SERVICE TAX 2018

GUIDE ON:

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

Published by :

Royal Malaysian Customs Department
Internal Tax Division
Putrajaya

18 January 2021

Publication

Date: 18 January 2021.

The Guide Refund on the Acquisition of Services by Foreign Missions and International Organizations at 13 July 2020 is withdrawn and replaced by The Guide Refund on the Acquisition of Services by Foreign Missions and International Organizations as at 18 January 2021.

Copyright Notice

Copyright 2021 Royal Malaysian Customs Department.

All rights reserved. Subject to the Copyright Act, 1987 (Malaysia).

The Guide may be withdrawn, either wholly or in part, by publication of a new guide.
No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, including on-site for commercial purposes without written permission from the Royal Malaysian Customs Department (RMCD). In reproducing or quoting the contents, acknowledgment of source is required.

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 3

INQUIRY 6

FURTHER ASSISTANCE AND INFORMATION ON SST 6

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 provision of services acquired from 17 December 2019 of all taxable services as listed in First Schedule, Service Tax Regulation 2018 and acquisition of digital services from Foreign Registered Person from 01 January 2020.

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. Conditions for claiming refund are as follows:

   i. The invoice received on the purchases of taxable services are meant for official use of the foreign missions or international organizations only;

   ii. Invoice for the taxable services are issued by Service Tax Registered Person. All invoices are in the name of diplomatic missions, consular offices or international organizations;

All rights reserved © 2021 Royal Malaysian Customs Department

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 invoice of the approved service acquired;

v. Claims are to be made before 31 December 2019 to Royal Malaysian Customs Department (RMCD) for services acquired from 01 September 2018 to 31 August 2019; and

vi. Claim for the services acquired from 01 September 2019 onward should be submitted to RMCD not later than the last day of the month following the end of the quarterly basis as example below:

No.	**Acquisition period**	**Submission due date**
1.	01 September 2019 – 30 November 2019	31 December 2019
2.	01 December 2019 – 29 February 2020	31 March 2020
3.	01 March 2020 – 31 May 2020	30 June 2020
4.	Every subsequent period	not later than the last day of the month following the end of the quarterly basis

7. Submission of claim to RMCD after the due date will not be entitled for refund.

8. Before submitting the service tax refund claims to RMCD, the foreign diplomats or international organisations shall submit such claim to the Ministry of Foreign Affairs (MOFA) for verifications. Action to be taken by MOFA is as follows:

i. Verifying the service tax is incurred and paid on the approved taxable services used for official purposes.

All rights reserved © 2021 Royal Malaysian Customs Department

ii. Verifying the refund claim documents is signed by authorised person or designated officers appointed by the diplomatic missions, consular offices or international organizations; and

iii. Verifying the claiming period is in accordance to the period as mentioned in Paragraph 6(v) – (vi).

ACTION TO BE TAKEN BY FOREIGN MISSIONS AND INTERNATIONAL ORGANIZATION

9. 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 invoices containing the following information as per Appendix 1A

a) Service Tax Registered Person (Name of Company);

b) Service Tax Registration Number;

c) Invoice Number;

d) Date of Invoice;

e) Price / Charge for services purchased (RM); and

f) Refund of service tax claim (RM).

10. All claims must be supported with the original invoice and to be submitted to MOFA in two (2) copies, the original and copy, for verification.

11. After verification by MOFA, such documents must be submitted to the relevant State Customs Department for processing the refund.

All rights reserved © 2021 Royal Malaysian Customs Department

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	Invoice Number	Date of Invoice	Price / Charge for services purchased (RM)	Refund of service tax claim (RM)
*Invoice(s) should be attached as in Appendix 1A				Total		

.....

(Signature of the applicant)

I hereby certify that the purchase was made by the Mission

Please issue the refund to :

Name of Mission :

Bank account no :

Name of Bank :

Address of Bank :

....

(Mission stamp) (Date) (Signature Head of Mission)

Untuk kegunan rasmi/For official use

Kepada: Rujukan KLN:.....

Jabatan Kastam Diraja Malaysia Tarikh : .....

