

**MINIT MESYUARAT JAWATANKUASA TEKNIKAL ISU PELAKSANAAN CUKAI
JUALAN DAN CUKAI PERKHIDMATAN**

BIL 1/2020

1.0 KETERANGAN AM

Tarikh : 13 Ogos 2020

Masa : 9.30pagi

Tempat : Dewan Persidangan Sri Rampai, Ibu Pejabat JKDM, Putrajaya

2.0 SENARAI KEHADIRAN

BIL	NAMA	JAWATAN	AGENSI
1.	YBhg. Dato' Radziah bt Abdul Razak	Pen. KPK (CDN)	JKDM
2.	Tn. Faizulnudin Bin Hashim	Timb Pengarah Kastam	JKDM
3.	Pn. Saharah Bt Saleh	Timb Pengarah Kastam	JKDM
4.	Tn. Abdul Ghafar Bin Mohamad	Timb Pengarah Kastam	JKDM
5.	Pn. Badriyah Bt Hj Mahmud	Timb Pengarah Kastam	JKDM
6.	Tn. Misbahudin bin Parmin	Timb Pengarah Kastam	JKDM
7.	Tn. Wan Jamal Abd Salam Bin Wan Long	Timb Pengarah Kastam	JKDM
8.	Tn. Yusri Bin Abd Jalil	Timb Pengarah Kastam	JKDM
9.	Tn. Wong Pun Sian	Timb Pengarah Kastam	JKDM
10.	Tn. Chin Hon Hin	Timb Pengarah Kastam	JKDM
11.	Tn. Wan Zainal Abidin Bin Wan Nilam	Timb Pengarah Kastam	JKDM
12.	Pn. Puspalatha Subramaniam	PKPK I	JKDM
13.	Tn. Tengku Mat Redzuan Bin Tengku Majid	PKPK I	JKDM
14.	Tn Nik Lee Bin Nik Soh	PKPK I	JKDM
15.	Tn. Zaily Bin Ayub	PKPK I	JKDM
16.	Tn. Khairul Nizam Bin Othman	PKPK II	JKDM

BIL	NAMA	JAWATAN	AGENSI
17.	Pn. Farzaana Bt Muhamad	KPSU	MoF
18.	Pn. Nik Zakiah Bt Nik Omar	KPSU	MoF
19.	Pn. Tan Yu Tin	Head, Technical – Tax	MICPA
20.	Pn. Wong Poh Geng	Representative	MICPA
21.	En. David Lai Shin Fah	Representative	CTIM
22.	En. P. Chandraruban	Secretariat	CTIM
23.	Dr. Mohd Fairuz Bin A.Razak	Council Member	MATA
24.	En. Mohameed Faisal Bin Syed Ibrahim	Council Member	MATA
25.	En. Chandran T S Ramasamy	Director, GST/Customs Global Trade	MIA
26.	Pn. Rafidah Bt Mohd Noor	Manager, Financial Reporting	MIA
27.	Dato' Tan Kwong Jin	Vice Chairman Customs Committee	FMM
28.	Pn. Shamini Sakthinathan	Secretariat	FMM
29.	Dato' Chua Tia Guan	Member	PEMUDAH
30.	En. Raja Kumaran	Chairman, Taxation & Trade Facilitation Council	MICCI
31.	Pn. Wong Hin Wei	Chief Administration Officer	MICCI
32.	En. Koh Siok Kiat	Member	STA
33.	En. Koong Lin Loong	ACCCIM National Council	ACCCIM
34.	Pn. Aw Wan Sin	Operation Executive	ACCCIM
35.	En. Md Saiful Bin Md Hussin	Representative	PORAM
36.	Dr. PH Lee	Representative	PORAM

	NAMA	JAWATAN	AGENSI
37.	Pn. Mira Ajib	Representative, Government Affairs	AMCHAM
38.	Pn. Sarah Sheah Sue-Ai	Representative	AMCHAM
Sekretariat			
1.	Pn. Asmah Bt Ibrahim	PKPK I	JKDM
2.	Tn. Hashim Bin Tan	PPK	JKDM
3.	Pn. Suraiya bin Yahaya	PPK	JKDM
4.	Tn. Roslan Bin Akibon	PPK	JKDM
5.	Pn. Eliza Nurul Ain Bt Mohd Rajali	PaK	JKDM

