



MOORE Advent

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Moore Advent Tax Consultants Sdn Bhd ["the Firm"] is an independent member firm of Moore Global Network Limited - member firms in principal cities throughout the world.

LEGEND

ACA	Accelerated Capital Allowance
DGIR	Director General of Inland Revenue
DGRMC	Director General of Royal Malaysian Customs
CA	Capital Allowance
CGT	Capital Gains Tax
FAQ	Frequently Asked Questions
IBA	Industrial Building Allowance
ICT	Information and Communication Technology
IRB	Inland Revenue Board
ITA 1967	Income Tax Act 1967
LBATA 1990	Labuan Business Activity Tax Act 1990
LLP	Limited Liability Partnership
MIDA	Malaysian Investment Development Authority
MITI	Ministry of Investment, Trade and Industry
MOF	Ministry of Finance
MOTEC	Ministry of Tourism, Arts and Culture
MSME	Micro, Small and Medium Enterprise
PIA 1986	Promotion of Investments Act 1986
PR	Public Ruling
RA	Reinvestment Allowance
RMCD	Royal Malaysian Customs Department
RPGT	Real Property Gains Tax
RPGT Act 1976	Real Property Gains Tax Act 1976
SA 1949	Stamp Act 1949
SC	Securities Commission
TP	Transfer Pricing
WT	Withholding Tax
YA	Year of Assessment

PR No. 8/2025 – Tax Treatment for Micro, Small and Medium Companies

The IRB has recently issued the *PR No. 8/2025 – Tax Treatment for Micro, Small and Medium Companies* to clarify on the definitions, eligibility criteria and specific tax treatments applicable to Micro, Small and Medium Companies [“MSMC”], including LLP under the ITA 1967.

The salient points of the PR include:-

i. **Eligibility criteria of MSMC under the ITA 1967**

MSMC consist of companies, including LLPs that are resident and incorporated (for companies) or registered (for LLPs) in Malaysia. The eligibility criteria of MSMC are as follows:

- Have a paid-up ordinary share capital of not exceeding RM2.5 million for a company or a capital contribution of not exceeding RM2.5 million for an LLP at the beginning of the basis period for a year of assessment;
- Have gross income from a business source or sources that do not exceed RM50 million in the basis period for a year of assessment;
- Have restriction on shareholding of company's paid-up ordinary share capital or LLP's capital contribution.

Not more than:-

 - 50% of the paid-up capital in respect of ordinary shares of the company is directly or indirectly owned by a “related company”; or
 - 50% of the paid-up capital in respect of ordinary shares of the “related company” is directly or indirectly owned by the company; or
 - 50% of the paid-up capital in respect of ordinary shares of the company and the “related company” is directly or indirectly owned by another company, where “related company” means a company which has a paid-up capital in respect of ordinary shares of more than RM2.5 million at the beginning of the basis period for that year of assessment;
 - With effect from YA 2024, eligibility is subject to an additional ownership condition that not more than 20% of the company's paid-up ordinary share capital or the LLP's capital contribution at the beginning of the basis period for a year of assessment is directly or indirectly owned by one or more companies incorporated outside Malaysia or by one or more individuals who are not citizens of Malaysia

ii. Special Tax Treatment for MSMC

- **Preferential tax rate**
 - Effective YA 2023, eligible resident companies and LLPs may be subject to the following preferential tax rates:-
 - 15% on the first RM150,000 of chargeable income;
 - 17% on the next RM450,000 of chargeable income (i.e. RM150,001 to RM600,000); and
 - 24% on the balance of chargeable income.
- Other Special Tax Treatments for MSMC, subject to eligibility conditions
 - **Special allowance for small value assets** (up to RM2,000 per asset) with no restriction amount of RM20,000 for qualifying MSMC
 - **Allowance for increased export** (income tax exemption of up to 70% of statutory business income of the qualifying companies. Exemption period is given for YA 2016 to YA 2020)
 - **Tax rebate for establishment and operation** (up to RM20,000 per year of assessment for 3 consecutive years of assessment for companies and LLPs that commencing operations on or after 1st July 2020 until 31st December 2022, commencing from YA 2021)
 - **Exemption from submission of estimated tax payable**
 - **ESG-related tax deduction** (up to RM50,000 per year of assessment for YA 2024 to YA 2027 for specific ESG-related expenditure).