Permohonan di atas disahkan benar dan layak untuk pembayaran balik Cukai Perkhidmatan yang telah dikenakan.

.....

(Nama/Jawatan/Tandatangan) (Cop Rasmi KLN)

SAMPLE

All rights reserved © 2021 Royal Malaysian Customs Department

APPENDIX 1A

List of Invoice

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

SAMPLE

All rights reserved © 2021 Royal Malaysian Customs Department

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

All rights reserved © 2021 Royal Malaysian Customs Department

SUMMARY OF DOCUMENT CHANGE

Amendment as at 18 January 2021.

Para	Changes
All paragraph	Editorial amendment to substitute the words "bills/ receipts" with "invoice" wherever appearing the words in this guide.
Para 6 (i)	Substituting for the sentence: "Bills / receipts issued are for the purchases of taxable services are meant for the official use of foreign missions or international organizations only;" to the new sentence "The invoice received on the purchases of taxable services are meant for official use of the foreign missions or international organizations only;"
Para 6 (v)	Substituting for the sentence: "Claims are to be made before 31 December 2019 for services acquired from 01 September 2018 to 31 August 2019" to the new sentence "Claims are to be made before 31 December 2019 to Royal Malaysian Customs Department (RMCD) for services acquired from 01 September 2018 to 31 August 2019; and"
Para 6 (vi)	Substituting for the sentence: "Claim for the services acquired from 01 September 2019 onward should be submitted quarterly basis to the new sentence "Claim for the services acquired from 01 September 2019 onward should be submitted to RMCD not later than the last day of the month following the end of the quarterly basis as example below:"

All rights reserved © 2021 Royal Malaysian Customs Department

<table>
<tr><td></td><td>Insert Table:

<table><tr><th>No.</th><th>Acquisition period</th><th>Submission due date</th></tr><tr><td>1.</td><td>01 September 2019 – 30 November 2019</td><td>31 December 2019</td></tr><tr><td>2.</td><td>01 December 2019 – 29 February 2020</td><td>31 March 2020</td></tr><tr><td>3.</td><td>01 March 2020 – 31 May 2020</td><td>30 June 2020</td></tr><tr><td>4.</td><td>Every subsequent period</td><td>not later than the last day of the month following the end of the quarterly basis</td></tr></table></td></tr>
<tr><td>Para 7</td><td>Renumber Para 6 (vii) to Para 7</td></tr>
<tr><td rowspan="4">Para 8</td><td>Renumber Para 7 to Para 8.</td></tr>
<tr><td>Substituting for the sentence:

“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:”

to the new sentence

“Before submitting the service tax refund claims to RMCD, the foreign diplomats or international organisations shall submit such claim to the Ministry of Foreign Affairs (MOFA) for verifications. Action to be taken by MOFA is as follows:”</td></tr>
<tr><td>Subparagraph (i):

Substituting for the words “refund claim is made for service tax paid on” with the words “service tax is incurred and paid on the”</td></tr>
<tr><td>Subparagraph (ii):

Substituting for the words “is signed by officers designated / appointed” with the words “documents is</td></tr>
</table>

All rights reserved © 2021 Royal Malaysian Customs Department

	signed by authorised person or designated officers appointed"
	Insert new subparagraph: " iii. Claim must be verified according to period mentioned in Paragraph 8 (v) – (vi)"
Para 9	Renumber Para 8 to Para 9
Para 10	Renumber Para 9 to Para 10
	Substituting for the sentence: "Original bills/ receipts to be enclosed. All documents must be submitted to MOFA in two (2) copies, the original and photostate copy." to the sentence "All claims must be supported with the original invoice and to be submitted to MOFA in two (2) copies, the original and copy, for verification."
Para 11	Renumber Para 10 to Para 11
	Substituting for the sentence: "Submit the application of the claim with original bills/ receipt enclosed, to relevant State Customs Department after the claim has been verified by MOFA." to the new sentence "After verification by MOFA, such documents must be submitted to the relevant State Customs Department for processing the refund."

All rights reserved © 2021 Royal Malaysian Customs Department