Bil	Perkara	Tindakan/ Ulasan
3.0	UCAPAN ALUAN Pengerusi	
	<p data-bbox="153 300 448 338">3.1 PENDAHULUAN</p> <p data-bbox="153 371 743 483">YBhg. Dato' Pengerusi mengucapkan terima kasih dan mengalu-alukan kehadiran semua ahli mesyuarat.</p>	Makluman
	<p data-bbox="153 555 544 593">3.2 TUJUAN MESYUARAT</p> <p data-bbox="153 627 743 739">Mesyuarat diadakan bagi membincangkan isu-isu teknikal yang telah dikemukakan oleh pihak swasta.</p>	Makluman
4.0	<p data-bbox="153 808 695 846">PENGESAHAN MINIT MESYUARAT</p> <p data-bbox="153 880 743 1037">Minit Mesyuarat Jawatankuasa Teknikal Isu Pelaksanaan Cukai Jualan dan Cukai Perkhidmatan Bil. 3/2019 telah disahkan sebulat suara tanpa sebarang pindaan.</p>	Makluman
5.0	PERKARA YANG DIBINCANGKAN	
	Sales Tax	
	<p data-bbox="164 1234 751 1346">5.1 Registration/exemption from registration – sorting and repacking of used clothing</p> <p data-bbox="164 1402 759 1883">In the used clothing industry, unsorted used clothing in bulk are sorted and repacked based on types. Under the Sales Tax (Exemption from Registration) Order 2018, the repacking of bulk goods into smaller packages, by a person other than a registered manufacturer, is exempted from registration. However, different custom officers have different opinions and there is no consensus whether the sorting and repacking of used clothing is a manufacturing activity that is exempted from registration.</p> <p data-bbox="164 1917 759 2029">Is the activity of sorting and repacking used clothing considered a manufacturing activity that is exempted</p>	<u>RMCD response:</u>

Bil	Perkara	Tindakan/ Ulasan
	<p>from registration if it is carried out—</p> <p>(a) as an activity together with another non-manufacturing activity e.g. trading in used clothes</p> <p>(b) as a separate activity from a manufacturing activity carried out by the same entity e.g. manufacturing new clothes?</p>	<p>(a) The activity of sorting and repacking of used clothing is considered as “manufacturing”, as defined under section 3 of the Sales Tax Act 2018 i.e. “in relation to goods other than petroleum, the conversion by manual or mechanical means of organic or inorganic materials into a new product by changing the size, shape, composition, nature or quality of such materials and includes the assembly of parts into a piece of machinery or other products, but does not include the installation of machinery or equipment for the purpose of construction”.</p> <p>Under Schedule A, Sales tax (Exemption From Registration) Order 2018, person whose manufacturing operation solely is any one of those specified in the schedule are exempted from registration.</p> <p>Where this activity is the sole manufacturing activity carried out with other non-manufacturing activities e.g. trading in used clothes, this sole manufacturing activity would be exempted from registration.</p> <p>However, the relevant industry association may write in to MOF to decide any question whether activities would be considered manufacturing and/or exempted from registration under the Act and Order</p> <p>(b) If this operation is carried out with another manufacturing operation such as manufacturing of new clothes, the person is required to be registered under the Sales Tax Act 2018 when the total threshold for all activities exceed RM500,000.00.</p>
	<p>5.2 Disposal of manufacturing waste with zero value – procedure and process</p>	<p><u>RMCD response:</u></p>

