SERVICE TAX 2018

FREQUENTLY ASKED QUESTIONS

1. **HEALTHCARE SERVICES BY PRIVATE HEALTHCARE FACILITIES**
2. **PRACTICE OF TRADITIONAL AND COMPLEMENTARY MEDICINE PRIVATE SERVICES**
3. **PRIVATE ALLIED HEALTH RELATED SERVICES**
4.

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RELATED QUESTION	ANSWER
1. What are healthcare services?	Based on Section 2, Private Healthcare Facilities and Services Act 1998 [Act 586]), "healthcare services" including as follows: (a) medical, dental, nursing, midwifery, allied health, pharmacy, and ambulance services and any other service provided by healthcare professional; (b) accommodation for the purpose of any service provided; (c) any service for the screening, diagnosis, or treatment of persons suffering from, or believed to be suffering from any disease, injury or disability of mind or body; (d) any service for preventive or promotive health purposes; (e) any service provided by any para-healthcare professional; (f) any service for curing or alleviating any abnormal condition of the human body by the application of any apparatus, equipment, instrument or device or any other medical technology; or (g) any health-related services.
2. What are healthcare facilities?	Based on Section 2, Private Healthcare Facilities and Services Act 1998 [Act 586]), healthcare facilities is referring to any premises in which one or more members of the public receive healthcare services.
3. What are private healthcare facility provider?	Based on Section 2, Private Healthcare Facilities and Services Act 1998 [Act 586]), “private healthcare facility provider” means any person providing private healthcare services and facilities to recipients.
4. What are private healthcare facilities?	Based on Section 2, Private Healthcare Facilities and Services Act 1998 [Act 586]), “private healthcare facility” means any premises, other than a Government healthcare facility, used or intended to be used for the provision of healthcare services or health-related services, such as a private hospital, hospice, ambulatory care centre, nursing home, maternity home, psychiatric hospital, psychiatric nursing home, community mental health centre, haemodialysis centre,

RELATED QUESTION	ANSWER
	medical clinic, dental clinic and such other healthcare or health-related premises as the Minister may from time to time, by notification in the Gazette, specify.
5. What is the meaning of non-citizen?	“Non-citizen” refers to an individual who is not a Malaysian citizen as defined by Malaysian citizenship laws.
6. What is designated area?	Based on Section 2, Service Tax Act 2018, “Designated area” means Labuan, Langkawi, Tioman, Pangkor and Pulau 1.
7. What is special area?	Based on Section 2, Service Tax Act 2018, “Special area” means any free zone, licensed warehouse and licensed manufacturing warehouse, the Joint Development Area, and a petroleum supply base licensed under section 77B of the Customs Act 1967.
8. What is the scope of healthcare services which subject to service tax?	Based on Item 14, Group I, First Schedule, Service Tax Regulations 2018, the scope of healthcare services provided to non-citizens by any private healthcare facility registered or licensed under the Private Healthcare Facilities and Services Act 1998 [Act 586] is subject to service tax.
9. What is the list of private healthcare facilities under Act 586?	The list of private healthcare facilities registered aor licensed under Act 586 is as follows: (a) Private Hospitals; (b) Private Psychiatric Hospital; (c) Private Ambulatory Care Center (ACC); (d) Private Nursing Home; (e) Private Psychiatric Nursing Home; (f) Private Maternity Home; (g) Private Blood Bank; (h) Private Hemodialysis Center;

RELATED QUESTION	ANSWER
	(i) Private Hospice; (j) Private Community Mental Health Center; (k) Private Medical Clinic; (l) Private Dental Clinic; (m) any private healthcare facilities or services or other health-related services as may be determined by the Minister, from time to time, by notification in the Gazette; and (n) a private healthcare premises incorporating any two or more of the facilities or services in paragraphs (a) to (m)
10. What is the meaning of healthcare professionals in private healthcare facilities which subject to service tax?	a) "healthcare professional" includes a medical practitioner, dental practitioner, pharmacist, clinical psychologist, nurse, midwife, medical assistant, physiotherapist, occupational therapist and other allied healthcare professional and any other person involved in the giving of medical, health, dental, pharmaceutical or any other healthcare services under the jurisdiction of the Ministry of Health. b) Healthcare professionals must be persons registered with the appropriate professional regulatory body, dental, nursing or midwifery, medically related professions or any other regulatory body and hold a valid practicing certificate.
11. What healthcare services by private healthcare facilities that are subject to service tax?	Healthcare services by private healthcare facilities to non-citizens are subject to service tax as follows: (a) any medical, dental, nursing, midwifery, allied health, pharmacy and ambulance services provided by healthcare professionals; (b) accommodation for the purpose of providing healthcare services;

