



CIRCULAR TO MEMBERS

The Malaysian Institute of Certified Public Accountants (3246-U)
(Institut Akauntan Awam Bertauliah Malaysia)

August 27, 2009

Circular No.TEC/038/08/2009/W

ROYAL MALAYSIAN CUSTOMS

1. MINUTES OF MEETING OF THE CONSULTATIVE PANEL BETWEEN CUSTOMS AND PRIVATE SECTOR 1/2009

The Consultative Panel between Customs and Private Sector provides a forum for discussion of practical issues and suggestions relating to customs and excise matters.

At the meeting of the Consultative Panel (1/2009) held on July 15, 2009, some of the issues discussed include the following:

- Requirements for the issuance of Public Bonded Warehouse License.
- Duty payment with the Surety of Bank Guarantee.
- Customs Ruling – Regulation 3(1) of the Service Tax (Customs Ruling) Regulations states that the Director General shall issue a Customs ruling within 90 days after receipt of the relevant documents.
- Guidelines on Service Tax refund on bad debts.
- Licensed Manufacturing Warehouse and duty exemption.
- Online Service Tax Payment.
- 51% bumiputra equity on share ownership and management structure for the application of Customs Forwarder License.

Members are informed that the minutes of the above-mentioned meeting of the Consultative Panel is now available on the MICPA website www.micpa.com.my in the Members' area.

2. GUIDELINES ISSUED BY ROYAL MALAYSIAN CUSTOMS

Members are informed that the Royal Malaysian Customs (RMC) has issued guidelines to further clarify the minutes of the Consultative Panel between Customs and Private Sector 1/2009 held on July 15, 2009. The guidelines issued are as follows:

- (a) Guidelines on refund of excise duty on returned damaged goods.
- (b) Guidelines on Service Tax refund on bad debts under Service Tax Act 1975 and Sales Tax Act 1972.

- (c) Guidelines on the procedures to re-export the imported goods which fail to meet the standard requirements set by the Other Government Agencies (OGA). This guidelines has been issued through the RMC's letter dated May 11, 2009.
- (d) Guidelines on facilities provided under Section 9 of the Sales Tax Act 1972 for contract / toll manufacturers.

RMC has recently issued a letter dated July 13, 2009 on Liberalisation of 27 Services Sectors which confirmed that shipping agent is grouped under the sub-sector of Maritime Agency Services (CPC 7454). In this regard, the 30% Bumiputra equity requirement on shipping agent is now cancelled effective April 22, 2009 for new application. However, the 51% Bumiputra equity requirement on forwarding agent remains unchanged.

In this regard, the above mentioned guidelines and letter issued by RMC are attached as per Annexures I, II, III, IV and V respectively for members' reference.

FOO YOKE PIN (Mr)
Secretary