



Indirect Tax Alert

Draft guide on logistics services

Dear valued client,

The Royal Malaysian Customs Department (RMCD) has issued a Draft Guide on Logistics Services (“draft guide”) in the national language on its website, which can be found [here](#).

The salient details of the draft guide are as follows:

- Logistic services, delivery, distribution or transportation services of goods, documents, or packages, including via E-Commerce platforms or on behalf of any person, courier services, and customs agents are categorised as taxable services under Group J, First Schedule of the Service Tax Regulations 2018 and are subject to service tax with effect from 1 March 2024.

- “Logistics services” is defined as services that involve a supply chain by planning, implementing, and controlling the movement and storage of goods, services, and related information efficiently and effectively from the original location to the location of use to meet customer needs.
- Warehousing and warehousing management, as well as courier services and customs agent services, currently taxable under Group G and Group I of the First Schedule respectively, will be moved to Group J.

List of logistic services

The taxable services prescribed under logistics services subject to service tax are:

- a) Logistics services include all or part of the services:
 - i) Logistics management
 - ii) Port and airport management
 - iii) Warehousing or warehousing management
 - iv) Freight forwarding
 - v) Shipping services
 - vi) Flight services
 - vii) Cold chain services
- b) Delivery, distribution or transportation services of goods including courier services of documents, parcels, or goods, except for the delivery of food or beverages provided by a food or beverage provider.
- c) Delivery, distribution services or transportation services of goods, including courier services of documents, parcels, or goods via E-commerce platforms, including on behalf of any person, excluding the delivery of food or beverages provided by a food or beverage service provider.
- d) Customs agent services for the release of goods from Customs control.

Exclusion of services

The draft guide also furnishes some illustrations and explanations on the exclusion of service tax under the logistics services.

Threshold value of taxable services

Threshold value for the purpose of mandatory registration under logistics services is RM500,000 for a total period of 12 month, not including customs agent services which have no value threshold.

Exemption from paying service tax

Registered persons who provide logistics services are eligible for service tax exemption if all the below conditions are met:

- The exempted taxable services are provided by registered persons;
- The recipient of the services are registered persons;
- The exempted taxable service is the same service provided by the person exempted from payment of tax; and
- The exempted taxable services acquired by the service recipient is not for personal use.

We will provide more detailed analysis and comments in a separate write-up on these matters.

Contacts

If you would like to have further discussions on any of the above, please reach out to your usual Deloitte indirect tax contact or any of our leaders below:

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