RELATED QUESTION	ANSWER
	(c) any service for the screening, diagnosis, or treatment of persons who is suffering from, or believed to be suffering from any disease, injury or disability of mind or body; (d) any service for preventive or promotive health purposes; (e) any service provided by any para-healthcare professional; (f) Any consultation fees provided by any healthcare professional and registered medical practitioner; (g) any service for curing or alleviating any abnormal condition of the human body by the application of any apparatus, equipment, instrument or device or any other medical technology; (h) any food services provided to patients by the registered or licensed healthcare facility; or (i) any mortuary services provided by the registered or licensed healthcare facility.
12. What is the meaning of the practice of traditional and complementary medicine?	Based on Item 15, Group I, First Schedule, Service Tax Regulations 2018, practice of traditional and complementary medicine refers to Section 3, Traditional and Complementary Medicine Act 2016 [Act 775]. “practice of traditional and complementary medicine” means a form of health-related practices designed to prevent, treat or manage ailment or illness or preserve the mental and physical well-being of an individual and including practices such as traditional Malay medicine, traditional Chinese medicine, traditional Indian medicine, Islamic medical practice, homeopathy, and complementary therapies excluding medical and dental practices used by a medical and dental practitioner respectively.
13. What is the scope of traditional and complementary medicine practices that are subject to service tax?	Based on Item 15, Group I, First Schedule, Service Tax Regulations 2018, any traditional and complementary medicine practices provided to non-citizens that are subject to service tax as follows: 1) Traditional Malay Medicine; 2) Traditional Chinese Medicine; 3) Traditional Indian Medicine;

RELATED QUESTION	ANSWER
	4) Homeopathy; 5) Chiropractic; 6) Osteopathy; and 7) Islamic Medical Practices.
14. What is the scope of allied health related services that are subject to service tax?	All services and activities related to allied health services provided to non-citizens are subject to service tax as per Item 16, Group I, First Schedule, Service Tax Regulations 2018.
15. Who needs to register service tax for the practice of traditional and complementary medicine?	Any person who operates or provides a place for practice of traditional and complementary medicine private services excluding private healthcare facilities under the Private Healthcare Facilities and Services Act 1998 [Act 586] are subject to service tax is liable to register service tax under Item 15, Group I which has reached the threshold of taxable service amount to RM1,500,000.00 for twelve months period.
16. What are examples of traditional and complementary medicine practice services that are subject to service tax?	Examples of traditional and complementary medical practice services provided to non-citizens that are subject to service tax include acupuncture, ayurveda, homeopathy and Chinese medicine.
17. What is the meaning of activities related to allied health?	Based on Item 16, Group I, First Schedule, Service Tax Regulations 2018, it refers to any of the following allied health related activities: a) Audiology; b) Dietetics; c) Entomology (Public Health); d) Physiotherapy; e) Physics Medicine; f) Nutrition g) Psychology Clinical; h) Radiography Diagnostics; i) Science Laboratory Medicine; j) Occupational Therapy; k) Therapy Speech-Language; l) Therapy Radiation; m) Technology Laboratory Medicine; n) Technology Dentistry; o) Environmental Health; or p) Health Education.

RELATED QUESTION	ANSWER
18. What are the types of allied health related services that are subject to service tax?	All services relating to allied health services and provided to non-citizens by any person operating or providing a place for the provision of private allied health related activities excluding private healthcare facilities under the Private Healthcare Facilities and Services Act 1998 [Act 586] are subject to service tax.
19. Who needs to be SST registered person under allied health related services?	Any person who operates or provides a place for practice of traditional and complementary medicine private services excluding private healthcare facilities under the Private Healthcare Facilities and Services Act 1998 [Act 586] and involves activities related to private allied health as follows: a) Audiology; b) Dietetics; c) Entomology (Public Health); d) Physiotherapy; e) Physics Medicine; f) Nutrition g) Psychology Clinical; h) Radiography Diagnostics; i) Science Laboratory Medicine; j) Occupational Therapy; k) Therapy Speech-Language; l) Therapy Radiation; m) Technology Laboratory Medicine; n) Technology Dentistry; o) Environmental Health; or p) Health Education.
20. What are examples of allied health services that are subject to service tax?	Examples of allied health services provided to non-citizens that are subject to service tax are services provided by dental technologists, environmental health, health education, food preparation (healthcare), forensic science and medical social work.
21. When is the effective date of the imposition of service tax on private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services?	The effective date is 1 July 2025.

