an interchange fee by Bank Kacang and switching fee by ABC Gateway. Should ABC Gateway Sdn Bhd and Bank Kacang Bhd charge a service tax to Bank Panda Bhd?**



A: Both the interchange fee and switching fee linked to a current or savings account for withdrawal of funds are not subject to service tax, as they are considered basic banking services.

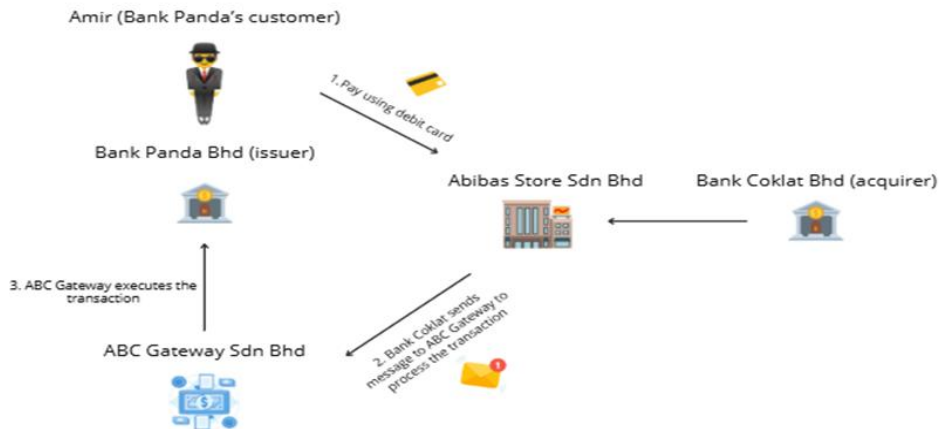
10. **Q: Bank Panda (the Originating Financial Institution) receives payment instructions from its customer for fund transfer to Bank Kacang (Receiving Financial Institution) account holder, using an online banking service. ABC Gateway (Payment Gateway) performs the transaction and transfers the fund to the Bank Kacang account holder. ABC Gateway charges transaction fee to Bank Panda for facilitating the fund transfer. Is the transaction fee charged by ABC Gateway Sdn Bhd subject to service tax?**



A: Transaction fees linked to a current or savings account for transfer of funds are not subject to service tax, as they are considered basic banking services.

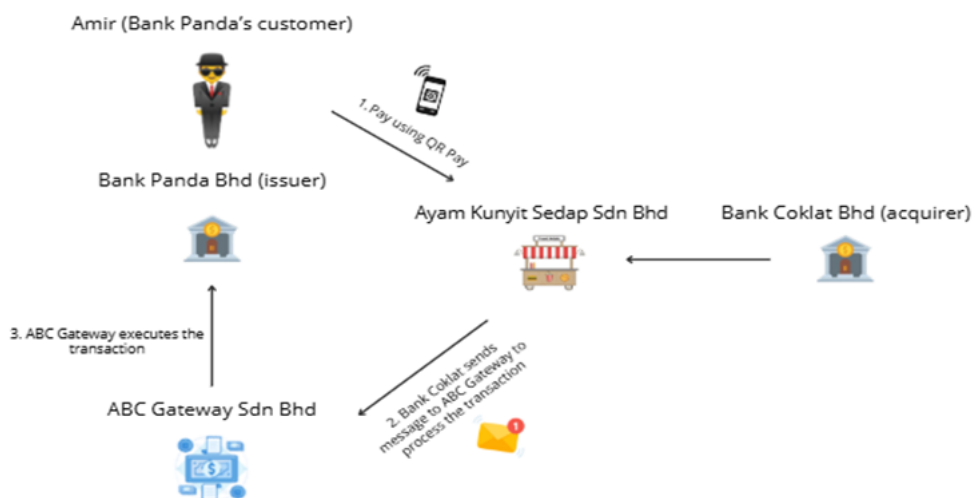
11. **Q: Amir (Bank Panda Account Holder) pays for a pair of shoes at Abibas Store using his bank-issued debit card. Bank Coklat (acquiring bank) sends the information to ABC Gateway, the Payment Gateway, to process the transaction. ABC Gateway charges a switching fee to Bank Coklat (acquiring bank) for the usage of payment platform and Bank Panda (issuing bank) charges an interchange fee to Bank Coklat**

(acquiring bank). Is the switching and interchange fee for processing debit transactions subject to service tax?