Updated Tax Corporate Governance Framework Guidelines

The IRB has recently issued the updated *Guidelines on Tax Corporate Governance Framework [“TCGF”]* dated 1st December 2025 to replace the previous Guidelines issued on 13th March 2025.

The salient updates of the Guidelines include:-

- The proposed timeframe from the date of acceptance of the participant by the IRB to the award of participation status has been revised to 6 to 12 months (previously 8 to 12 months), subject to the IRB’s approval for any extension of time.
- An independent review is recommended to be conducted from time to time to ensure the continued effectiveness and relevance of the TCGF/The Independent Review Report shall be prepared during the application stage (and no longer on an annual basis) and the participating organisation is required to inform the IRB of any changes to the TCGF and the internal control framework, including tax matters.
- Under the monitoring and maintenance approach, the IRB will monitor the participants’ disclosures and tax outcomes through an annual risk assessment for 3 years following TCG certification.
- Participants are required to proactively engage with the IRB and make disclosures of significant or new transactions, or where there are material changes, prior to these changes occur.
- An annual risk assessment meeting with the dedicated IRB officer will be held to ensure that all obligations and commitments under the TCG are fulfilled.

Note: For further information on TCGF and the relevant superseded documents, kindly refer to our *Tax Flash – September 2022 (Special Edition)*, *Tax Flash – April 2024* and *Tax Flash – May 2025* Issues.

Updated Guidelines on Deduction of Expenditure under Sections 34(6)(m) and 34(6)(ma)

The IRB has recently issued the *Guidelines on Deduction of Expenditure under Sections 34(6)(m) and 34(6)(ma) of the ITA 1967* (in *Bahasa Malaysia*) to replace the previous Guidelines issued on 13th March 2012.

The salient updates of the Guidelines include:-

- With effect from year 2026, Anti-Bribery Management System ["ABMS"] is included among the programs under the Accreditation of Certification Bodies Scheme ["ACB"] accredited by the Department of Standards Malaysia ["JSM"] for issuing the quality system and standard certification.
- Accordingly, expenses incurred by a company in obtaining ABMS certification from a JSM accredited certification body under ACB qualify for double deduction pursuant to Section 34(6)(ma) of the ITA 1967, subject to meeting the relevant conditions.

Note: For further information on the previous Guidelines, kindly refer to our *Tax Flash – July 2012* issue.



Guidelines for Tax Treatment on Income of Social Media Influencer

The IRB has recently issued the *Guidelines for Tax Treatment on Income of Social Media Influencer* dated 14th January 2026 to provide clarification on the tax treatment of income received by social or digital media influencers.

The salient points of the Guidelines include:-

i. Activities of Influencer

An individual is regarded as carrying out activities as a social media influencer if the individual undertakes the following activities:-

- producing (recording, publishing, uploading, or displaying) audio, video, or written content on social media;
- appearing in any activity, programme or event on social media;
- engaging for any purpose of advertising or promoting on social media; or
- receiving payment, gift, or any benefit from any party due to the involvement in social media.

ii. Revenue Receipts of Social Media Influencer

Social media influencers may receive income in various forms, including the following:-

Types of Revenue Receipts	Descriptions
Direct payments from social media platforms	Payments received based on views, clicks, likes, number of followers, uploaded content, advertisements, subscription commissions and other cash or non-cash influencer related activities.
Payment as a product ambassador on social media	Payments received directly from a company for promotional or advertising services provided by an influencer, including fees paid for the appointment as product ambassadors or paid reviews, whether in cash or non-cash forms such as goods or products, services, facilities or benefits, vouchers or discounts on sales.
Sale of goods	Income from the sale of the influencer's own branded goods (including physical goods and digital goods such as e-books, e-songs, e-posters and learning or training sessions that are sold or provided online), or services on social media.
Sales of influencer accounts or user identifications ["IDs"] on social media platforms	Payments received from the sale of influencer social media accounts or IDs to other individuals
Royalties on characters on social media	Royalty income received from an individual, organisation or company for the use of the influencer's image, character, or depiction with an object.
Other revenue receipts	Other payments received by social media influencers include fees for sharing expertise, fees for services as a trainer, manager or facilitator, participating as judges or contestants, or attending ceremony or events, which may be paid in cash, goods, discount vouchers, free services, or appreciation on social media with monetary value.

