

SST Frequently Asked Questions (“FAQs”)

Section A : General Information on SST

1. What is SST?

Sales and Service Tax (“SST”) comprises sales tax and service tax.

Sales tax is a single-stage tax levied on all taxable goods manufactured and sold, used or disposed by a registered manufacturer in Malaysia or imported into Malaysia. Goods listed in the Sales Tax Exemption Order are exempt from sales tax.

On the other hand, service tax is a single-stage tax charged on any taxable services provided in Malaysia by a registered person in carrying on business.

2. What is the prevailing SST rate?

The prevailing rates for SST are as follows :

Sales Tax	Service Tax
5%, 10% or any other rate prescribed by the Government	<ul style="list-style-type: none">• General rate of 6%• RM25 for credit card & charge card

3. Where can I obtain more information about SST in Malaysia?

Please refer to the official website of Royal Malaysian Customs Department (“RMCD”) at <https://mysst.customs.gov.my/> for SST related information, legislation and guidelines.

SST Frequently Asked Questions (“FAQs”)

Section B : SST information about Bursa Malaysia Berhad and its subsidiaries (‘Bursa Group’)

1. Is Bursa a SST registered person?

The following companies within Bursa Group are registered for service tax purposes :

Entity	Service tax registration number
Bursa Malaysia Berhad	W10-1904-32000046
Bursa Malaysia Securities Berhad	W10-1904-32000043
Bursa Malaysia Derivatives Berhad	W10-1902-32000213
Bursa Malaysia Depository Sdn Bhd	W10-1904-32000045
Bursa Malaysia Information Sdn Bhd	W10-1904-32000044

(Table 1 : SST registered companies in Bursa Group)

2. Is service tax applicable on all the fees charged by Bursa Group?

No. Service tax is only applicable on the following fees charged by Bursa Group:

Entity	Type of fees
Bursa Malaysia Berhad	<ul style="list-style-type: none">• Network equipment rental charged to the Information Vendors
Bursa Malaysia Securities Berhad	<ul style="list-style-type: none">• Bursa access fee• Bursa Link access fee
Bursa Malaysia Derivatives Berhad	<ul style="list-style-type: none">• All fees relating to information services & market data• Access fees to Derivatives Clearing and Settlement System (“DCS”) charged to Port Tank Installation (“PTI”)• Conference and workshop fee
Bursa Malaysia Depository Sdn Bhd	<ul style="list-style-type: none">• CDS access fees• CDS-STP processing fees• E-RAPID processing fees
Bursa Malaysia Information Sdn Bhd	<ul style="list-style-type: none">• All fees relating to information services & market data

(Table 2 : Fees subject to SST)

3. Is the buying and selling of shares /derivatives futures and options traded on Bursa subject to SST?

The buying or selling of shares / derivatives futures and options traded on Bursa is not subject to SST. However, brokerage fee charged by the brokers in respect of buying or selling of shares / derivatives futures and options is subject to 6% service tax effective 1 March 2019.

SST Frequently Asked Questions (“FAQs”)

4. Is stamp duty on contract note subject to SST?

No, stamp duty on contract note is not subject to SST.

5. I am not a Malaysian citizen / resident. Do I need to pay service tax on the fees mentioned in Table 2 above?

Yes, service tax is applicable on fees charged to non-Malaysian citizen/ resident if it relates to matters in Malaysia.

6. Are the fines imposed under the Listing Requirements and all Business Rules of Bursa Group of Companies subject to SST?

No, fines imposed under the Listing Requirements and all Business Rules of Bursa Group of Companies are not subject to SST.

7. Are transfer fees imposed on Participating Organisations (“POs”) for the recruitment of experienced dealers representatives from another PO subject to SST?

No, the above transfer fees are not subject to SST.

8. What is the treatment of interest income returned to the brokers?

Interest income is not subject to SST.

9. Are gains or losses when unwinding futures position subject to SST?

No, the gain or losses are not subjected to SST.

10. Is SST applicable on the delivery of crude palm oil under the physically-settled Crude Palm Oil (“FCPO”) contract?

No, the delivery of crude palm oil under the physically-settled FCPO contract is not subject to SST.

11. How will I know that I have been charged with service tax ?

The service tax charged by Bursa Group will be reflected in the invoice issued to you.

Updated as at 1 May 2019

DISCLAIMER:

The information provided in this FAQ is for your information only and is not intended to address all possible SST issues. While every reasonable effort and care has been taken to present current and pertinent information in this FAQ, Bursa Malaysia Berhad does not make any representation or warranty, whether implied or expressed, or assume any legal liability (whether in negligence or otherwise) or responsibility for the accuracy, completeness or reliability of the contents of this FAQ or any decision made on the basis of this FAQ. All applicable laws and regulations should be referred to in conjunction with this FAQ. For more information on SST, please refer to the Royal Malaysian Customs Department.