



SERVICE TAX 2018

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

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Disclaimer

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

CONTENTS

INTRODUCTION	1
PROCEDURE TO APPLY FOR REFUND OF SERVICE TAX PAID ON ACQUISITION OF SERVICES	1
ACTION TO BE TAKEN BY FOREIGN MISSIONS AND INTERNATIONAL ORGANIZATION	2
INQUIRY	4
FURTHER ASSISTANCE AND INFORMATION ON SST	4

INTRODUCTION

1. Service Tax is a consumption tax governed by the Service Tax Act 2018 and its subsidiary legislation. The effective date of the Service Tax Act 2018 is 1 September 2018.
2. Service tax is imposed on prescribed services called “taxable services”.
3. A person who provides taxable services exceeding a specified threshold is required to be registered under the Services Tax Act 2018 and is known as a “registered person” who is required to charge service tax on his taxable services made to his customers.
4. In accordance with Subsection 34(3)(b), Service Tax Act 2018, the Minister Finance has directed the Director General of Customs to make a refund for service tax paid on the acquisition of selected taxable services. Category of services that qualify are as in Appendix A.
5. The Guide is prepared to assist foreign missions and international organisation in understanding the procedure for the application of Service Tax Refund on the acquisition of services by foreign missions and international organization.

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

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

- iii. Payments are made by foreign missions or international organizations. Payments using personal charge cards or credit cards for services acquired are not eligible for refund.
- iv. Service tax refund is claimable for bills/ receipts of the approved service acquired. For taxable services listed in the item no.3 of Appendix A, the value of individual service should be RM500 and above. Bills/ receipts for services in item 3 of *Appendix A*, cannot be combined to achieve the value of RM500 for such services acquired.
- v. Claims are to be made before 31 December 2019 for services acquired from 01 September 2018 to 31 August 2019.
- vi. Claim for the services acquired from 01 September 2019 onward should be submitted on quarterly basis.

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

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

ACTION TO BE TAKEN BY FOREIGN MISSIONS AND INTERNATIONAL ORGANIZATION

8. Service tax refund should be submitted with the following documents;
- i. Application for Approval of Refund of Service Tax (as per *Appendix 1*)
 - ii. List of bills/ receipts containing the following information as per *Appendix 1A*

- a) Service Tax Registered Person (Name of Company);
- b) Service Tax Registration Number;
- c) Bills / Receipts Number;
- d) Date of Bills / Receipts;
- e) Price / Charge for services purchased (RM); and
- f) Refund of service tax claim (RM).

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

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

INQUIRY

For any inquiries for this guide please contact:

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

FURTHER ASSISTANCE AND INFORMATION ON SST

Further information on can be obtained from:

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

APPENDIX A

No.	Categories	Items
1.	Professional services	<ul style="list-style-type: none"> a) Legal services b) Accounting services c) Repair and maintenance of office fittings or equipments d) Cleaning and maintenance of building e) Security services
2.	Other services	<ul style="list-style-type: none"> a) Telecommunication services and subscription broadcasting services b) Repair and maintenance of motor vehicles
3.	<ul style="list-style-type: none"> a) Hotel accomodation b) Food and Beverages in Restaurants c) Catering d) Event Management 	Minimum amount per invoice RM500.00

APPENDIX 1

APPLICATION FOR APPROVAL OF REFUND OF SERVICE TAX						
To the Minister of Foreign Affairs I hereby request approval to apply for refund of Service Tax						
1.	Name / Address of Mission					
2.	Name and rank of applicant					
3.	Period Claim (month).....(year)..... to (month)..... (year)..... (please submit and specify on quarterly basis)					
4.	List of purchased services					
No	Service Tax Registered Person (Name of Company)	Service Tax Registration Number	Bills / Receipts Number	Date of Bills / Receipts	Price / Charge for services purchased (RM)	Refund of service tax claim (RM)
*Bill(s) / receipt(s) should be attached as in Appendix 1A				Total		
<div style="margin-bottom: 20px;"> (Signature of the applicant) </div> <p>I hereby certify that the purchase was made by the Mission</p> <p>Please issue the refund to : Name of Mission : Bank account no : Name of Bank : Address of Bank :</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 30%;"> (Mission stamp) </div> <div style="width: 30%;"> (Date) </div> <div style="width: 30%;"> (Signature Head of Mission) </div> </div>						
Untuk kegunaan rasmi/For official use						
Kepada: Jabatan Kastam Diraja Malaysia				Rujukan KLN:..... Tarikh :		
Permohonan di atas disahkan benar dan layak untuk pembayaran balik Cukai Perkhidmatan yang telah dikenakan.						
..... (Nama/Jawatan/Tandatangan)						(Cop Rasmi KLN)

List of Bills / Receipts

No	Service Tax Registered Person (Name of Company)	Service Tax Registration Number	Bills / Receipts Number	Date of Bills / Receipts	Price/Charge for services purchased (RM)	Refund of service tax claim (RM)
TOTAL						