iii. Tax Treatment on Income of Social Media Influencer

- Income received by an influencer who is a resident in Malaysia is subject to tax in Malaysia as business income derived or deemed to be derived from Malaysia, as the operations or activities are carried out in Malaysia.
- Income received from social media platform operators based outside Malaysia is deemed to be derived from Malaysia as the influencer's activities are performed in Malaysia and is therefore subject to tax in Malaysia.
- Income received by an influencer for activities carried out outside Malaysia is an income equivalent to carrying out his profession in Malaysia and is taxable as Section 4(a) of the ITA 1967, regardless of whether the payment is received in or outside Malaysia.
- Any income received from the activities of an object-based influencer, including cartoon characters, animations, characters in film or dramas, logos, symbols or names of an organisation or company with no connection to any real individual, is taxable under Section 4(a) of the ITA 1967 and is assessable to the owner of the object's social media account.
- Influencer may claim tax deductions for expenses wholly and exclusively incurred in the production of gross income, such as internet costs, filming and editing expenses and other expenses related to content production.
- Capital allowances may also be claimed on qualifying assets used in influencer activities, subject to the conditions stipulated in Schedule 3 of the ITA 1967.

iv. Taxpayers' Responsibilities

- Influencer is required to comply with the Notice of Instalment Payment ["CP500"] under Section 107B of the ITA 1967
- Influencer is required to retain records of all income received, whether in cash or non-cash form, as well as supporting documents for expenses, contracts, invoices and proof of payment for a period of 7 years and submitted to the IRB in the event of tax audit.



Application for Extension of Time (e-Lanjutan Masa)

The IRB has recently issued the *Operational Guidelines 4/2025 on Procedure for Application and Approval of Extension of Time to Furnish Return Form via e-Lanjutan* (in Bahasa Malaysia), which set out the applicable conditions and procedures for applying for an extension of time ["EOT"] to furnish the tax return form, effective 1st November 2025.

The salient points of the Guidelines include:-

i. Application Timeframe

The application for EOT to submit the return form may be made via the *e-Lanjutan Masa* application in the MyTax portal using the role of director of company or organisation administrator (or their authorised representatives) within the prescribed timeframe of not earlier than 30 days and not later than 14 days before the due date of the submission of return form (including any grace period granted by the IRB).

ii. Category of Eligible Taxpayers

The categories of taxpayers allowed to apply for EOT via *e-Lanjutan Masa* are as follows:-

- Companies (Form C);
- Limited liability partnerships (Form PT);
- Co-operative societies (Form C1);
- Trust bodies (Form TA);
- Unit trusts / Property trusts (Form TC);
- Real estate investment trusts / Property trust funds (Form TR);
- Business trusts (Form TN); and
- Petroleum – chargeable persons in production (Form CPP) and chargeable persons in exploration (Form CPE).

iii. Conditions for EOT Application

Applications based on SSM EOT approval

Where the application is based on the EOT approval from the Companies Commission of Malaysia ["SSM"], the following conditions must be satisfied:-

- There is no receipt of return form by the IRB for the relevant year of assessment;
- The basis period and accounting period are consistent with the IRB's records;
- There is no manual EOT application (rejected, approved or pending) for the relevant year of assessment; or only an approved *e-Lanjutan Masa* application based on SSM EOT approval may be permitted to make a second application;
- Application is submitted within the prescribed period; and
- The SSM EOT approval relates to the following:-
 - application for EOT for circulation of financial statements and reports, or
 - application for EOT for circulation and holding annual general meeting; or
 - application for EOT to lodge financial statements and reports.

Applications other than SSM EOT Approval

- In addition to the above conditions, the *e-Lanjutan Masa* applications for taxpayers citing reasons other than SSM EOT approval are also subject to the following conditions:
 - There are no tax arrears (debit balance) or non-compliant tax instalments up to the current year of assessment; and
 - There are no outstanding CP204 / CP250 tax instalments for the relevant year of assessment.

iv. E-Lanjutan Masa Approval

- E-*Lanjutan Masa* approval is granted only once for a year of assessment.
- Where an application for EOT is made based on SSM EOT approval, further application may be submitted, subject to the conditions.
- If *e-Lanjutan Masa* application is rejected due to mismatch in accounting period or basis period with the IRB's records, the taxpayer may reapply after submitting the Notice of Change of Accounting Period ["Form CP204B / Form e-CP204B"]; or if due to tax arrears, non-compliant instalments or outstanding tax, an application may reapply after fully settlement of the outstanding tax and updating of the tax ledger.



