INFORMATION NOTICE

EXEMPTION FROM PROSECUTION AND PENALTY UNTIL 31 DECEMBER 2025 FOR THE EXPANSION OF THE SCOPE OF SALES TAX AND SERVICE TAX (SST)

Referring to the media release by the Ministry of Finance Malaysia dated 9 June 2025 titled "Review of Sales Tax Rate and Targeted Expansion of Service Tax Scope Effective 1 July 2025", the Government has agreed not to impose prosecution and penalties until 31 December 2025. This is to allow individuals or companies affected by the new implementation to adjust their systems and compliance processes.

The exemption from prosecution and penalties (including compounds) applies only to the following offences:

(i) Late registration;
(ii) Late submission of returns;
(iii) Late payment of tax;
(iv) Declaration errors (including under-declaration and underpayment);
(v) Any offence related to invoices, credit notes, or debit notes.

Conditions for exemption:

(a) This exemption applies to offences detected by the Royal Malaysian Customs Department (RMCD) or through voluntary disclosure or self-declaration by the company.

(b) The offence must not involve fraud or wilful misconduct.

(c) Applications for penalty remission must be submitted to RMCD in accordance with the current procedures.

RMCD urges all affected individuals and companies to seek accurate information, assess their compliance with the existing laws, and take immediate corrective action if they have not yet done so.

INTERNAL TAX DIVISION HEADQUARTERS
ROYAL MALAYSIAN CUSTOMS DEPARTMENT
1 July 2025