RELATED QUESTION	ANSWER
22. What is the service tax rate charged on private healthcare services, practice of traditional and complementary medicine private services and private allied health related services?	private healthcare services, practice of traditional and complementary medicine private services and private allied health related services will be subject to service tax at a rate of 6%.
23. What is the threshold value for private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services?	For services newly prescribed as taxable services, providers of private healthcare facilities, practices traditional and complementary medicine private services and private allied health related services that have reached the threshold value of RM1,500,000.00 in 12 months period are liable to register SST. SST Registration can be done online through the MySST website (mysst.customs.gov.my).
24. Are Malaysian citizens subject to service tax when obtaining services from private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services?	No. Malaysian citizens are exempted from paying service tax.
25. Are healthcare services, practice of traditional and complementary medicine private services and allied health related services provided by the Government subject to service tax?	healthcare services, practice of traditional and complementary medicine private services and allied health related services provided by the Government is not subject to service tax
26. What is meant by Government healthcare services?	Based on the Private Healthcare Facilities and Services Act 1998 [Act 586], “Government healthcare facilities” refer to any facilities established, maintained, operated or provided by the Government excluding privatized or incorporated Government healthcare facilities

RELATED QUESTION	ANSWER
27. What is the service tax treatment on deposits paid to private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services?	Situation 1: Deposit payments are subject to service tax if they treated as part of the payment for services associated with healthcare services by private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services provided to non-citizens. Situation 2: Deposit payments are NOT subject to service tax if they are NOT part of the payment for services associated with healthcare services by private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services provided to non-citizens.
28. What is the service tax treatment on the provision of private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services to non-citizens located outside Malaysia?	the service tax treatment on the provision of private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services to non-citizens located outside Malaysia is not subject to service tax.
29. What is the service tax treatment on the provision of private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services to non-citizens that is acquired from outside Malaysia?	the service tax treatment on the provision of private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services to non-citizens that is acquired from outside Malaysia is considered as imported taxable services (ImTS) and subject to service tax.

RELATED QUESTION	ANSWER
30. Are the services provided by all private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services to non-citizens in designated areas (DA) is subject to service tax?	Services provided by all private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services to non-citizens in designated areas (DA) excluding Pulau 1 is not subject to service tax.
31. Are the services provided by all private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services to non-citizens in special areas (SA) is subject to service tax?	services provided by all private healthcare facilities, practice of traditional and complementary medicine private services and private allied health related services to non-citizens in special areas (SA) is not subject to service tax
32. What categories of non-citizens are exempt from service tax?	No service tax exemption is given to non-citizen categories.
33. Are healthcare services provided by hospitals established, maintained, operated, provided or administered by a University or University College registered under the Universities and University Colleges Act 1971 [Act 30]] and provided to non-citizens are subject to service tax?	No. Healthcare facilities by hospitals established, maintained, operated, provided or administered by a University or University College registered under the Universities and University Colleges Act 1971 [Act 30] and provided to non-citizens are not subject to service tax.

RELATED QUESTION	ANSWER
34. Are healthcare services provided by hospitals established, maintained, operated, provided or administered by a University or University College registered under the Mara University of Technology Act 1976 [Act 173] and provided to non-citizens are subject to service tax?	No. Healthcare facilities by hospitals established, maintained, operated, provided or administered by a University or University College registered under the Mara University of Technology Act 1976 [Act 173] and provided to non-citizens are not subject to service tax.
35. Are there private healthcare facilities that do not need to be SST registered?	Yes. Private healthcare facilities that do not need to be SST registered persons are as follows: (i) University Malaya Specialist Centre; (ii) Universiti Kebangsaan Malaysia Specialist Centre; (iii) Universiti Teknologi MARA Medical Specialist Centre; and (iv) International Islamic University Malaysia Medical Specialist Centre
36. Are healthcare services by hospitals established, maintained, operated, provided or administered by a University or University College registered under the Private Higher Education Institutions Act 1996 [Act 555] and provided to non-citizens subject to service tax?	Yes. Healthcare facilities by hospitals established, maintained, operated, provided or administered by a University or University College registered under the Private Higher Education Institutions Act 1996 [Act 555] and provided to non-citizens are subject to service tax.

RELATED QUESTION	ANSWER
37. What is meant by beauty treatment services?	Beauty treatment services mean ny treatment of the body or any part of the body, face or hair to treat or restore the skin of the body or face by using any substance or any equipment.
38. What are the types of beauty treatment services?	Types of beauty treatment services are as follows: (1) Any treatment of the body or any part of the body, face or hair to treat or restore the skin of the body or face by using any substance or any equipment such as follows; (a) Hydrotherapy on body or any part of the body; (b) Any treatment relating body slimming; (c) Facial, hand, foot or full body massage; (d) Hair styling; (e) Treatment of fingers or nails of hands or feet; (f) Sauna; (g) Herbal, milk or flower bath; (h) tattooing; (i) Spa; or (j) Any other beauty treatment as defined in wellness centre subitem (a)
39. What is the service tax rate charged on beauty treatment services?	The service tax rate imposed on beauty treatment services provided to citizens and non-citizens is a flat rate of 8%.
40. What are the registration requirements for beauty treatment services?	The registration requirement for beauty treatment services is when the total value of taxable services has reach RM500,000 in 12 months period.