Extension of Tax Deduction for Investment in Project of Commercialisation of Research and Development Findings

The Income Tax (Deduction for Investment in a Project of Commercialisation of Research and Development Findings) Rules 2022 provide a tax deduction to a resident company in respect of investments made in a related company for financing a project on commercialisation of non-resource based research and development [“R&D”] findings undertaken by a public research institute, public institute or private institute of higher learning in Malaysia.

Under the 2022 Rules, applications for approval of the qualifying commercialisation projects shall be received by MIDA from 7th November 2020 to 31st December 2025.

Following the Budget 2026 announcement, the *Income Tax (Deduction for Investment in a Project of Commercialisation of Research and Development Findings) (Amendment) Rules 2025* has been gazetted on 23rd December 2025 to extend the above tax incentive for another 5 years, i.e. the applications shall be received by MIDA from 1st January 2026 to 31st December 2030.

The above Amendment Rules shall have effect from 1st January 2026.

Note: For further details on the *Tax Incentive for Project of Commercialisation of R&D Findings*, kindly refer to our *Tax Flash – March 2022* issue.



Accelerated Capital Allowance for Speed Limitation Device

Following the Budget 2026 announcement, the *Income Tax (Accelerated Capital Allowance) (Speed Limitation Device) Rules 2025* has been gazetted on 31st December 2025 to provide the claim of ACA on the qualifying expenditure incurred on specified speed limitation devices ["SLD"] installed in qualifying commercial vehicles.

The salient points of the above Rules include:-

Category	Qualifying Conditions
Qualifying Capital Expenditure ["QCE"]	<p>The SLD is purchased by a person resident in Malaysia for the installation in a commercial vehicle used in the course of business and must meet the following conditions:-</p> <ul style="list-style-type: none"> • The cost of the SLD shall not exceed RM4,000 per unit; • Installation in the commercial vehicle occurs within the period from 1st January 2026 to 31st December 2026; • Installation is certified by any certified body recognised by the Road Transport Department; and • The SLD should not be used to replace the existing SLD in the commercial vehicle.
Commercial Vehicle	<p>Applicable to commercial vehicles manufactured prior to 1st January 2015 in relation to:-</p> <ul style="list-style-type: none"> • Goods vehicles with gross vehicle weight exceeding 3,500 kg; or • Public service vehicles with gross vehicle weight exceeding 5,000 kg and carrying more than 8 passengers, excluding the driver.
ACA Rates	<ul style="list-style-type: none"> • Initial allowance - 20% • Annual allowance - 80%
Effective Date	1 st January 2026 to 31 st December 2026



Guidelines on Application for Stamping through Stamp Duty Self-Assessment System

The IRB has recently issued the *Operational Guidelines 3/2025 on Application for Stamping via the Stamp Duty Self-Assessment System ["SDSAS"]* (in Bahasa Malaysia) dated 26th December 2025, which explain the responsibilities of duty payers, the concept and the procedure for stamping application under the SA 1949, in line with the implementation of the SDSAS effective 1st January 2026.

The salient points of the Guidelines include:-

- Under the SDSAS, the duty payer or appointed agent is required to submit the stamp duty return form and the relevant instrument electronically (via e-duty Stamp ["e-DS"] through the MyTax portal).
- The SDSAS will replace the STAMPS platform and will be rolled out in phases based on the type of instrument, as set out below:

Phase	Implementation Date	Type of Instruments
1	1 st January 2026	Rent / lease, security and general stamping
2	1 st January 2027	Transfer of real property (without <i>Jabatan Perkhidmatan dan Penilaian Harta</i> valuation)
3	1 st January 2028	Instruments or agreements other than those stated under Phase 1 and Phase 2

Instruments covered under Phase 2 and Phase 3 will continue under the formal assessment until the SDSAS is fully rolled out.

- The return is deemed to have been made by the Collector on the day the return is submitted and the duty on the instrument shall be due and payable within 30 days from the date of assessment.
- Upon payment, the stamp certificate will be generated and must be downloaded and printed. The instrument is considered duly stamped when the correct duty is paid and the certificate is affixed to the instrument.
- Each duty payer or appointed representative is required to have a Tax Identification Number ["TIN"] to access the e-DS.
- The instrument must be submitted through SDSAS within 30 days from the date of execution in Malaysia, or within 30 days of first receipt in Malaysia if executed outside Malaysia.
- An application for extension of time to pay the stamp duty may be granted if the application is submitted before the due date for payment.
- Remission on stamp duty penalty for offences relating to submission of incorrect return or incorrect or inaccurate information affecting the chargeability of stamp duty, and offences under Section 72D(2) of the SA 1949, is granted for the period from 1st January 2026 to 31st December 2026.