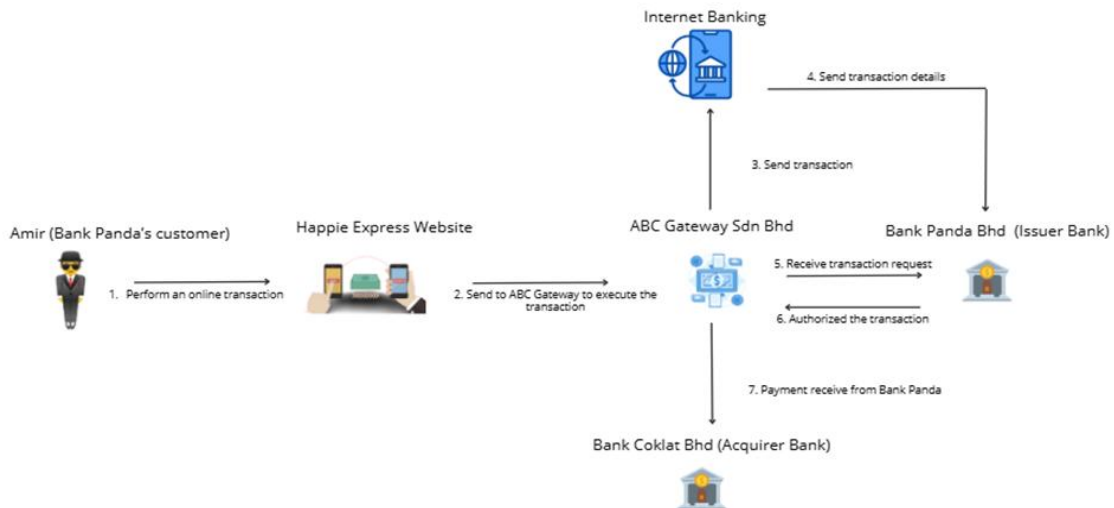
A: A transaction involving the use of a debit card linked to a current or savings account for payment purposes is considered part of basic banking services. Therefore, the switching fee and interchange fee are not subject to service tax.

12. Q: Amir (Bank Panda Account Holder) pays for his Ayam Kunyit using QR Pay at Ayam Kunyit Sedap. Bank Coklat (acquiring bank) sends the information to ABC Gateway Sdn Bhd, the Payment Gateway, to process the transaction. ABC Gateway charges a switching fee to Bank Coklat (acquiring bank) for the usage of payment platform and Bank Panda (issuing bank) charges an interchange fee to Bank Coklat (acquiring bank). Is the switching fee & interchange fee for processing debit transactions subject to service tax?



A: Transaction involving the QR payment which is linked to a current/savings account, is considered as part of basic banking services and therefore, not subject to service tax.

13. **Q: Amir (Bank Panda Account Holder) buys jackets though an online platform and performs an online payment transaction at Happie Express website. Bank Coklat (acquiring bank) sends the information to ABC Gateway Sdn Bhd, the Payment Gateway, to process the transaction. ABC Gateway charges a switching fee to Bank Coklat (acquiring bank) for the usage of payment platform and Bank Panda (issuing bank) charges an interchange fee to Bank Coklat (acquiring bank). Is the switching and interchange fee for processing the online transaction subject to service tax?**



A: A transaction involving online banking that is linked to a current or savings account for payment or fund transfer purposes is considered part of basic banking services. Therefore, the switching fee charged by ABC Gateway Sdn Bhd and the interchange fee charged by Bank Panda are not subject to service tax.

14. **Q: Could a reminder letter sent to a customer be perceived as a punitive charge?**

A: A reminder letter, in its typical form, is not punitive in nature. Its primary purpose is to serve as a communication tool to prompt action, not to punish. The goal is to inform someone that an obligation, such as an overdue payment or an unfulfilled task, has not been met. A warning letter cannot be deemed punitive for the following reasons:

- i) Intent

The intent of a reminder letter is to remind, not to punish. It often starts with a friendly tone, assuming the recipient may have simply forgotten. The goal is to resolve the issue without escalating the situation.

ii) Action

The letter simply requests that the recipient fulfil their obligation. It doesn't impose a penalty or fine as an immediate consequence of the overdue action (though it may mention future consequences if the issue is not resolved).

iii) Progression

In cases of overdue payments, reminder letters typically follow a series of increasingly firm communications. The first reminder is usually polite, the second becomes more formal, and a final reminder may clearly outline potential consequences, such as a late fee, collection actions, or legal proceedings. It is only at the final reminder stage, where these consequences are explicitly stated, that the communication starts to resemble a warning of potential punitive action. However, the letter itself serves merely as notification of an impending consequence, rather than as an actual punishment.

In contrast, punitive actions are those that are designed to inflict a penalty. Examples of punitive actions could include:

- Late fees or interest charges:
These are financial penalties for failing to make a payment on time.
- Collection agency action or legal proceedings:
These are formal steps taken to force compliance, which can result in further costs and penalties.

