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THE STATE SALES TAX ORDINANCE, 1998
THE STATE SALES TAX REGULATIONS, 1998

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THE STATE SALES TAX ORDINANCE, 1998
THE STATE SALES TAX REGULATIONS, 1998
(Made under sections 17, 24 and 62)

In exercise of the powers conferred by sections 17, 24 and 62 of the State Sales Tax Ordinance, 1998 [*Cap. 25*], the Majlis Mesyuarat Kerajaan Negeri hereby makes the following Regulations:

PART I
PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the **State Sales Tax Regulations, 1998**, and shall come into force on the 1st day of September, 1998.

Interpretation

2. In these Regulations—

“certificate of registration” and “certificate” mean a certificate issued under regulation 4, and includes any amendment to the particulars in the certificate;

“export” with its grammatical variations and cognate expressions means to take or cause to be taken out of Sarawak, by land, sea or air or to place any goods in vessel, conveyance or aircraft for the purpose of such goods being taken out of Sarawak by land, sea, or air;

“export by air” includes exportation in any manner or by any means by air;

“exported by road” includes exportation in any manner or by any means by land, and includes, in particular, exportation through the land by means of a pipeline;

“export by sea” includes exportation in any manner or by any means by sea, and includes, in particular, exportation through the sea by means of a pipeline;

“foreign exchange” means where any sum relevant for determining value is expressed in a currency other than ringgit, it is to be converted into ringgit at the selling rate of exchange prevailing in Malaysia as determined by Bank Negara Malaysia at the time when the sale takes place;

[Ins. Swk. L.N. 238/2018.]

“import” means to bring in or convey into Sarawak by land, sea or air, from within (including Malaysia Free Trade Zone) and outside Malaysia;

[Ins. Swk. L.N. 34/2015.]

“licensed bank” has the same meaning assigned to that expression by the Banking and Financial Institutions Act 1989 *[Act 372.]*;

“Ordinance” means the State Sales Tax Ordinance, 1998 *[Cap. 25]*;

“tyre” means any type of tyre, including tubes and flaps for use on vehicle or trailer for vehicle;

[Ins. Swk. L.N. 34/2015.]

“vehicle” means any car, lorry, truck, tractor, aeroplane or other aircrafts, moveable plant or equipment and includes a motorcycle, bicycle, tricycle or rickshaw.”

[Ins. Swk. L.N. 34/2015.]

PART II REGISTRATION

Application for registration as a taxable person

3.—(1) Every application for registration as a taxable person under section 10(1) of the Ordinance shall be in Form 1 as prescribed in the Schedule.

(2) Every application for registration shall be submitted to the Comptroller. The Comptroller may require the applicant to produce or furnish such documents or particulars in support of or for the purpose of considering the application.

(3) Every application by a body corporate or by a sole proprietorship or by an unincorporated body shall be made by a director or by a person duly authorized by that body, and in the case of a partnership, the application shall be made by the managing partner thereof.

Form of certificate

4. A certificate of registration as a taxable person shall be in Form 2 as prescribed in the Schedule.

Display of certificate

5. Every taxable person registered under these Regulations shall display the certificate of registration in a conspicuous place at the place of business as stipulated in the certificate.

Amendment or cancellation of certificate

6. Every taxable person shall forward to the Comptroller the certificate of registration for amendment or cancellation when—

(a) he ceases business in providing any taxable goods or in providing any taxable services stipulated in the certificate or he undertakes the business of selling any taxable goods or in providing taxable services not stipulated in the certificate; or

[Am. Swk. L.N. 86/98.]

(b) he goes into partnership or a partner withdraws or a new partner is added to the partnership; or

(c) a company, or any person as defined under section 3(1) of the Interpretation Ordinance [*Cap. 1 (1958 Ed.)*], takes over the business of selling any taxable goods or taxable services stipulated in the certificate; or

(d) there is any change in the name of a company or business; or

(e) there is any change in the address of the principal place of business; or

(f) there is any change in or addition to the description of taxable goods sold or taxable services provided; or

(g) he is called upon to do so by the Comptroller,

and such certificate when forwarded may be cancelled, amended or renewed, as the case may be.