Bil	Perkara	Tindakan/ Ulasan
	<p>For disposal of manufacturing waste of materials that were acquired using 'C1' sales tax exemption, approval from Customs must be obtained before disposal.</p> <p>There has been difficulty to get Customs approval because Customs was not familiar with the process resulting in the build-up of waste (in that instance, chemical waste)</p>	<p>RMCD is in the midst of preparing the SOP.</p> <p>However, the application must be applied manually. All the related forms will be uploaded in MySST webpage.</p>
Service Tax		
	<p>5.3 B2B service tax exemption condition on 'same service' and 'not for personal consumption' – does not avoid double taxation in some cases</p> <p>The exemption is very narrow and results in double taxation, due to the following facts:</p> <ol style="list-style-type: none"> 1. Both parties must be providing the same item of service 2. The service must not be for personal consumption of the recipient. 	<p><u>RMCD response:</u></p> <p>Unlike GST, service tax is a single stage taxation system borne by the user of service.</p> <p>Thus, cascading effect is unavoidable to business when a person acquired service from taxable person in the course of business.</p> <p>The introduction of Service Tax (Persons Exempted from Payment of Tax) Order 2018 is not for eliminating tax on input to business, rather to provide facilities for certain sector where service provider acquired taxable service from a third party and onward supply to the customer.</p> <p>By providing exemption, the cascading tax on such service will be reduced.</p> <p>Application would have to be made by association to MOF to enhance B2B exemption e.g. to delete existing condition that both parties must be providing the 'same item' of taxable service.</p>
	<p>5.4 Ambiguity and confusion caused by digital service versus other taxable services e.g. IT services, telco services and subscription broadcasting services</p>	<p><u>RMCD response:</u></p> <p>The Service Tax Act 2018 provides the</p>

Bil	Perkara	Tindakan/ Ulasan
	<p>The current provision in the Service Tax Act 2018 provides the definition of Digital Service as “<i>Any service that is delivered or subscribed over the internet or other electronic network and which cannot be obtained without the use of information technology and where the delivery of the service is essentially automated</i>”</p> <p>There are specific limitations in the scope of such services in other jurisdictions, e.g. in EU, the scope does not include telco and broadcasting services, and in Singapore, the scope does not include supply of software on carrier media</p>	<p>definition of digital service. Thus any service that falls under such definition is considered as digital service unless the Minister exempt such services. For eg. online newspaper, online education (excluding ‘live’ education service which is not exempted under digital services but falls under taxable IT services – see similar point discussed under Issue 10 d), below).</p> <p>Guide on IT service, on telecommunication service and digital services provides a guideline for determination of such services.</p> <p>The guide will be reviewed from time to time with the technical help from industry players.</p>
	<p>5.5 Service Tax (Amendment) Act 2019 [Act A1597]</p> <p>a) Please confirm if the following interpretation of the definition of digital services for the following scenario is in line with RMCD’s interpretation: -</p> <p>i) <u>Scenario 1</u></p> <p>ABC Pte Ltd provides brokerage services and uses an online trading platform to facilitate the brokerage process of initiating, entering into and executing purchase transactions due to requirement under shariah compliance transaction. The above brokerage services would technically still be obtainable without the use of information technology and the delivery of the brokerage services may not be essentially automated. No subscription fees are charged for the online platform as ABC Pte Ltd would only charge commission fee for the brokerage services provided to its customer.</p> <p>Based on the above scenario, kindly confirm that the brokerage services provided by ABC Pte Ltd should not be considered as digital services.</p>	<p><u>RMCD response:</u></p> <p>i) Yes. Service by ABC Pte Ltd to Registered Person (RP) in Malaysia does not fulfil the definition of digital service. So, the service is not subject to SToDS. However, RP must account imported service tax if applicable.</p>

Bil	Perkara	Tindakan/ Ulasan
	<p>ii) <u>Scenario 2</u></p> <p>XYZ Pte Ltd has developed accounting software to be used by its subsidiaries which includes company based in Malaysia i.e. XYZ MY Sdn Bhd. Any software update and support will be provided by XYZ Pte Ltd.</p> <p>The subsidiaries will be charged for the software based on the number of users. The staff are allowed to access the system upon being authorised and granted access by the IT administrator. The software also includes access to cloud storage to keep all documents. All services are provided under one intercompany agreement between XYZ Pte Ltd and all its subsidiaries.</p> <p>Based on the above, XYZ MY Sdn Bhd does not only acquire the software but also support services and subscribing to cloud storage under one agreement which are as a form of information technology support services. These support services by XYZ Pte Ltd are not automated and would require professional support (human intervention). Hence, these services should not be considered as digital services.</p> <p>iii) <u>Scenario 3</u></p> <p>With reference to Scenario 2, if the following services which are acquired under separate agreements, kindly confirm the following treatments: -</p> <ul style="list-style-type: none"> • Provision of software via online platform – digital services. • Cloud services – digital services. • Support services – not digital services. <p>b) In most countries, the definition of Digital Services does not include services pertaining to payment clearing services. The Malaysian</p>	<p>ii) Yes. Service by XYZ Pte Ltd to its subsidiary in Malaysia does not fulfil the definition of digital service. So, the service is not subject to SToDS. However, XYZ MY Sdn. Bhd. may enjoy intragroup relief if applicable.</p> <p>iii) It still depends on the real scenario. The treatment is always on a case to case basis. To determine whether it is digital service or not, the nature of the service must fulfil the digital service definition.</p> <p>b) The general rule is all digital service by FRP is subject to STODS. Unless the services is exempted from tax by the Minister. Otherwise, such services will be subject to imported taxable</p>

