



Malaysia

The local name for VAT for digital services in Malaysia is Service Tax.

Service Tax rate

Service tax standard rate in Malaysia is 8% from March 1, 2024, which applies to digital services provided by foreign businesses to the customers in Malaysia. B2B professional services are exempt from the Service tax in Malaysia.

Service Tax registration threshold

Non-resident businesses which provide digital services to consumers in Malaysia must register for Service tax purposes if their annual turnover exceeded RM 500,000 (approx. EUR 98,000), or expected to be so.

Pieces of evidence

Services tax is payable at the place of supply. The territory of Malaysia is deemed to be the single place of supply of services. The time of supply in Malaysia is the the moment the price is paid (in whole or in part), or when transaction is registered by the service provider.

Service tax on services imported is due at the earliest of the date of payment or invoice received.

E-services list

Software, application & video games (e.g., downloading of online software, online gaming);

Music, e-book and films (e.g., supply of music, streaming services, include subscription-based media);

Advertisement and online platform (e.g., offering online advertising space on intangible media platform, offering platform to trade products or services);

Search engines and social networks (e.g., customised search-engine services);

Internet Based Telecommunication;

Database and hosting (e.g., website hosting, online data warehousing, file-sharing and cloud storage services);

Online training (e.g., supply of distance learning, e-learning, online courses, pre-recorded webinars);

Others (e.g., subscription to online newspapers and journals, provision of other digital content like images, text, information and payment processing services).

Registration procedure

Non-resident digital service providers who are liable to be registered for SToDS must apply for registration electronically using the DST-01 Form on the MYSToDS portal.

Service Tax returns filing and payment date

Service tax returns in Malaysia must be submitted electronically on quarterly basis. The deadline for filing and payment is the last day of the month following the reporting period.