PART III
RETURNS

Return for prescribed accounting period

7.—(1) Every return for each prescribed accounting period submitted under section 24(1) of the Ordinance shall be in Form 3 as prescribed in the Schedule.

(2) For the submission of returns, the prescribed accounting period for any calendar year shall be—

(a) 1st January to 31st March;

(b) 1st April to 30th June;

(c) 1st July to 30th September; and

(d) 1st October to 31st December.

(2A) Notwithstanding sub-regulation (2), the prescribed accounting period for sale of petroleum products shall be one calendar month.

[Ins. Swk. L.N. 238/2018.]

(3) For the purpose of section 24(1) of the Ordinance, where a taxable person closes his monthly business account on a date other than the last day of the third calendar month in any prescribed accounting period, the prescribed accounting period shall be for a period ending on the date when the monthly business account closes.

(4) The Comptroller may by notice in writing require a taxable person during any prescribed accounting period to submit to him, interim returns or information on the amount and sale value of taxable goods or services sold or to furnish such information as the Comptroller may require to enable him to make an assessment of the State sales tax payable during that prescribed accounting period.

Taxable person to deliver return whether or not taxable goods or taxable services are sold

8. Every taxable person shall, for each prescribed accounting period, deliver to the Comptroller a return in Form 3 as prescribed in the Schedule, whether or not any taxable goods or taxable services are sold, and whether or not any State sales tax is payable for such prescribed accounting period.

Where returns shall be delivered

9.—(1) Returns may be furnished either personally, by electronic service, post or courier to the Comptroller during office hours at the State sales tax office or to an officer duly authorized by the Comptroller at such place as the Comptroller may direct in writing, and shall be deemed to be delivered when they are received by the Comptroller or the duly authorized officer at that office.

(1A) Every taxable person shall, in respect of his prescribed accounting period, furnish the return to the Comptroller in the prescribed manner not later than 28 days following the end of his prescribed accounting period to which the return relates.

[Sub. Swk. L.N. 238/2018.]

(2) In the case of delivery by post, such returns may be sent by post in an envelope marked (“STATE SALES TAX RETURNS”), and shall be deemed to be delivered if they are sent by ordinary or registered post on or before the due date.

(3) Nothing in this regulation shall affect the right of the Comptroller to direct or permit the submission of return by electronic transmission in accordance with section 18 of the Ordinance.

Assessment

10.—(1) Upon receipt of the returns, the Comptroller shall, as soon as practicable, assess the amount of State sales tax due and payable by the taxable person for the prescribed accounting period covered by the returns. The amount of State sales tax stated in the return submitted shall be deemed to be the correct sum payable unless the Comptroller assesses otherwise.

(2) Upon such assessment, the Comptroller shall issue to the taxable person a notice of assessment in Form 4 as prescribed in the Schedule.

PART IV

PAYMENT OF STATE SALES TAX AND INCIDENTAL MATTER

Payment of State sales tax, penalty, tax surcharge, etc

11.—(1) Payment of any State sales tax as assessed in accordance with section 25(1) of the Ordinance, any penalty imposed pursuant to section 28 of the Ordinance, any tax surcharge assessed pursuant to section 23 of the Ordinance, and any other charges payable under the Ordinance, shall be made by delivering or posting to the Comptroller at the State sales tax office or such other office as the Comptroller may direct:

- (a) cash;
- (b) postal orders or money orders;
- (c) cheques or bank drafts;
- (d) electronic banking.

[Ins. Swk. L.N. 238/2018.]

(2) State sales tax, penalty, tax surcharge and other charges shall be deemed to be paid when payment is received by the Comptroller or his duly authorized officer at his office in accordance with paragraph (1).

(3) Cheques, postal orders, money orders or bank drafts for payment of State sales tax shall be made payable to “Government of Sarawak”, and when any cheque or bank draft which is lodged to the credit of the Government is not paid on presentation, the amount thereof shall be deemed not to have been received

(notwithstanding any receipt given therefor) until such cheque or bank draft is collected or the amount is otherwise duly paid to and received by the Comptroller.

(3A) Where payment is made through the bank, the amount shall be deemed not to have been received until such amount is lodged to the credit of the Government.

[Ins. Swk. L.N. 238/2018.]