Bil	Perkara	Tindakan/ Ulasan												
	<p>definition is silent on this matter and the same must be clarified in public domain to avoid inconsistent interpretation by industry players.</p>	<p>service to the recipient of service.</p> <p>With regards to payment clearance service, it is taxable service.</p>												
	<p>5.6 Service Tax (Amendment) (No.2) Regulations 2019 [P.U.(A) 357/2019]</p> <p>a) We are of the opinion that 'total value of taxable services' defined in Paragraph 8(2) is the combine value of all taxable services of the person. For example: -</p> <table border="1" data-bbox="153 663 719 999"> <thead> <tr> <th colspan="3">Services to:</th> </tr> <tr> <th>Type of service</th> <th>Group (RM)</th> <th>Outside (RM)</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>10,000,000</td> <td>0</td> </tr> <tr> <td>IT</td> <td>10,000</td> <td>490,000</td> </tr> </tbody> </table> <p>Computation: -</p> $490,000 / (10,000,000 + 10,000 + 490,000) = 4.67\%$ <p>Please confirm the above understanding.</p> <p>b) The reading of the amendment suggests that the 5% should be reviewed on a monthly basis. Please confirm this.</p> <p>c) Under the current reading of the amendment, it is not practical to determine the total value of taxable services provided to another person outside the group of companies in that month and the 11 months immediately succeeding that month. As such our recommendation is that the above calculation should be based on the past 12 months and applied from the beginning of the</p>	Services to:			Type of service	Group (RM)	Outside (RM)	Management	10,000,000	0	IT	10,000	490,000	<p><u>RMCD response:</u></p> <p>a) For the purpose of subparagraph 8(2) First Schedule Service Tax Regulations 2019 (Amendment) (No. 2), the total value of taxable services refers to the total value of the same taxable service only and it does not combine with other taxable service.</p> <p>The calculation of the five percent (5%) of the service value shall be the value of the same service provided to the third party in proportion to the total value of the same service provided.</p> <p>As refer to your example, the computation of total value for IT services is as follows: -</p> $490,000 / (10,000 + 490,000) \times 100 = 98\%$ <p>Therefore, the IT provided to both companies within the group and outside the group are not entitled for group relief.</p> <p>b) The 5% shall be reviewed at any months within the 12 months period based on the future method.</p> <p>c) Currently the determination of the total value of taxable services provided to another person outside the group of companies is in that month and the 11 months immediately succeeding that month. Indeed, the registered person may use the past twelve-month business transaction data as the basis to determine the percentage of the total value of taxable services to the third parties outside the group.</p>
Services to:														
Type of service	Group (RM)	Outside (RM)												
Management	10,000,000	0												
IT	10,000	490,000												

Bil	Perkara	Tindakan/ Ulasan
	<p>following month (the thirteenth month)</p>	<p>Therefore, if the value of the taxable services is ascertained not to exceed five percent (5%) of the total service for a period of twelve (12) months, no tax shall be imposed to the group members.</p> <p>But, if the value cannot be ascertained to be less than or equal to five percent (5%) of the total service for a period of twelve (12) months, registered person shall charge service tax to the group members for the taxable service provided.</p> <p>RMCD take note on the proposal to amend the future method to historical method.</p>
	<p>5.7 Service Tax (Amendment) (No.2) Regulations 2019 [P.U.(A) 357/2019</p> <p>Based on the amendment, the current scope for taxable person and taxable services are amended as follows:</p> <ul style="list-style-type: none"> i. A new category of prescribed taxable person under Group G for local operator of online platform or market place ii. A new category of prescribed taxable services under Group G as follows: <ul style="list-style-type: none"> A. Item (l) of Column 2 B. Item (m) of Column 2 <p>a) The new items added to list of taxable services, particularly in relation to digital services, do not include the exclusion for services relating to goods, land and matters outside Malaysia. Request such exclusion to be included in order to be consistent with other taxable services.</p> <p>b) We understand that digital advertising is potentially covered under both Group I and Group G</p>	<p><u>RMCD response:</u></p> <p>a) Please refer to Service Tax Regulations (Amendment) 2020 [P.U.(A) 149/2020] w.e.f. 14.5.2020</p> <p>b) There is no requirement to amend this provision. The intention to include digital advertising under Group I is to allow</p>