Guidelines on Labuan Trading Activity and Labuan Non-Trading Activity

The IRB has recently issued the *Guidelines on Labuan Trading Activity and Labuan Non-Trading Activity* to provide clarification on the definition of Labuan trading activity and Labuan non-trading activity as prescribed under the LBATA 1990 and the subsidiary legislation relating to the taxation of Labuan business activity.

The salient points of the above guideline include:-

i. Labuan Business Activity

- Labuan business activity carried on by an entity is subject to Labuan business activity tax under LBATA for each year of assessment, where the entity is incorporated and registered under the relevant Labuan legislation and holding a valid operating licence from the Labuan Financial Services Authority (for trading activities).
- The Labuan entity includes entities such as companies, foundations, partnerships, limited partnerships, limited liability partnerships and trusts.
- Labuan business activities include Labuan trading and non-trading activities carried on in, from or through Labuan, excluding any activity prohibited under written law.

ii. Labuan Trading Activity and Non-Trading Activity

- Labuan trading activity includes banking, insurance, trading, management, licensing or any other activity which is not a Labuan non-trading activity.
- Labuan non-trading activity means an activity relating to the holding of investments in securities, stocks, shares, loans, deposits or immovable property located in Labuan, by a Labuan entity on its own behalf.

iii. Substance Requirements under LBATA 1990

- Labuan entities are required to comply with the substance requirements, which include maintaining an adequate number of full-time employees in Labuan, incurring adequate amount of annual operating expenditure in Labuan and comply with any conditions relating to a fit and proper person for full-time employees.
- The substance requirements for each Labuan business activity carried on by a Labuan entity is prescribed in the First Schedule of Labuan Business Activity Tax (Requirements for Labuan Business Activity) Regulations 2021 ["P.U.(A) 423/2021"].

iv. Tax Treatment for Labuan Business Activities

Compliance with the substance requirements determines the applicable tax rate for a Labuan entity in respect of its Labuan business activity.

Activity	Comply with Substance Requirements	Does Not Comply with Substance Requirements
Trading	Tax rate of 3% on net profits (exclude any income derived from royalties and intellectual property rights)	Tax rate of 24% on chargeable profits
Non-Trading (Note)	Not subject to tax under LBATA 1990 (exclude any income derived from royalties and other intellectual income)	Tax rate of 24% on chargeable profits

Note: Pure equity holding activity is exempted from minimum full-time employee requirement. Pure equity holding means that a Labuan entity holds an equity and derives income solely in the form of dividends and capital gains.

v. Labuan Entity Carrying on Both Labuan Trading and Labuan Non-Trading Activities

- A Labuan entity carrying on both Labuan trading and Labuan non-trading activities shall be deemed to be carrying on a Labuan trading activity and is therefore only required to fulfil the substance requirements applicable to Labuan trading activities.
- Where a Labuan entity carries on multiple Labuan trading activities and Labuan non-trading activity within a basis period, the substance requirements for the Labuan non-trading activity shall follow those of the Labuan trading activity identified as the core income generating activity ["CIGA"]), while each Labuan trading activity shall separately comply with its respective substance requirements.
- CIGA is identified as the primary trading activity that generates the core income, being the activity contributing the most to the Labuan entity's income or the most significant economic impact on the Labuan entity, and is determined based on the actual facts and circumstances of the business, including the main source of income and the allocation of time and resources.
- Failure to meet the substance requirements shall result the Labuan entity being tax at the rate of 24%.

Service Tax Policy No. 2/2025 (Amendment No. 3) and Service Tax Policy No. 2/2025 (Amendment No. 4) – Rental or Leasing Services

The RMCD has published the *Service Tax Policy No. 2/2025 (Amendment No. 3)* and *Service Tax Policy No. 2/2025 (Amendment No. 4) – Rental or Leasing Services* dated 23rd January 2026 and 6th February 2026 respectively (in *Bahasa Malaysia*). The salient points extracted from the policies are as follows:-

- The annual sales threshold for MSMEs tenants who are eligible for exemption from payment of service tax has been increased from RM1 million to RM1.5 million.
- For any MSMEs registered through MyPMK System during the following periods, the exemption from payment of service tax on rental or leasing services will take effect from:-