Security for payment of State sales tax

12.—(1) Where the Comptroller requires a taxable person pursuant to section 26(1) of the Ordinance, to furnish security for the payment of State sales tax, he shall issue to the taxable person a notice in Form 5 as prescribed in the Schedule directing such security to be furnished within a period of not less than seven days from the date of service of such notice on the taxable person.

(2) The nature of such security may, in the discretion of the Comptroller, be in the form of cash deposit, a guarantee from a licensed bank or such other form of security as the Comptroller may determine to be appropriate having regard to the amount of State sales tax due and payable by the taxable person.

Hours of payment

13.—(1) In these Regulations—

“full working day” means any day which is not a weekly rest day or a half working day;

“half working day” means the day immediately preceding the weekly rest day;

“public holiday” means a public holiday declared under the Public Holidays Ordinance *[Cap. 8 (1958 Ed.)]*;

“weekly rest day” means Sunday.

(2) State sales tax, penalty, tax surcharge and any other charges payable, as enumerated in regulation 11 (1), shall be paid to the Comptroller at his office during the following hours:

Full working day ... 8.00 a.m. to 5.00 p.m.

[Am. Swk. L.N. 238/2018.]

Half working day*[Deleted by Swk. L.N. 238/2018.]*

(3) State sales tax offices shall be closed on—

- (a) each weekly rest day; and
- (b) each day declared as a public holiday:

Provided that—

(i) where any two or all of the days enumerated in subparagraphs (a) and (b) fall on the same day the office will be closed on the following day and, if such latter day is already a day enumerated in subparagraphs (a) and (b), such office shall be closed on the next following day also;

(ii) where the date of a holiday is declared under the Public Holidays Ordinance, or any other law for the time being in force relating to declaration of public holidays to be subject to modifications, the date of such holiday shall not for the purposes of these Regulations be subject to modifications.

Refund of State sales tax, penalty or tax surcharge

14. It shall be lawful for the Comptroller to order a refund of the money so overpaid or erroneously paid if it is proved to his satisfaction that any money has been accepted or erroneously paid as State sales tax or penalty or tax surcharge under the Ordinance or these Regulations:

Provided that no such refund shall be allowed unless a claim in respect thereof is made in writing within one year from the date of such overpayment or erroneous payment, as the case may be.

Recovery of State sales tax by taxable person

15. A taxable person may recover from the purchaser or customer of any taxable goods or taxable services the amount of State sales tax levied or payable thereon under the Ordinance.

PART V RECORDS

Manner of keeping records

16.—(1) Every taxable person shall keep records relating to State sales tax in Bahasa Malaysia or in English.

(2) It shall not be an offence to keep such records in a language other than Bahasa Malaysia or English if, at the request of the Comptroller or an authorized

officer, a translation is provided at the expense of the taxable person by an interpreter nominated by the Comptroller or an authorized officer.

- (3) For the purposes of these Regulations, records include:
- (a) books of account (on paper or in computer system);
 - (b) till tapes;
 - (c) receipts;
 - (d) tax invoices;
 - (e) credit and debit notes;
 - (f) bank statements;
 - (g) invoices;
 - (h) stock on hand records;
 - (i) vouchers;
 - (j) lists of debtors and creditors;
 - (k) charts and codes of account;
 - (l) any other documents that verify transactions or entries in any books of account;
 - (m) accounting instruction manuals;
 - (n) system and program documentation which describes the accounting system; and
 - (o) computer diskettes or equipment containing or storing any accounts or records of transactions of taxable goods and taxable services.

(4) The taxable person shall keep and maintain such records at its place of business as stipulated in the certificate of registration or such other place as may be approved in writing by the Comptroller, and shall make available such records for inspection by the Comptroller or any person duly authorized by him who may also make copies thereof.

PART VI
DISPLAY OF STATE SALES TAX
AND TAX INVOICES

Display of State sales tax

17.—(1) Every taxable person shall show or indicate clearly on every receipt, bill, tax invoice or other documents evidencing or representing any sale of taxable goods or taxable services the amount of State sales tax or the rate thereof charged on the sale value of the taxable goods or taxable services concerned in accordance with the provisions of the Ordinance.

