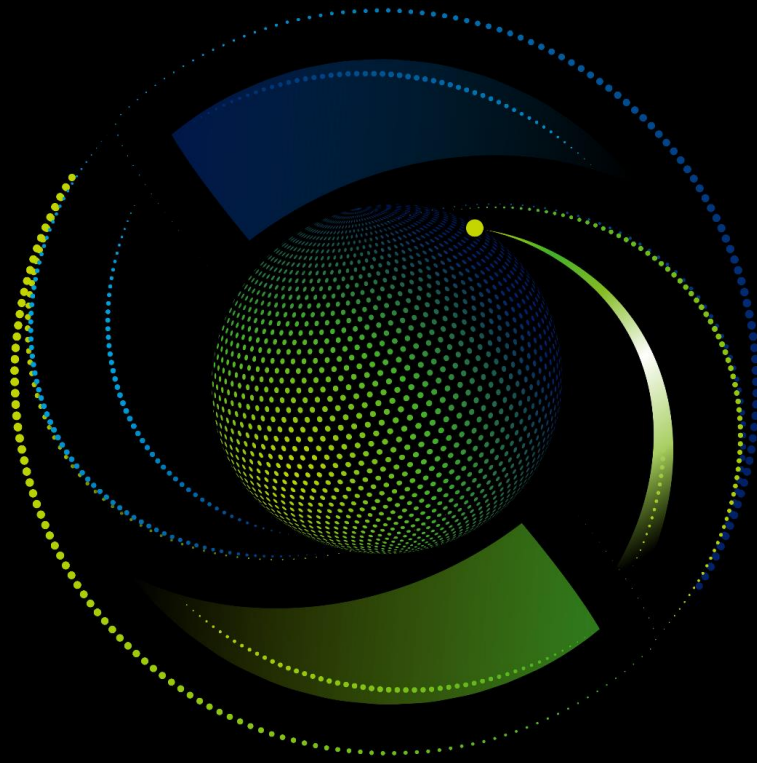


Deloitte.



Trusted. Transformational. Together.

Indirect Tax Chat

Keeping you updated on the latest news
in the Indirect Tax world

December 2024



Issue 12.2024

Quick links: [Contact us - Our Indirect Tax team](#)

Key takeaways:

1. [Updates to Service Tax Policy 6/2024](#)
2. [Provision or sale of food by golf clubs or driving range operators](#)
3. [Director access and delegation in MyInvois Portal for e-Invoicing compliance](#)

Greetings from Deloitte Malaysia's Indirect Tax team

Greetings readers, and welcome to the December 2024 edition of our Indirect Tax Chat.

Following the Budget 2025 speech delivered by Finance Minister YAB Dato' Seri Anwar Ibrahim on 18 October 2024, three significant bills were tabled in Parliament on 19 November 2024, the Finance Bill 2024, the Measures for the Collection, Administration and Enforcement of Tax Bill 2024, and the Labuan Business Activity Tax (Amendment) (No.2) Bill 2024. Deloitte is pleased to share our [Tax Espresso \(Special Edition\): Highlights of Budget 2025](#), which outlines the latest proposed changes in indirect tax developments.



In this edition, we will discuss the latest updates to Service Tax Policy 6/2024 regarding the service tax treatment for maintenance, repair, and overhaul services, and the service tax exemption for F&B services provided by golf clubs and driving range operators. We are also covering director's access and delegation in the MyInvois portal for e-Invoicing compliance in Malaysia.

Additionally, here are some recent news that may interest you:

- The expanded Sales Tax and Service Tax ("SST") list will be announced in early 2025 and implemented from May 1, 2025, following stakeholder engagements, according to Deputy Finance Minister Lim Hui Ying. For more information, please click [here](#).
- The government has no plans to introduce new taxes soon, focusing instead on enhancing the existing tax system as outlined in Budget 2025. Key measures include a review of the sales tax and the expansion of the service tax scope, both effective 1 May 2025, to increase revenue while minimising regressive effects. Additionally, excise duties on sugary drinks will be revised starting 1 January 2025. The Finance Ministry emphasises that these measures aim to balance sustainable revenue generation with protecting the public from increased costs of living. For more information, please click [here](#).
- Treasury Secretary-General Datuk Johan Mahmood Merican emphasised that the expanded sales tax will focus on non-essential items like salmon and avocado, while basic goods remain exempt, reflecting the government's careful review of taxable items. The service tax will also expand to cover new commercial transactions, aiming to generate RM5 billion in additional revenue. The High-Value Goods Tax ("HVGT") on luxury items is under review due to concerns about the economic impact. For more information, please click [here](#).

As we wrap up this year, the Deloitte Indirect Tax team would like to extend our warmest wishes for a Merry Christmas to those celebrating, and a joyful holiday season to everyone. May the new year bring happiness, success, and good health to all. We look forward to reconnecting with you in 2025.

Best regards,

Tan Eng Yew

Indirect Tax Leader

1. Updates to Service Tax Policy 6/2024

The Royal Malaysian Customs Department (“RMCD”) recently released an [updated Service Tax Policy 6/2024](#) dated 29 November 2024. The document is only available in the national language (Malay version) at this juncture and is accessible via the national language version of the MySST portal. This updated policy supersedes the previous [Service Tax Policy 6/2024](#) dated 30 April 2024. The policy remains effective from **1 March 2024 to 31 December 2027**.

