

### **Notice of Service Tax (ST) Implementation on Port Management (Logistics Service)**

The Royal Malaysian Customs Department (RMCD) commissioned that effective 1 March 2024, 6% Service Tax (ST) will be charged to the companies that provide logistics services.

The scope of logistics encompasses of:

- Creation of a new category of taxable services, given as Group J, Logistics Services. Within the Government announcements, it was stated that "Logistics services involve a supply chain management process by planning, implementing and controlling the movement and storage of goods, services and related information efficiently and effectively from the original location to other location to meet the customer needs".
- Services included in the new category that would be subject to 6% service tax include logistics management, warehousing or warehousing management, freight forwarding, management of port or airport, customs agent, courier, transportation, delivery, shipping, cold chain services, and delivery by E-platform provider.

In reference to the above subject, please be informed that LMTSB will impose 6% Service Tax effective 1 March 2024, **depending on the nature of the service provided and the Guidelines issued by RMCD** time to time.

We note that the above positions may change once legislation or further guidance from the Government of Malaysia is released. Further, at this time we understand that the change in service tax laws would be effective from 1 March 2024. In case that this date is deferred, then we would react accordingly.

Please note that the dates mentioned in this advisory are related to the upcoming change in law. Our teams are dedicated to making this transition as smooth as possible for the parties involved. We will keep you informed about any updates or changes related to the change.

For more information about Service Tax, visit [www.mysst.customs.gov.my](http://www.mysst.customs.gov.my)