(2) State sales tax may be shown or endorsed on the documents described in paragraph (1) or with the approval of the Comptroller, shown or indicated on the taxable goods sold by the taxable person.

Contents of tax invoices

18.—(1) Except as the Comptroller may otherwise allow, a taxable person providing a tax invoice in accordance with regulation 17 or any other regulations made under the Ordinance, shall state thereon the following particulars:

- (a) the words “tax invoice” in a prominent place;
- (b) an identifying number;
- (c) the date of issue of the invoice;
- (d) the name, address and registration number of the taxable person;
- (e) a description sufficient to identify the taxable goods or taxable services sold and the type of sale;
- (f) for each description, the quantity of the taxable goods or the extent of the taxable services and the amount payable, excluding State sales tax;
- (g) any cash discount offered;
- (h) the total amount payable excluding State sales tax, the rate of State sales tax and the total State sales tax chargeable shown as a separate amount;
- (i) the total amount payable including the total State sales tax chargeable;
- (j) any amount referred to in subparagraphs (i) and (j), expressed in a currency, other than Malaysian currency, shall also be expressed in Malaysian currency; and

(k) a taxable person shall use Bank Negara Malaysia's exchange rate prevailing at the time of sale when converting values from foreign currency to Malaysian currency.

[Ins. Swk. L.N. 238/2018.]

(2) Where a sale of taxable goods takes place as described in section 11(2) or 12(2) of the Ordinance, any consignment or delivery note or similar document or any copy thereof issued by the seller before the time of sale shall not, notwithstanding that it may contain all the particulars set out in paragraph (1), be treated as a tax invoice unless it is so endorsed with the authority of the Comptroller.

(3) Where a taxable person provides an invoice containing the particulars prescribed in paragraphs (1) and (2) and specifying thereon any goods or services which are not taxable goods or taxable services, he shall, unless the Comptroller otherwise determines, distinguish on the invoice between the goods or services which are not taxable goods or taxable services and state separately the gross total amount payable in respect of each.

Issuance of credit note and debit note

18A.—(1) Where any sale of taxable goods is made by a taxable person which involves the issuance or receipt of credit note or debit note under the prescribed circumstances and conditions, the taxable person shall make an adjustment in his returns subject to sub-regulation (2).

(2) A taxable person making a sale shall issue a credit note or debit note where, after the return for the sale has been furnished to the Comptroller, there is a change in the consideration for the sale—

- (a) due to a change of rate of tax under Section 13 of the Ordinance;
- or
- (b) due to any adjustment in the course of business.

(3) Where there is a reduction of, or addition to, the State sales tax amount under sub-regulation (2)—

- (a) the taxable person providing the taxable goods shall make the deduction or addition of tax in the return for the prescribed accounting period in which the credit note or debit note is issued or received; or
- (b) in the case of a person who has ceased to be a taxable person, the person shall make the deduction or addition of tax in the return for the last prescribed accounting period during which he was registered.

[Ins. Swk. L.N. 238/2018.]

PART VII
MISCELLANEOUS

Determination of sale value in special cases

19. Where the State sales tax is included in or intended or deemed to form part of the sale price of any taxable goods, the Comptroller may determine the sale value of the taxable goods for the purpose of assessing the amount of State sales tax comprised in the said sale price.

[Am. Swk. L.N. 86/98.]

19A. *[Deleted by Swk. L.N. 2/2021]*

Sale before effective date

19B. Where the sale of taxable goods is made under an agreement before 1 January 2019, and the taxable goods are sold or delivered on or after 1 January 2019, the sale of such taxable goods shall be deemed to have been made on the date such taxable goods are delivered or exported notwithstanding any payment, wholly or partly, is received or invoice is issued before 1 January 2019 and State sales tax shall be charged and levied on such taxable goods and shall become due on the date such taxable goods are delivered or exported.

Time of sale for petroleum products

19C. For the purpose of section 12(7) of the Ordinance, a sale of petroleum products is treated as taking place at the time the invoice is issued or the payment is received, as the case may be or whichever is earlier.

Determination of sale value of petroleum products

19D. For the purposes of export and delivery out of State the sale value for crude and condensate shall be the price of the goods stated in the contract or invoice for the sale thereof or in accordance with the Customs (Values) (Crude Petroleum Oil) Orders made under section 12 of the Customs Act 1967 *[Act 235]* in the corresponding period, whichever is higher.