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	<p>where there is no clear indication of priority. We propose that item (m) in Group G be amended to exclude digital advertising services</p> <p>c) Please confirm that the B2B exemption would not be affected in the following transactions: -</p> <p>A Sdn Bhd is registered for service tax as local operator of online platform or market place. The company charges service tax for sales of software via its online platform.</p> <p>B Sdn Bhd is registered for service tax as IT service provider. The Company purchases software from A Sdn Bhd and resells the software to its customers. As reselling of software is considered as provision of information technology ("IT") services, the company would charge service tax to its customer.</p> <p>d) Companies who were previously considered as providing IT services but with effect from 1 January 2020 may also be considered providing digital services depending on the type of services provided to their customers. Hence, the companies should ensure that the taxable services were declared in the correct category i.e. IT services or digital services in their Form SST-02. It appears that the companies also must add on the new taxable services in their registration status in the MySST website as this would affect the eligibility of the B2B exemption as mentioned in Item 2 above. Please consider reviewing this to simplify RMCD's</p>	<p>service provider who provide advertising services by using digital method remain to be registered under Group I. Thus any facilities provided such as B2B exemption shall apply accordingly.</p> <p>Meanwhile service provider who solely provide digital services shall be registered under Group G.</p> <p>c) In this transaction A Sdn Bhd act as a reseller or distributor for ITS where the activity is fall under the IT services. (For further information, please refer to Service Tax (Amendment) (No.2) 2019.</p> <p>The B2B exemption shall apply in the transaction A to B.</p> <p>d) At the moment there is no provision relating to this issue. The B2B exemption is not applicable in this scenario.</p>

Bil	Perkara	Tindakan/ Ulasan
	administrative purposes and to avoid any confusion	
	<p>5.8 Column (2), Item (h), Group G – IT services</p> <p>a) Kindly confirm the understanding that distribution or reselling of IT services on behalf of any person does not include trading.</p> <p>b) We wish to request RMCD to provide confirmation if the expansion / widening of definition is meant to include the provision of software licences, and whether the words “on behalf of any person” is intended to apply only to resellers who are acting as agents of the supplier</p> <p>c) The Guide on IT Services dated 9 August 2019 needs to be updated accordingly to reflect the latest position</p>	<p><u>RMCD response:</u></p> <p>a) Trading of IT services is part or distribution or reselling.</p> <p>b) The terms “on behalf of any person” is to strengthen the sentence where distributor or reseller usually referring to a person who sell ITS which is not owned by them but on behalf of other person. It shall apply broadly to all resellers/distributors.</p> <p>c) RMCD will update the Guide on IT Services accordingly to reflect the latest position.</p>
	<p>5.9 “Personal Consumption” condition in P.U.(A) 388/2019</p> <p>a) Please clarify what constitutes as ‘for personal consumption’. We are of the opinion that this is to ensure that the services acquired are for business purposes only instead of for private usage of the employees. Therefore, the exclusion should not include taxable services <i>consumed</i> directly by the taxable person to provide a taxable service or integrated into the taxable service provided by the taxable person”.</p> <p>b) For audit purposes, is there any specific document required by the RMCD to prove that the services acquired are not for personal consumption?</p>	<p><u>RMCD response:</u></p> <p>a) Taxable service that constitutes as ‘for personal consumption’ means that a company acquired such taxable service for his own company’s use or to be consumed by the company itself. The company will not provide the same services that he acquired to his client. Therefore, the company shall not entitle for the exemption.</p> <p>b) Documents that are used for the business transactions such as invoice, CN/DN or other documents which clearly describe the transaction are related to the provision of such taxable service, will be checked and verified by RMCD’s auditor.</p>
	<p>5.10 Exemption on all professional services</p>	<p><u>RMCD response:</u></p>