Registered through MyPMK System*	Effective Date of Exemption from Payment of Service Tax
On or before 31 st December 2025	1 st July 2025
From 1 st January 2026 onwards	The date of registration in MyPMK System

- * Based on the MySST portal, RMCD has informed that the MyPMK System is currently experiencing a technical disruption and in the interim, registration for MyPMK may be made manually at the nearest Customs office during working hours from 9a.m. to 4.30p.m. or via email to teknikalcdn.hq@customs.gov.my.
- With effect from 1st January 2026, a service tax exemption of 2% on the applicable tax rate for rental or leasing services is granted until the relevant amendments to the subsidiary legislation are gazetted. Therefore, service providers who have overpaid service tax to RMCD may apply for a refund pursuant to Section 38(1)(b) of the Service Tax Act 2018 by submitting the following documents to the controlling station:-
 - An official application letter;
 - Customs Form JKDM No. 2;
 - SST listing for the relevant taxable period;
 - A copy of the tenancy agreement or other relevant documents evidencing that the rental or lease service took place on or after 1st January 2026;
 - A copy of the invoice issued by the service provider to the service recipient including the total amount of service tax payable by the service recipient;
 - Documentary evidence that the tax has been refunded to the customer or tenant, for instance, proof of payment, credit notes and/or other relevant documents; and
 - Any other supporting documents that can prove that the service recipient has overpaid service tax (if required).

- Effective 1st January 2026, newly incorporated MSMEs will be granted a service tax exemption on rental or leasing services for a period of 1 year, commencing from the date of its registration with the Companies Commission of Malaysia [“CCM”] or the relevant equivalent agencies in Sabah and Sarawak subject to the following conditions:-
 - Tenants must register and declare their MSMEs status through MyPMK system developed by RMCD;
 - MSMEs that have newly commenced business must submit an income tax return to the IRB after the one-year exemption period has expired; and
 - MSMEs must update the income declared in their income tax returns in MyPMK system in the following year after their registration with CCM.

Note: For further details, kindly refer to our *Tax Flash – November 2025* issue.

Procedures for Issuing Invoices and Declaring the SST-02 Return in respect of the Exemption of 2% on the Service Tax Rate Applicable to Rental or Leasing Services

RMCD has published a notice titled *Procedures for Issuing Invoices and Declaring the SST-02 Return in respect of the Exemption of 2% on the Service Tax Rate applicable to Rental or Leasing Services* dated 27th January 2026 (in *Bahasa Malaysia*). The salient points extracted from the notice are as follows:-

- For the invoice issuance mechanism, a provider of rental or leasing services must state the 2% exemption on the value of the rental or leasing services provided, in accordance with the provision under Regulation 10(1A) of the Service Tax Regulations 2018. The service provider shall only adopt either one of the following methods:-

- **Method 1:**

	RM
Rental services	1,000
Service tax at 8%	80
2% service tax exemption	(20)
Total amount payable	1,060

- **Method 2:**

	RM
Rental services	1,000
Service tax at 6%	60
Total amount payable	1,060

Note: The 2% service tax exempted is equivalent to RM20.

- For the purpose of declaration in the SST-02 return, the service provider should declare the amount of the service tax by multiplying the effective tax rate of 6% on the value of the rental or leasing services. In addition, the value of the rental or leasing services covered by the 2% exemption should be declared in Column 18(c)(3) in the SST-02 return, as illustrated below:-

No.	Column	RM
1.	10 – Value of Taxable Service	1,000
2.	11(c) – Taxable Service at 6% Rate	1,000
3.	18(c)(3) – Value of Exempted Taxable Services (Other Exemption)	1,000

Service Tax Policy No. 3/2025 (Amendment No. 3) – Construction Works Services

RMCD has published the *Service Tax Policy No. 3/2025 (Amendment No. 3) – Construction Works Services* dated 30th January 2026. Under this policy, the service tax exemption for construction contracts signed before 1st July 2025 that qualify as non-reviewable contracts has been extended for another year, i.e. until 30th June 2027.

Note: For further details, kindly refer to our *Tax Flash – January 2026* issue.

Sales Tax Policy No. 1/2026 – Sales Tax Exemption on Raw Materials for the Manufacture of Animal Feed, Fertilisers or Pesticides

RMCD has published the *Sales Tax Policy No. 1/2026 – Sales Tax Exemption on Raw Materials for the Manufacture of Animal Feed, Fertilisers or Pesticides* dated 4th February 2026.

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