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## Indirect Tax Chat

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

*June 2025*



# Issue 06.2025

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Key takeaways:

1. [Amendments to Customs Regulations and Service Tax Order 2025](#)
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## Greetings from Deloitte Malaysia's Indirect Tax team

Greetings readers, and welcome to the June 2025 edition of our Indirect Tax Chat.

On 9 June 2025, amendments to the Sales Tax and Service Tax (“SST”) Regulations and Orders were published, with effect from 1 July 2025, aligning with the measures outlined under Budget 2025. Subsequently, the Royal Malaysian Customs Department (“RMCD”) has issued several guides on the changes regarding SST. You may refer to our Special Alert [here](#) for our insights and commentary on these latest developments.



Following this, the RMCD announced [here](#), to clarify for businesses impacted by the expansion of the service tax scope and the revision of the sales tax rate, effective from 1 July 2025. New registration applications can be made starting from 28 June 2025, while existing registrants can add the applicable services and tariff codes starting 20 June 2025 via the [MySST portal](#).

Additionally, on 29 June 2025, the RMCD issued the Service Tax Policies to provide further clarification on the expansion of the service tax categories, covering [Financial Services](#), [Rental or Leasing Services](#), [Construction Works Services](#), [Education Services](#) and [Private Healthcare Services](#), with effect from 1 July 2025.

In this edition, we will discuss the amendments to Customs (Amendment) (No.3) Regulations 2025, the Service Tax (Imposition of Tax for Taxable Service in Respect of Designated Areas Excluding Pulau 1 And Special Areas) (Amendment) Order 2025, Customs (Anti-Dumping Duties) Orders 2025.

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

- According to The Star, the Housing and Local Government Minister clarified that residential properties remain exempt from SST, responding to public confusion regarding the taxation of serviced apartments and strata-title units. The minister reaffirmed that SST will only apply to commercial units and not to residential properties, aiming to protect low and middle-income homebuyers from price hikes. For more information, please click [here](#).
- Meanwhile The Edge Malaysia reported that construction players have expressed concerns about the possible retrospective application of SST on contracts signed before 1 July 2025. The industry warns that such implementation could disrupt ongoing projects and cause cost overruns. They are urging the government to introduce a transition period until 2026 and provide clearer guidelines to support compliance, especially regarding projects involving strata-titled developments and affordable housing initiatives. For more information, please click [here](#).

As we move into the second half of 2025, we wish you continued success and resilience in navigating these evolving tax landscapes. Stay tuned for more updates in our upcoming editions.

Best regards,

**Tan Eng Yew**

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# 1. Amendments to Customs Regulations and Service Tax Order 2025

## A. Customs (Amendment) (No. 3) Regulations 2025

The [Customs \(Amendment\) \(No. 3\) Regulations 2025](#) was gazetted and came into operation on 2 June 2025.

The aforementioned regulation amends the Customs Regulations 2019 in respect of the legal landing place in Malaysia, specifically by substituting particulars under the Second Schedule in Part I. This is in relation to the customs port for Kelantan, in item Tok Bali Supply Base, Mukim Semerak, Jajahan Pasir Puteh, Kelantan, with the following:

Description of goods	Legal landing place
“Materials and equipment used directly for petroleum and gas upstream operations, and such other goods as may be approved by the Director General	Tok Bali Supply Base, Mukim Semerak, Jajahan Pasir Puteh, Kelantan located at —

## B. Service Tax (Imposition of tax for taxable service in respect of Designated Areas excluding Pulau 1 and Special Areas) (Amendment) Order 2025

The [Service Tax \(Imposition of Tax for Taxable Service in respect of Designated Areas Excluding Pulau 1 and Special Areas\) \(Amendment\) Order 2025](#) was gazetted on 30 May 2025 and came into operation on the same day.

The above serves to amend the Schedule to the Service Tax (Imposition of Tax for Taxable Service in Respect of Designated Areas Relating to Pulau 1 and Special Areas) Order 2024 (referred to as the "Order") as follows:

- **In relation to Item 5:**
  - In column (1), the phrase "designated areas excluding Pulau 1 and" has been inserted after the words "customs control in".
  - In column (2), the phrase "given permission to act as an agent" has been substituted with "approved to act as a customs agent" to reflect updated terminology and clarity of status.
- **In relation to Item 7:**
  - Item 7 and all particulars relating to it have been deleted.