Bil	Perkara	Tindakan/ Ulasan
	<p>To ensure consistency in the law, we propose amendments to be made to the Service Tax (Persons Exempted from Payment of Tax) Order 2019 to include the B2B exemption on imported taxable services for importation of all professional services (not only IT services) and advertising services</p>	<p>The power to exempt tax on taxable service is under the purview of MOF. If the industries have any proposal with regards to exemption they can submit the proposal paper to Bahagian Cukai MOF.</p>
	<p>5.11 Service tax policy to be gazetted</p> <p>Service tax policy on claiming a refund by offsetting method on service tax on imported digital service provided by foreign registered person.</p> <p>Understand that this exemption was based on media release by the Ministry of Finance on 30 December 2019. For consistency, to propose that this provision should also be <i>gazetted</i> in the relevant tax legislation</p>	<p><u>RMCD response:</u></p> <p>The policy came from the Ministry of Finance via letter issued by the Ministry of Finance to RMCD (not the media release).</p> <p>If the industries have any proposal with regards to exemption they can submit the proposal paper to MOF.</p>
	<p>5.12 Service tax on online distance learning services</p> <p>a) Please clarify what constitutes as 'professional training'? Does it include training such as online webinars and conferences accessible from a depository of such recorded content.</p> <p>b) Please clarify what constitutes as "recognised by the relevant authority in such country"? Does it include accepted non-statutory bodies?</p> <p>c) Foreign service providers may have registered for service tax prior to the announcement of this policy. Please confirm if the foreign service provider has to deregister and the procedures (and documentation required if any, as prove) if they are required to do so.</p>	<p><u>RMCD response:</u></p> <p>a) Professional training is the phrases used by MOF for exemption with regards to digital service in the letter dated 23.12.2019.</p> <p>"Professional training" is confined to such training provided by tertiary education institution.</p> <p>b) Equivalent to their local requirement. For example in Malaysia we have i.e Education Act, MQA or NSDA.</p> <p>c) If FRP confirmed that the service provided is not taxable, FRP may apply for deregistration by providing relevant document to support b).</p>

Bil	Perkara	Tindakan/ Ulasan
	d) Please clarify when the amendments to effect this policy is expected to be tabled in Parliament/gazetted?	d) The provision used as based for Service Tax Policy No 4/2020 is subsection 34(3) of the Service Tax Act 2018 via letter issued by the Ministry of Finance to RMCD dated 23.12.2019
	Other Issues	
	<p>5.13 Delay in issuance of customs ruling in some cases</p> <p>Customs is taking more than the prescribed period (90 days) to issue custom ruling in some cases</p> <p>Customs should disclose the number of applications for customs ruling that have gone beyond the 90 days' period in the absence of the prescribed circumstance for extension of the 90 day period</p>	<p><u>RMCD response:</u></p> <p>Based on our record, there are no applications that are still pending over 90 days after the receipt of any additional document or information required by the Director General.</p> <p>If there are cases where ruling has not been received, association may write-in to RMCD.</p>
	<p>5.14 Sales tax and service tax exemptions for classes of persons and goods/services, which are not prescribed by order, to be published on a specific webpage in MySST portal</p> <p>It is recommended that the sales tax/service tax exemptions for classes of persons (that are not prescribed by order), be published on a specific webpage on the MySST portal.</p> <p>This would be similar to Ministerial GST relief that was published on a specific webpage on the GST portal</p>	<p><u>RMCD response:</u></p> <p>a) Pengecualian cukai jualan bawah Seksyen 35(3) Akta Cukai Jualan 2018 ke atas mana-mana kelas orang ada dimasukkan dalam portal MySST di ruangan Pengumuman.</p> <p>Contohnya:</p> <ol style="list-style-type: none"> i. Pengecualian cukai jualan kepada mana-mana orang yang mengimport/membeli peralatan perubatan, makmal, personal protective equipment (PPE) dan bahan guna habis untuk disumbangkan kepada Kementerian Kesihatan Malaysia. ii. Pengecualian kepada franchise holder/distributor/dealer yang membeli kereta penumpang daripada syarikat pemasangan kereta tempatan.