[Ins. Swk. L.N. 238/2018.]

State sales tax offices

20. The locations of the State sales tax office are as follows:
- (a) State Treasury Department Headquarters, Kuching; and
 - (b) such other address as the Comptroller may designate by notification in the *Gazette*.

Penalty

21. Any person who contravenes or fails to comply with any of the provisions of these Regulations or any direction issued pursuant to these Regulations, commits an offence and shall be liable to a fine not exceeding thirty thousand ringgit.

[Am. Swk. L.N. 238/2018.]

Compounding of offences.

22. Offences under sections 10 and 20(4) of the Ordinance, and all offences under these Regulations, are prescribed to be compoundable offences for the purposes of section 49 of the Ordinance.

Requirement, direction, demand or permission.

23. Except as otherwise provided in these Regulations, any requirement, direction, demand or permission by the Comptroller, under or for the purposes of these Regulations, may be made or given by a notice in writing, or otherwise.

16. Full Address of Business in Sarawak (if applicable)					
17. For Partnership Business					
No.	Name	Personal Address	Identity Card/ Passport No.	Nationality	Signature
18. WHERE BUSINESS IS UNDERTAKEN by agents or through branches, to state name and address of agents and branches					
(A)	Name of Agent			<i>Address</i>	
(B)	Address of Branches				

(If space allocated is insufficient, to attach separate sheet).

[Sub. Swk. L.N. 238/2018.]

FORM 2

THE STATE SALES TAX REGULATIONS, 1998

CERTIFICATE OF REGISTRATION

(Regulation 4)

Registration No.

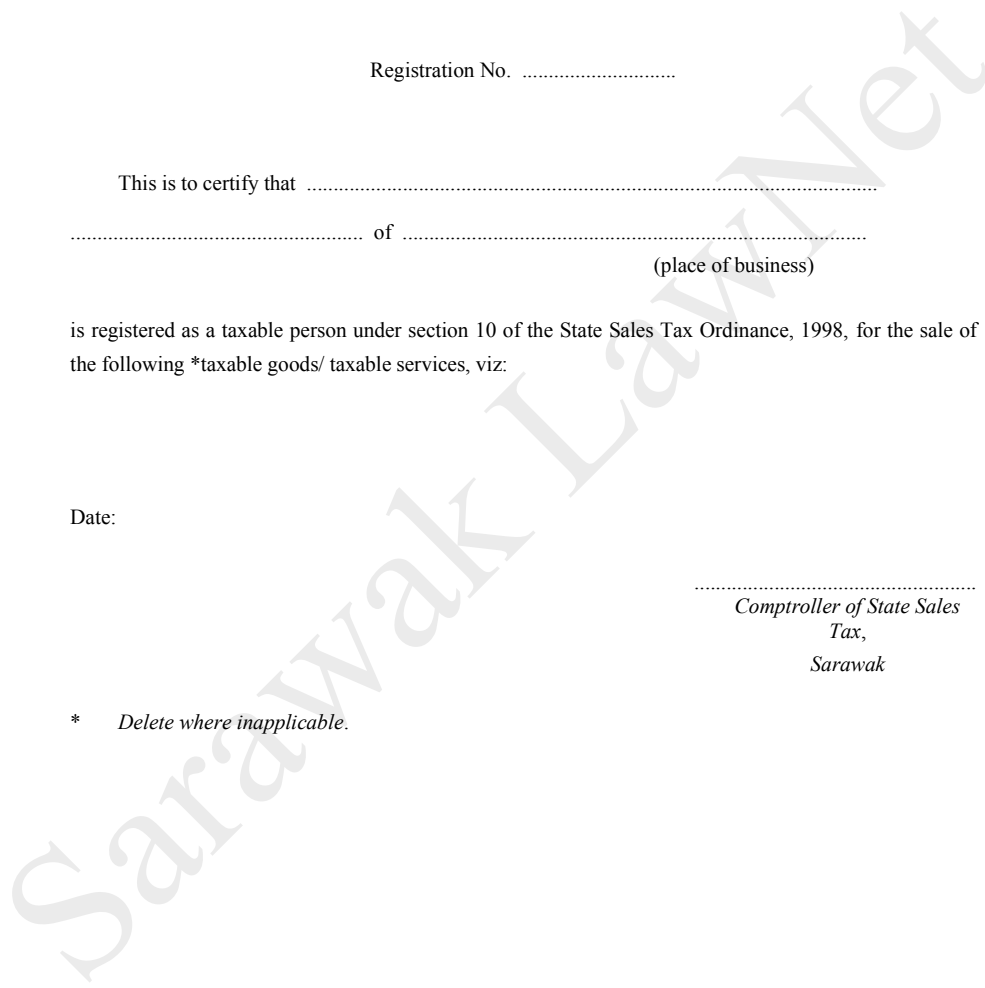
This is to certify that
..... of
(place of business)

