

Dewan Rakyat approves 10pc tax on low-value items bought from foreign online sellers

By Teh Athira Yusof, Arfa Yunus - August 4, 2022 @ 8:05pm



Deputy Finance Minister I Datuk Mohd Shahar Abdullah, in his winding-up speech, said the amendment included provisions in Part III(A) of the law to define low-value goods, sellers and registered sellers. - BERNAMA pic

KUALA LUMPUR: A 10 per cent tax will be imposed on low-value foreign goods bought online and shipped to Malaysia.

The Dewan Rakyat today approved the Sales Tax (Amendment) Bill 2022 with a voice vote.

Deputy Finance Minister I Datuk Mohd Shahar Abdullah, in his winding-up speech, said the amendment included provisions in Part III(A) of the law to define low-value goods, sellers and registered sellers.

"Based on the bill, the definition of sellers will now include people selling low-value goods or operating a marketplace online regardless of nationality or geographic location," he told the Dewan Rakyat.

Shahar said the amendments aimed to create a level-playing field for local and international online sellers as well as to prevent people from exploiting the lack of sales tax imposed on low-value imported goods.

At the moment, goods retailing at below RM500 are not subjected to any tax when imported to Malaysia.

Shahar said this was unfair to local traders as locally produced goods were subjected to sales tax.

The amendment also empowers the finance minister, upon advice from the director-general, to modify the terms and conditions for the purpose of implementing the act.

The first reading of the bill was presented by Deputy Finance Minister II Datuk Yamani Hafez Musa, last Monday.

Two other bills approved in the Dewan Rakyat today were the Windfall Profit Levy (Amendment) Bill 2022 and Service Tax (Amendment) Bill 2022.

The Windfall Profit Levy (Amendment) Bill 2022 grants the Finance Ministry the power to extend the tax payment period if there was a national emergency or public health crisis.

The amendments also allows the Finance Ministry to add, reduce or change any terms and conditions imposed pursuant to Act 592 to implement the purposes of Act 592, provided that reasonable notice was given to the person bound by the terms and conditions.

The bill received a majority voice vote and was approved after a debate involving seven members of parliament.

The final bill approved today was the Service Tax (Amendment) Bill 2022, which will facilitate the industry and taxpayers with an extension from the payment period set under the act.