Bil	Perkara	Tindakan/ Ulasan
		<p>iii. Pemegang AP franchise yang mengimport kereta penumpang CBU baharu.</p> <p>iv. Pemegang AP terbuka yang berdaftar sebagai ahli PEKEMA.</p> <p>v. Pihak-pihak lain yang mendapat kelulusan daripada Kementerian Kewangan.</p> <p>b) Pihak industri boleh membuat cadangan ini kepada MOF.</p>
6.0	PERKARA LAIN YANG BERBANGKIT	
	<p>6.1 Update on Item 3, Schedule B, Sales Tax (Person Exempted From Payment of Tax) Order 2018 (FMM)</p> <p>The proposal for 'flavoured UHT milk' under tariff code 2202.99.10 00 which is exempted from sales tax to be updated in item 3, Schedule B, Sales Tax (Persons Exempted From Payment of Tax) Order 2018.</p>	<p><u>RMCD response:</u></p> <p>RMCD will check on the status of the proposal.</p>
	<p>6.2 Goods exported to DA, Item 57, Schedule A, Sales Tax (Person Exempted From Payment of Tax) Order 2018 (MICCI)</p> <p>Issue relating to item 57, Schedule A, Sales Tax (Persons Exempted From Payment of Tax) Order 2018. Section 51 dan section 54 of the Sales Tax Act 2018 specifies that the taxable goods transported to DA applies as if such goods were exported to DA. However, RMCD does not allow the goods exported to DA qualifies for exemption and the company need to pay for tax. This will affect SMEs.</p>	<p><u>RMCD response:</u></p> <p>RMCD - Currently, item 57 does not cover export to DA, as such the company has to pay sales tax.</p> <p>MOF - Amendment to item 57 is being made to cover export to DA.</p>
	<p>6.3 MIDA endorsement, application for exemption (PORAM)</p> <p>Exemption letter by MIDA. For example, the company import valve used MIDA</p>	<p><u>RMCD response:</u></p> <p>RMCD – The exemption of tax is under the power of Minister of Finance, and not MIDA.</p>

Bil	Perkara	Tindakan/ Ulasan
	<p>exemption.</p> <p>Currently, RMCD requested that the company bring the letter but have to pay the tax.</p>	<p>MIDA only endorse that the company is the manufacturer. RMCD will check whether the goods are eligible for exemption, for example the goods has been approved by Secretary General of Treasury.</p>
7.0	PENUTUP	
	<p>i. YBhg. Dato' Pengerusi merakamkan ucapan terima kasih kepada semua ahli yang hadir dan mohon maaf kerana beliau perlu menghadiri mesyuarat di Kementerian Kewangan.</p> <p>ii. Mesyuarat diteruskan oleh Timbalan Pengarah Kastam (CDN), Tn Faizulnudin bin Hashim. Beliau memaklumkan sekiranya terdapat isu pihak industri yang telah selesai, mohon pihak industri memaklumkan kepada JKDM agar isu tersebut tidak dibincang semula.</p> <p>iii. Bagi isu yang berada di bawah bidanguasa MOF, pihak industri boleh mengemukakan terus kepada MOF, dan tidak perlu menulis kepada pihak JKDM untuk mengelakkan timbul <i>bias</i>.</p> <p>iv. Mesyuarat ditangguhkan pada jam 12.15 tengah hari.</p>	

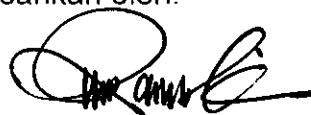
Disediakan:



(ROSLAN BIN AKIBON)

Urusetia
Mesyuarat Jawatankuasa Teknikal
Isu Pelaksanaan Cukai Jualan &
Cukai Perkhidmatan
Bahagian Cukai Dalam Negeri
Ibu Pejabat

Disahkan oleh:



(DATO' RADZIAH BINTI ABDUL RAZAK)

Pengerusi
Mesyuarat Jawatankuasa Teknikal
Isu Pelaksanaan Cukai Jualan &
Cukai Perkhidmatan
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