is registered as a taxable person under section 10 of the State Sales Tax Ordinance, 1998, for the sale of the following *taxable goods/ taxable services, viz:

Date:

.....
*Comptroller of State Sales
Tax,
Sarawak*

* *Delete where inapplicable.*



FORM 3

THE STATE SALES TAX REGULATIONS, 1998

RETURN OF STATE SALES TAX

[Regulation 7(1)]

Comptroller of State Sales Tax, Sarawak
State Sale Tax Office

at

RETURN FOR PRESCRIBED ACCOUNTING PERIOD.....

Name of Taxable Person :

State Sales Tax Registration No.

Address :

Nature of Taxable Goods:

Total Sale Value of Taxable Goods sold during prescribed accounting period

RM:

Amount of State Sales Tax due and payable is RM:

Sale of Taxable Goods Exemption from Tax

RM:

*Declaration:*I, as a person duly authorized by, hereby
(taxable person)

declare that this return is true, correct and complete in every particular and the total sale value of the taxable goods stated above has been determined in accordance with section 15 of the State Sales Tax Ordinance, 1998, and the State Sales Tax Regulation, 1998

Signature

Name of Person Making Declaration

Identity Card No.

Date

FOR OFFICIAL USE ONLY

Date of Receipt of Returns

Amount of State Sales Tax Assessed RM.....

Date of Issue Notice of Assessment

Comptroller of State Sales Tax,
Sarawak?

[Sub. Swk. L.N. 238/2018.]

FORM 4

THE STATE SALES TAX REGULATIONS, 1998

NOTICE OF ASSESSMENT

(Regulation 10(2))

To:

(Name of Taxable Person)

(State Sales Tax Registration No. _____)

This is to certify that based upon the returns submitted by you, the amount of State sales tax payable by you for the prescribed accounting period of is RM

2. The said sum must be paid not later than, failing which, a penalty for late payment as stipulated under section 28 of the State Sales Tax Ordinance, 1998, shall be imposed without further reference to you.

3. This assessment is made based upon particulars furnished by you in the returns submitted and shall not prejudice the right of the Comptroller under section 23(1) of the State Sales Tax Ordinance, 1998, in the event that any particular, entry or statement in the returns submitted by you is discovered to be false or there has been any falsification of the books or accounts or there are grounds stipulated under section 23(1) of the said Ordinance for the Comptroller to impose a tax surcharge.

Date:

.....
*Comptroller of State Sales Tax,
Sarawak*

FORM 5

THE STATE SALES TAX REGULATIONS, 1998

NOTICE TO FURNISH SECURITY

(Regulation 12)

To:

Pursuant to section 26(1) of the State Sales Tax Ordinance, 1998, you are hereby required to furnish to the Comptroller, security for settlement of State sales tax payable by you, in the sum of

2. The form of security required from you is *Cash Deposit/Guarantee from licensed bank/

3. TAKE NOTICE that in the event of your failure to comply herewith within days from the date of receipt hereof, action under section 26(2) of the said Ordinance may be taken against you without any further reference to you.

Date:

.....
*Comptroller of State Sales Tax,
Sarawak*

* Delete where inapplicable.

Made by the Majlis Mesyuarat Kerajaan Negeri this 20th day of August, 1998.

KIT SU LEN,
Clerk to Majlis Mesyuarat Kerajaan Negeri