### Deloitte's comments

The amendments made to Item 5 appear to align the rules with the title of the Order; excluding Pulau 1 from its scope.

The Order prescribes the list of taxable services which should be subject to service tax even if they involve Special Areas/Designated Areas. With the deletion of Item 7 on the other hand, this appears to remove logistics services from the scope of exceptions previously covered by the Order.

Specific service tax treatments pertaining to logistic services involving Special Areas/Designated Areas were discussed in the Service Tax Policy 4/2024 ("STP") while referring to the Order. As such, the question arises as to whether these discussions on logistic services in the STP should still apply given the amendments made to the Order above.

For affected businesses that deals with logistic services involving Special Areas/Designated Areas, confirmation from the Royal Malaysian Customs Department may be considered.

**Brought to you by:**



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## 2. Customs Anti-Dumping Duties Orders

The Government recently enacted two (2) anti-dumping duties orders, as follows:

1. [Customs \(Anti-Dumping Duties\) Order 2025](#) (“No. 1 Order”); and
2. [Customs \(Anti-Dumping Duties\) \(No 2\) Order 2025](#) (“No. 2 Order”).

The above orders are collectively referred to as the “the 2025 Orders”.

### Summary of the scope of the 2025 Orders

Anti-dumping duties are generally imposed for a limited scope of 5 years in respect of certain products that are exported from certain exporting countries and imported into Malaysia. The table below sets out the key scope of the 2025 Orders:

Scope	No. 1 Order	No. 2 Order
Effective period	7 May 2025 – 6 May 2030	11 May 2025 – 10 May 2030
Product	<i>Polyethylene Terephthalate</i>	Flat-rolled products of iron or non-alloy steel of a width of 600mm or more, clad, plated or coated with tin ( <i>electrolytic tinplate or tinplate</i> )
HS Tariff Code	3907.61.00 00	7210.11.90 00 7210.12.90 00
Exporting country	China and Indonesia	China, India, Japan and Republic of Korea (i.e. South Korea)
Rates of anti-dumping duties	China – ranging from 2.29% - 11.74% Indonesia – 37.44%	China – 4.48% - 20.42%  India – 27.88%  Japan – 15.74% / 36.80%  South Korea – 21.60% / 35.43%
Producer / exporter in exporting country	Several specified exporters from China for certain specified rates, plus residual category of other exporters from China, and all exporters from Indonesia.	Several specified exporters from China, Japan and Korea, for certain specified rates, plus residual category of other exporters from these 3 countries, and all exporters from India.

Deloitte's comments

Anti-dumping duties are imposed, for a 5-year period, after certain processes (including investigations) are carried out, usually by the Ministry of International Trade and Investment (MITI). The processes are initiated by MITI usually upon receiving a petition from affected parties in Malaysia, usually producers in Malaysia of similar products, who feel that the imported products are being brought into Malaysia at prices lower than their normal value, a practice known as 'dumping'.

From cursory checks, it appears that the 2 products in the 2025 Orders i.e. Polyethylene Terephthalate and electrolytic tinplate or tinplate, have been subjected to prior 5-year periods of anti-dumping duties, commencing some time in 2015 (for Polyethylene Terephthalate) and 2013 (for electrolytic tinplate), respectively.

Any earlier anti-dumping duties would have gone through separate processes (including investigations by MITI), before the prior anti-dumping duties were imposed. The 2025 Orders would likely have been made after fresh petitions and processes (including MITI investigation) were carried out.

It should be noted that anti-dumping duties, though classified as "customs duty" and payable as a customs duty on importation into Malaysia, is without prejudice to any import duty or sales tax that may be applicable on the products concerned.

Importers of the affected goods into Malaysia should look out for any such import duty or sales tax that may be applicable in addition to the anti-dumping duties. If there are such applicable import duty or sales tax, importers should request their customs agents to alert RMCD to collect all the applicable duties and taxes at the time of import, and factor these into the pricing of goods sold. Otherwise RMCD may conduct a post-import audit after many years (the general time-limit is 6 years past) and claw back a cumulatively large amount of duties/taxes that were not paid at the time of import, worse still if importers have not factored the right duties/taxes into their pricing for the goods sold in that 6 years past period.

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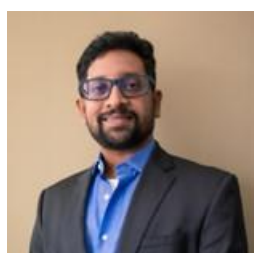


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