The critical updates are summarised as below:

- Further clarity has been provided on the scope of Maintenance, Repair and Overhaul (“MRO”) services of maritime sector which now includes MRO services listed under the Guideline and Procedures for Shipbuilding and Ship Repairing (“SBSR”) incentive.
- Paragraph 3 has been amended to provide further clarity that the list of service recipients who are exempted from the payment of service tax on MRO activities, are exempted under Section 34(4) of the Service Tax Act 2018.
- In addition, the existing list of service recipients has been updated from the following:
 - Item 3(b) – A shipping company registered with the Malaysian Maritime Department
 - Item 3(c) – Federal and State Government Departments such as the Malaysian Armed Forces, The Royal Malaysian Police and the Fire and Rescue Department
 - Item 3(d) - Service recipients of MRO activities who are abroad

To include the following list of services recipients:

- Item 3(b) – ***Companies who owns ships*** that is registered with the Malaysian Maritime Department
- Item 3(c) – Federal and State Government Departments such as the Malaysian Armed Forces, The Royal Malaysian Police and the Fire and Rescue Department ***and etc***
- Item 3(d) – ***Overseas airlines / shipping companies that receives MRO services in Malaysia***
- Paragraph 4 of the Service Tax Policy has been amended to include shipbuilding or ship repairing companies approved by the Ministry of Investment, Trade and Industry (“MITI”) will be exempted from charging service tax.
- Finally, Paragraph 5 of the Service Tax Policy has also been amended to clarify that MRO services that have been performed in Malaysia, on any equipment or components belonging to overseas airlines / shipping companies that have been imported and then subsequently re-exported would still be subject to further prevailing conditions set by the RMCD.

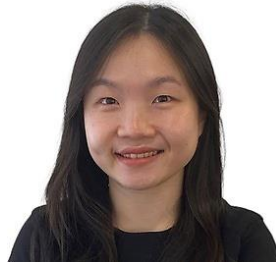
Deloitte's comments

The policy was mainly updated by the RMCD with aims to provide further clarity on the exemption scope on MRO services and to expand the exemption to cover on MRO activities provided by shipbuilding or ship repairing companies approved by MITI and MRO activities provided to most Government bodies in Malaysia.

Brought to you by:



Chin Choon Siong
Director
Kuala Lumpur



Wong Wen Ling
Senior Associate
Kuala Lumpur

[Back to top](#)

2. Provision or sale of food by golf clubs or driving range operators

In an amendment to the First Schedule to the Service Tax Regulations, 2018 (the “Regulations”), effective 27 November 2024, the word “food” was deleted from the list of items provided and sold by golf club and driving range operators, that were previously subject to service tax. The sale of alcoholic and non-alcoholic beverages remains as being subject to service tax.

Notwithstanding this deletion of “food” from the list of taxable items however, the provision of prepared or served food or drinks by golf club or driving range operators remains and continues to be subject to service tax.

The RMCD subsequently issued a clarification regarding the applicability of service tax on food and beverage sold at golf clubs and driving ranges.

In a [media statement](#) dated 5 December 2024, the RMCD clarified that the service of providing food and beverages (F&B) or catering services provided by golf club operators and driving range operators, will continue to be subject to service tax at 6%.

However, with this latest amendment to the Regulations, starting from 27 November 2024, the sale of any food processed and pre-packaged by manufacturers, such as snacks, biscuits, and sweets, that are sold by golf club or driving range operators, will no longer be subject to the service tax.

The position going forward for golf club and driving range operators therefore is that the provision of prepared food and beverages, including catering services, and all sales of alcoholic and non-alcoholic beverages, will be subject to service tax. However, the sale of processed and pre-packaged food, will not be subject to service tax.

Brought to you by:



Larry James Sta Maria
Director
Kuala Lumpur

[Back to top](#)

3. Director access and delegation in MyInvois portal for e-Invoicing compliance

A. Director access / login to MyInvois Portal

The Malaysian electronic invoicing (“e-Invoicing”) regime went live on 1 August 2024 for taxpayers with an annual turnover or revenue of more than RM 100 million, and by 1 July 2025 all taxpayers will have been onboarded to e-Invoicing.

To facilitate the implementation of e-Invoicing, the Inland Revenue Board of Malaysia (“IRBM”) developed and launched the MyInvois Portal, which serves as the front-end entry point into the tax authority e-Invoicing infrastructure. The MyInvois Portal when first proposed, was intended to provide a free facility for companies to manually generate an e-Invoice without the need for any investment into third party solutions or an API integration. However, the Portal serves a much broader function and also provides facilities for taxpayers to review e-Invoice data that has been received / submitted, delegate access and assign intermediaries.

