

ANNOUNCEMENT

APPLICATION FOR SALES TAX EXEMPTION ON RAW MATERIALS / COMPONENTS / MACHINERY / EQUIPMENT FOR AGRICULTURE, SELECTED SERVICES AND SELECTED MANUFACTURING SECTORS

Effective 1 April 2019, eligible companies in the agriculture, selected services and selected manufacturing sectors located in Principal Customs Area can apply for **sales tax exemption** on raw materials / components / machinery / equipment under Section 35(3) Sales Tax Act 2018 as follows:-

- Sales tax exemption on **machinery / equipment** for **agriculture sector** through **PC1**
- Sales tax exemption on **equipment / machinery** for **selected services sector** through **PCServices:-**
 - i. Research and Development (R&D)
 - ii. Private Institutes of Higher Education
 - iii. Private Institutes of Higher Education (Sciences, Technical or Vocational)
 - iv. Tourism Projects (without accommodation)
- Sales tax exemption on **raw materials / components** for **selected industries in the manufacturing sector** with **nil sales tax finished good** through **PC2:-**
 - i. Aerospace / aircraft industry
 - ii. Machinery & equipment industry
 - iii. Petroleum products used as raw materials for industries other than oil refinery
 - iv. Motorcycle assembly industry

Company with **existing approved import duty exemption** in which the exemption period is still valid may **manually** submit application to Tariff Section, MIDA for sales tax exemption. Submission should include the following documents:

- Company's cover letter
- Copy of import duty exemption approval.

Meanwhile, for **new / extension / additional quantity application**, company may apply for import duty and sales tax exemption **online** via <https://jpc.online.mida.gov.my/midawebpki/>

Application should be submitted to MIDA starting **1 April 2019**.

For further information and clarification, please contact;

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