Mastery of Service Tax Scope Expansion and Sales Tax Revisions: Implications, Exemptions and Compliance

HRD Corp Claimable (SBL-Khas)

Sales and Service Tax (SST) since implementation w.e.f. 1/9/2018, has undergone various updates with the latest major updates to take effect from 1/7/2025.

The scope of Sales Tax has been significantly expanded to cover approximately 97% of Malaysia's total 12,000 HS codes. At the same time, Service Tax coverage has been widened to include rent or leasing, construction services, private education, and private healthcare services. Several existing taxable service groups have also undergone changes and restructuring. As a result of these expansions and reorganisations, certain taxable services within specific groups have been redefined.

This workshop is to provide an insight on its updates for implementation purposes and to assist participants in achieving the following objectives:

- To be up-to-date with the implementation requirements
- To avoid pitfalls / issues in the implementation
- Understand the Exemptions available

Pre-Requisite

- Stable Internet Connection
- Webcam and Earphones

Course Content

Module 1: Service Tax Updates and its Implementation Mechanism

- Updates via 2027 Budget
- Updates since July 2025 Expansion and Redefinition of Service Tax Scope

    - Redefined Taxable Services in Groups A to E and G
    - Restructuring of Group H with Scope Expansion covering Financial Services
    - Expansion of Group I covering Private Health Care Services
    - Expansion of 3 more Groups: Group K covering Rental and Leasing Services; Group L covering Construction Services; Group M covering Education Services
- Implementation Mechanism of each Updated Category
    - Registration Requirements and Thresholds
    - Transition Rules
    - SST Treatment on Different Transaction Scenarios
    - Materials Usage in Construction Work – SST Treatment
    - Non Taxable Services
    - Business to Business Exemption and its Documentation Requirements
    - Group Company's Relief
    - Micro-SME's Exemption
    - Treatment of SST Payment on Construction Retention Money
    - E-Invoice Treatment of Retention Money
    - SST Treatment for Non-Reviewable Contract
    - Treatment of Implementation Mechanism within and between Designated Areas and Special Areas
    - Treatment of Implementation Mechanism between Malaysia and Designated Areas and Special Areas and vice versa
    - Treatment of Imported Services under the Expanded Scope and its Exemptions
    - Penalty Grace Period

Module 2: Other Service Tax Exemptions

- Person Exempted from Paying Service Tax Facilities Criteria
- Claiming Refund of SToDS (Service Tax on Digital Services) incurred by Local Digital Tax Service Provider
- Treatment of Imported Services Requirement by all Businesses including Non-SST Registered Companies and its Exemptions
- Service Tax Treatment on Inter-Company Professional Services and Definition of Group Companies and When These Services are Taxable to Group Companies

Module 3: Sales Tax Updates and its Implementation Mechanism

- Updates via Budget 2027
- Updates since July 2025 Expansion of Taxable Products
    - Transitional Mechanism on Sales Tax Rate Change
    - Treatment of current AME Scheme
    - Treatment of Exempted Goods in Stock that are Exempted under Schedule B
    - What remains not subject to Sales Tax
    - Items that will be subjected to 5%
    - Items that will be subjected to 10%
    - Rate Determination

Module 4: Other Categories of Sales Tax Exemptions

- Goods Exempted from Charging Sales Tax

- Persons Exempted from Paying Sales Tax and its Terms and Conditions
    - Schedule C – Registered Manufacturers
    - Schedule B – Non-Registered Manufacturer
    - Major Exporter Scheme
    - Schedule A – Other Categories of Person
- Sales Tax Treatment on Scraps and Finished Goods
- Sales Tax Credit Systems
- Sales Tax Drawback Facilities vs Schedule A Item 57 Exemption

Module 5: SST Administrative Matters

- Bad Debt Relief
- Refunds
- Invoicing Particular Requirements
- SST Payment Basis – Accrual, Collection and Deemed Collect Basis
- Accounting for Imported Service Mechanism for Non-SST Register Business
- Service Tax Contra System

Module 6: Implementation Health Check

- Key Common Areas to Look Out for Errors for Sales Tax and Service Tax
- Audit Coverage and Awareness
- Appeals

When & Where

16 October 2026
(Friday)
9.00 am to 5.00 pm

Remote Online Training – Zoom

Who Should Attend

CEO, Managing Directors, GM, CFO, Accountants, Finance Manager, Department Head, Tax Consultant, Operational Staff involved in SST

Training Investment

RM 800 per participant (inclusive of Service Tax, Online Course Materials, E-Certificate of Attendance)

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Register min. 3 pax for
RM 680 per pax (Normal Rate: RM 800)

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Trainer's Profile

Tan Kok Tee

Kok Tee has over 40 years of experience in financial, strategic and general management. He has held a variety of leadership and senior management roles in various organizations, the last being Group Chief Executive Officer. More than half of this time are spent in the Manufacturing, Marketing & Distribution and Services organization, including those with the then Inchcape Timuran Berhad, Metroplex Berhad, Perdana Industries Berhad.

He is a Fellow member of the Association of International Accountants, UK; Member of the Institute of Public Accountants, Aust.; Certified Commercial Accountant, (M); Member of the Chartered Tax Institute of Malaysia; Member of the Malaysia Associations of Company Secretaries; holds a MBA in Finance from Charles Sturt University, Australia and a Gold Mastery Holder in Reinventing Strategic Planning and Management from the Haines Centre for Strategic Management, sponsored by University of San Diego, USA.

He is also a Certified Trainer with PMSB's Train The Trainer Certificate since 2009, a GST Agent registered with MOF and a life member with the Malaysian Institute of Directors.

Kok Tee has also been involved in training and facilitation on a part-time basis from 2009-2013, and full time from 2014 to now. To date, he has conducted about 300 training workshops, of which more than half are for GST related covering including GST Accounting for both in-house as well as public, including Government Authorities, Chamber of Commerce, Government Link Companies, Banks, Malaysian Institute of Accountants, Chartered Institute of Management Accountants, Selangor state Human Resource Development Centre, Negeri Sembilan state Skills Development Centre, NGOs, political party as well as for various other training providers.

He also developed and delivered an Entrepreneurship program (training) specially for MBA students from GC University, Pakistan in collaboration with Sunway Education Group for period 2010 to 2014. He was also an assessor for the UTAR's NGO strategic planning program and an invited speaker for the Asian Financial Controller's Congress in 2009, 2010 and 2011.

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Other Programmes HERE

Contact Us

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