

FAQ

1. Import/Export Duty Exemption

Can a company apply for an export duties exemption on manufacturing waste (scrap)?

In general, export duty exemption is not given to the export of scrap, however for manufacturing companies that exported copper scrap under the 7404.00 000 tariff code may be considered subject to the following conditions: -

1. Possess a valid AP from MITI and endorsed by the Customs Department in the K2 Form for a valid period;
2. Copper scraps produced are from imported raw materials and must be returned back to companies that require these residues to be returned to the original supplier; and
3. Copper scraps produced that cannot or are not suitable to redeem usage by local companies.

Can a company obtain import duty/sales tax exemption for sub-contract work overseas?

Application for an exemption of duty/tax for sub-contract work done overseas can be submitted directly to SMIDEC with a copy sent to the Tax Analysis Division, Ministry of Finance. Applications will be considered by the Ministry after an assessment from SMIDEC.

Can a company apply for import duty and sales tax exemption on machinery/equipment not used directly in the production activities of the company?

Duty/tax exemption is given only for raw materials/components and machinery/equipment used directly in manufacturing activities of the company.

In addition, the duty/tax exemption on the cleanroom equipment is also considered on the basis that although the device is not used directly in

manufacturing, but it is necessary to guarantee the manufacturing area is free from dust and electrical emissions interference. The company can communicate directly with the Customs Department for a list of cleanroom equipment exempted from import duty/sales tax.

Can a LMW/FIZ status company obtain import duty exemption on the sale of completed products to the Principal Customs Area (PCA)?

1. Sales of consumer goods and intermediate goods that are produced in the Principal Customs Area (PCA) is subjected to an import duty at a rate equivalent to the CEPT rate
2. Sales of consumer goods and intermediate goods that are produced in the PCA, but with local materials valued exceeding 51% of and that the local materials were obtained from the Malaysian owned companies that are more than 51% are subject to import duty of 5% a.v. or the equivalent excise duty rate, whichever is higher (for products subjected to excise duty). For items with local content that do not exceed 51% but with at least 40%, relaxation may be considered based on the merits of the case
3. the sale of consumer goods not produced in the PCA are subjected to an import duty of 3% a.v.; and
4. the sale of intermediate goods that are not produced in the PCA are given full exemption from import duty or subjected to an import duty of 3% a.v. in accordance with applicable current policies on import duty exemption on raw materials/components and machinery/equipment for the manufacturing sector in the PCA.

Applications to pay the import duty under the CEPT rate, the company must fill out the PC (3) form in MIDA. Applications will be considered by the Treasury after receiving an assessment from MIDA.

Applications to pay import duty on CEPT rate must be submitted directly to the Customs Department.

2. Tax Agent Application

What are the qualifications required to apply for approval as tax agents?

Eligibility criteria and guidelines to apply for approval as tax agents can be obtained from the website. Possess a valid AP from MITI and endorsed by the Customs Department in the K2 Form for a valid period;

Are copies of academic and professional qualifications plus certificates of attendance at seminars / courses / workshops relating to taxation should be certified?

Copies of identity card, academic and professional qualifications plus certificate of attendance for courses/workshops/seminars on taxation should be certified by a Commissioner of Oaths using a Statutory Declaration that can be downloaded from the website.

Does 10 points of CPD/CPE for attending the Latest Annual Budget Seminar organized by IRB / MIT / MATA included in the calculation for 40 points of CPD/CPE for new application and 90 points of CPD/CPE for renewal?

The 10 points for attending the Latest Annual Budget Seminar organized by the IRB/MIT/ MATA is included in the computation of 40 CPD/CPE points for new application and 90 CPD/CPE points for renewal.

Are auditors who have been licensed before January 1, 2006 required to make a new application for approval as tax agents and what about those auditors licensed after January 1, 2006?

Auditors who have been licensed before January 1, 2006 are not required to make a new application, they just need to make an application for renewal of approval as tax agents four months prior to the expiry of the current approval. While auditors who have been licensed after January 1, 2006, are required to make a new application for approval as tax agents.

Are seminars/courses/workshops on taxation organised by any recognized party/association used in the determination of CPD/CPE points?

Seminars/courses/workshops on taxation organised by IRB/MIT/MATA/MIA/MAICSA and MICPA only are recognized in the determination of CPD /CPE points.

3. Incentive to Purchase/Import Cars Under The MM2H Programme

What is the maximum price of a car that can be purchased under this incentive?

No maximum price is set for purchasing a car that is manufactured/assembled in Malaysia.

What is the maximum capacity of a car that can be purchased under this incentive?

No maximum limit is set.

Can a car that has been approved for exemption of duty/tax be sold/change of ownership?

Participants must obtain a written permission from the Treasury before the exempted vehicle can be sold/change of ownership.

Can a car be that has been exempted from duty/tax be registered under the name of the applicant's wife who is a citizen of Malaysia?

A car exempted under the MM2H program cannot be registered under the name of the wife although she is a Malaysian citizen because this incentive is for foreigners who possessed a MM2H visa.

My wife and I have been approved the MM2H visa, as I often leave the country, can my wife apply for a car?

Application for approval of a car must be submitted under the name of the husband and may be registered in the wife's name, who also holds the MM2H visa.

I, my wife and our two children visas have been approved under the MM2H program, can my wife and I make separate applications to enable us to have two cars under this incentive?

Each family is entitled to apply for the purchase or import of one car only

If the duration of my 5-year MM2H visa expires, whereby I intend to renew my MM2H visa for a period of another 10 years, can I apply for an exemption for another car?

Each participant is eligible to apply only for one car regardless of how many times he/she renews the visa period.

I am an Australian citizen but has long been residing in Hong Kong. Can I import a car that has been used in Hong Kong and are there any additional documents required?

If you have been residing for a long time in Hong Kong the car can be brought into Malaysia under the MM2H program by providing proof such as property ownership documents, temporary resident card, letter of support/acknowledgment from employer (if employed) and so on.

I am a Korean citizen and has been living in Korea, can I import a new car purchased in Germany?

Participants are not allowed to import cars from a third country. Cars that can be imported are those that are being used in the country of origin/last domicile of the participants.

I have been approved a MM2H visa, can I import a new car purchased from any country?

This incentive only allow participants to purchase a new car manufactured/assembled in Malaysia. Imports are only for cars that are being used in the country of origin/last domicile of the participants.