While a reminder letter may be the first step in a process that could eventually lead to punitive action, the letter itself is generally considered a non-punitive attempt to resolve an issue.

15. Q: Can compensation payment be regarded as a punitive charge?

A: Compensation is not included in what is considered punitive in nature. Compensatory payments are not punitive. If a charge is solely meant to compensate for harm, loss, or inconvenience, it does not meet the criteria for being punitive in nature. The two serve fundamentally different purposes:

i. Compensatory Charges.

The purpose of this charge is to reimburse or compensate the person who has suffered harm or loss. This charge is restorative in nature, not punitive. Examples of

compensatory charges include medical expenses, lost wages, property repairs, refunds for overcharges, and similar costs.

ii. Punitive charges.

The purpose of this charge is to punish the wrongdoer and deter similar misconduct in the future. The nature of this charge is punitive not a restorative. Examples of punitive charges are fines beyond actual damage (e.g., for wilful misconduct), statutory penalties, court-ordered punitive damages for egregious behaviour, etc.

INQUIRY

For any inquiries for this guide please contact:

Internal Tax Division
Royal Malaysian Customs Department
Tingkat 5&6, Tower A, Suasana PjH,
Jalan Tun Abdul Razak, Presint 2,
62100 Putrajaya

FURTHER ASSISTANCE AND INFORMATION ON SST

Further information on SST can be obtained from:

- a) SST website : www.sst.customs.gov.my

- b) Customs Call Center:
 - i. Telephone number : 03-7806 7200 / 1-300-888-500
 - ii. Fax number : 03-7806 7599
 - iii. E-mail : ccc@customs.gov.my

APPENDIX A

LIST OF FINANCIAL SERVICES SUBJECT TO SERVICE TAX STARTING 1st JULY 2025 UNTIL 30TH SEPTEMBER 2025 PROVIDED BY ANY TAXABLE PERSON IN GROUP H, FIRST SCHEDULE, SERVICE TAX REGULATIONS 2018

1. Conventional and Islamic Banking/ financial services

1.1 Treasury Services or similar services;

Credit Facility or similar services and the fees subject to services tax is facility fee for arranging and marking limit.

1.2 Corporate Banking Services or similar services;

Global markets and corporate banking advisory services or similar services and the fees or charges subject to services tax are as follows;

- a) Structuring of securities fee
- b) Processing fee
- c) Participation in deals fee
- d) Pass-through deal fee
- e) Upfront fee
- f) Administrative charges
- g) Letter of undertaking, support or credit advice charges
- h) Annual review of facilities fee
- i) Restructuring/rescheduling fee
- j) Extension fee

2. Investment Banking

2.1. Debt Markets;

Arranger, facility agent services or similar services and the fees or charges subject to services tax are as follows;

- a) Arranger fee
- b) Facility Agent Service fee
- c) Agency fee
- d) Administrative charges

2.2. Equity Markets;

2.2.1 Services in relation to;

- a) Initial Public Offering (IPO);
- b) Offer for Sale;
- c) Divestments;
- d) Placements;
- e) Special Issues;
- f) Related Issues
- g) Merger & Acquisitions;
- h) Takeovers;
- i) Restructuring;
- j) Capital Reduction;
- k) Share Split;
- l) Share Consolidation;
- m) Bonus Issues;
- n) Employee stock option scheme (ESOS); or
- o) Share Grant

2.2.2 Any similar product in paragraph (2.2.1) and charged the following fees;

- a) Structuring of securities fee
- b) Introductory Fee for Introducing Clients
- c) Performance Fee for Successful Deal
- d) Incentive Fee - Discretionary Amount by Issuer
- e) Success Fee for Successful Deal

3. BURSA Malaysia

Any services provided by BURSA Malaysia and the fees that subject to services tax are as follows;

- a) Initial Listing Fees charged to issuers;
- b) Annual Listing Fees charged to issuers;
- c) Additional Listing Fees charged to issuers; or
- d) Member services and connectivity fees

4. Other services

Any financial services that have been subject to service tax before 1st July 2025.