The Company Director plays the role of gatekeeper in accessing MyInvois Portal. The Director or authorised individual needs to access MyTax portal (within their tax profile) to subsequently access MyInvois Portal. With increasing demand of accessing MyInvois Portal, we encountered some taxpayers were experiencing MyInvois portal login issues. We have collated some of the common issues along with our recommended approach as follows:

Common issues

- i. Taxpayers not able to identify internally which Director or authorised individual has the “Director” role in MyTax portal,
- ii. Director or authorised individual has left the company without performing termination of the “Director” role in his / her MyTax Portal,
- iii. Company that only has foreign Directors who are not registered for Malaysian Tax Identification Number (TIN),
- iv. Taxpayers not aware that an authorised individual can be assigned with “Director” role in MyTax Portal.

Recommended approach

a) Director without MyTax Access

To apply for Tax Identification Number (TIN) in IRBM’s e-Daftar.

b) Director with MyTax Access

i) With “Director” role

No issue, to proceed with first login (3).

ii) Without “Director” role

To apply for “Director” access

- Log into new Director’s profile on <https://mytax.hasil.gov.my/> and click on the profile button,
- Click on Role Application and fill in the Role Type as ‘New Application’ and Type of Application as ‘Directors of the company’,
- Input TIN of the company / organisation. Note: input TIN without the leading “C”,

- Upload supporting documents* (criteria on next page),
- Click and tick the following box and submit,
- Digitally signed for the application – a pop up to input Identification Number and Password,
- IRBM will receive the application and once approval is given, the application status will change to 'Accepted'.

*Supporting Documents to upload:

- A copy of the Form 9 – CERTIFICATE OF INCORPORATION OF PRIVATE COMPANY; and Form 49 – Particulars of Directors; or
- An authorisation letter with company letterhead (if Form 49 does not contain the authorised individual particulars)

c) Director's first login to MyInvois Portal

The Director or authorised individual need to perform the login upon obtaining access.

B. Delegate access in MyInvois Portal to perform e-Invoicing submissions

a) Delegate access to perform duties

The Director or authorised individual can elect a representative via MyTax ("Director" role) to perform duties in MyInvois Portal. Note that the representative would be able to view the Company Tax Information as it is a shared profile within the Company MyTax; the representative would not be able to view the Director's tax information as he / she is only elected for the Company tax profile.

b) Elect an external representative

To ease the hassle of training staff to perform e-Invoice submission, the Portal also allows the ability to delegate access to third-parties. It requires access to be delegated to the third-party, either by the Company Director or delegate. The third-party service provider (e.g., Deloitte) can then perform the reporting on behalf of the taxpayer.

Brought to you by:



Muhamad Qayum Abdul Ghani
Assistant Manager
Tax Technology Consulting
Kuala Lumpur



Jovin Wong
Senior Associate
Tax Technology Consulting
Kuala Lumpur

We invite you to explore other tax-related information at:

<http://www2.deloitte.com/my/en/services/tax.html>

To subscribe to our newsletter, please [click here](#).

[Back to top](#)

Contact us – Our Indirect Tax Team



Tan Eng Yew
Partner
etan@deloitte.com
+603 7610 8870



Senthuran Elalingam
Partner
selalingam@deloitte.com
+603 7610 8879



Chandran TS Ramasamy
Director
ctsramasamy@deloitte.com
+603 7610 8873



Larry James Sta Maria
Director
lstamaria@deloitte.com
+603 7610 8636



Nicholas Lee
Director
nichlee@deloitte.com
+603 7610 8361



Chin Choon Siong
Director
cschin@deloitte.com
+603 7610 8487



Bonny Teo Wei Teik
Senior Manager
wteo@deloitte.com
+603 9767 5223



Irene Lee
Senior Manager
irelee@deloitte.com
+603 7610 8825



Wendy Chin
Senior Manager
wchin@deloitte.com
+603 7610 8163



Eliza Azreen Kamaruddin
Senior Manager
eazreen@deloitte.com
+603 7610 7271

Contact us – Our Indirect Tax Team



Leong Wan Chi
Senior Manager
wanleong@deloitte.com
+603 7610 8549



Naresh Srinivasan
Senior Manager
narsrinivasan@deloitte.com
+603 7650 6459



Phan Horng Kit
Senior Manager
hophan@deloitte.com
+603 7610 8908



Nikki Suah Yi Ning
Senior Manager
nsuah@deloitte.com
+60 3 7610 7642



Syifa Yin Izhar
Senior Manager
syizhar@deloitte.com
+603 7610 7512

| Name | E-mail address | Telephone |
|--|--|----------------|
| Ashokkumar Hothiyakumar Manager | ahothiyakumar@deloitte.com | +603 7610 9238 |
| Vanessa Chua Assistant Manager | szchua@deloitte.com | +603 7610 7960 |
| Lekhashinii Nadarajan Assistant Manager | lnadarajan@deloitte.com | +603 9764 8567 |

Other offices

| Name | E-mail address | Telephone |
|--------------------------|--|---------------|
| Susie Tan Johor Bahru | susietan@deloitte.com | +607 268 0851 |
| Ng Lan Kheng Penang | lkng@deloitte.com | +604 218 9268 |

[Back to top](#)



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

About Deloitte Malaysia

In Malaysia, services are provided by Deloitte Tax Services Sdn Bhd and its subsidiaries and affiliates.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.