APPENDIX B

CONTENT OF UNDERTAKING LETTER

1. Date:
The date when the letter is issued.
2. Details of the Service Recipient:
 - a) Business name;
 - b) Business Trading Name (if any);
 - c) Business address;
 - d) Company registration number;
 - e) Service Tax Registration number (if any);
 - f) Email address; and
 - g) Contact Number.
3. Details of the Service Provider:
 - a) Business name;
 - b) Business trading name (if any);
 - c) Business address;
 - d) Service Tax Registration number (if any);
4. Subject / Title:
Clear statement such as “Undertaking for Exemption from Service Tax.”
5. List of Exempted Services:
List of financial services acquired which are exempted from payment of service tax
6. Declaration of Exemption Status
A statement confirming that the service recipient qualifies as an exempted person under Section 34, Service Tax Acts 2018,

Example:

“[Recipient FSP’s name] acknowledges that it is a registered financial service provider, and acquires the financial services provided by your company for the purpose of providing the following services:

- i) taxable financial services,*
- ii) financial services in connection with goods, land or matters situated outside Malaysia, or*

iii) financial services directly related to goods that are exported out of Malaysia.

7. Purpose of the Undertaking

Explanation that the letter is to declare exemption status for the purpose of applying the service tax exemption on financial services provided.

8. Commitment to Inform Changes

A promise to notify the service provider promptly if there is any change in the exemption status.

9. Acknowledgment of the Service Provider's Right

Statement that the provider can retain this letter for record-keeping and inspection by authorities.

10. Disclaimer:

This undertaking is provided solely for the purpose of claiming exemption from service tax on financial services and is based on the information and documents currently available to the undersigned. The undersigned acknowledges that any false or misleading information provided may result in legal consequences, including penalties or revocation of the exemption. The service provider is entitled to rely on this undertaking but shall not be held liable for any loss, damage, or tax liability arising from changes in laws or the exempted person's status.

11. Signature and Date

Signature of the authorized person issuing the letter, along with name, designation, and date.

LIST OF AMENDMENTS

NO	REFERENCE	DESCRIPTION	CHANGE
1.	Para 5.1 (b)	Delete foreign currency exchange and remittance from exclusion	Deletion
2.	Para 5.1 (b)	Add a new exclusion of financial service	Addition
3.	Para 6.1	Add a new sentence "This list also includes services that were subjected to service tax prior to 1st July 2025."	Addition
4.	Para 6.2	Change the effective date	Policy
5.	Para 14	Add a new example 14.2	Addition
6.	Para 17	Add persons who are not classified as taxable persons.	Addition
7.	Para 18	Change the registration threshold	Policy
8.	Para 23	Add a new paragraph	Addition
9.	Para 24	Add a new example of services	Addition
10.	Para 25	Add a new example of services	Addition
11.	Para 27	Add a new example 27.1	Addition
12.	Para 40	Add a new paragraph	Addition
13.	Para 51	Add a new example 51.3	Addition
14.	Para 51	Editorial changes on description 51(c)	Editorial
15.	Para 51	Add a new example 51.7	Addition
16.	Para 52	Add a new paragraph on paragraph 52(b)	Addition
17.	Para 52	Add a new paragraph on paragraph 52(h)	Addition
18.	Para 56 (b)	Federal Government, State Governments, and Local Authorities are exempted from payment of tax	Policy
19.	Para 56 (b)	Add a new example 56.3	Addition
20.	Para 56 (d)	Exemption from payment of tax on the regulatory services provided by Bursa Malaysia	Policy

NO	REFERENCE	DESCRIPTION	CHANGE
21.	Para 56 (e)	Exemption from payment of tax on fees charged in accordance with Shariah principles in the provision of Islamic financial services	Policy
22.	Para 56 (f)	Exemption from payment of tax on management fees charged for fund management services related to fixed price funds under PNB	Policy
23.	Para 56 (g)	Exemption from payment of tax on fee-based financial services for transactions involving securities issued and guaranteed by the Federal Government or State Governments	Policy
24.	Para 56 (h)	Add new example 56.10, 56.11, 56.12, 56.13, 56.14 and 56.15	Addition
25.	Para 56(i)	Exemption from tax payment on reinsurance or re-takaful services acquired by insurance or takaful company	Policy
26.	Para 58	Editorial amendment	Editorial
27.	Para 60	Add a new paragraph	Addition
28.	Para 62	Add a new paragraph	Addition
29.	Para 67- 70	Add new section "Service without charge"	Addition
30.	Para 71	Add new section "Determination of matters outside Malaysia for service tax purposes"	Addition
31.	Para 72-76	Add new section "Invoicing requirement"	Addition
32.	Para 78	Add a new paragraph and new example 78.1	Addition
33.	Para 79	Add a new paragraph and new example 79.1	Addition
34.	Para 80	Add a new paragraph and new example 80.1	Addition
35.	Para 81-82	Tax treatment on non-reviewable contract	Policy
36.	FAQ No.8 - No.15	Add new FAQ	Addition
37.	Appendix B	Add declaration of exemption status	Addition
38.	All the examples	Renumbering	Editorial