

**FREQUENTLY ASKED QUESTIONS (FAQ)
FOR UPDATE ON SERVICE TAX TO 8%
SERVICE TAX EXPANSION IN 2025
EFFECTIVE 1 JULY 2025**

NO	QUESTION	ANSWER
GENERAL QUESTIONS		
1.	What is SST?	<p>SST refers to Sales and Service Tax. Sales Tax is charged on goods and Service Tax is charged on services.</p> <p><u>Sales Tax</u></p> <ul style="list-style-type: none"> ▪ Sales Tax is governed under the Sales Tax Act 2018 and charged by registered manufacturers of taxable goods and goods imported into Malaysia. ▪ As a general rule, goods are subject to sales tax at a rate of 10%, however some goods are taxed at a reduced rate of 5%, specific rates and others are specifically exempt. <p><u>Service Tax</u></p> <ul style="list-style-type: none"> ▪ Service Tax is governed under Service Tax Act 2018 and is a consumption tax levied and charged on taxable services provided to customer and taxable services imported into Malaysia.
2.	Is TM registered for Sales Tax?	<p>No, TM (or now known as TM Technology Services Sdn. Bhd. or TM Tech in short) is not registered for Sales Tax as we are not manufacturer of goods.</p> <p>Thus, we do not charge Sales Tax to our customers in our bills when we sell goods such as mobile phones, routers and other customer's premise equipment.</p>
3.	Is TM Tech registered for Service Tax?	<p>Yes, TM Tech is registered with the Royal Malaysian Customs Department for the following Service Types and the applicable service tax rate is as follows:</p>

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		<table><tr><th>ST Registration Group - Code</th><th>Custom’s Service Type/ Revenue Category</th><th>Rate prior 1 July 2025 (%)</th><th>Rate starting 1 July 2025 (%)</th></tr><tr><td>I</td><td>Telecommunication</td><td>6</td><td>6</td></tr><tr><td>I</td><td>Advertising</td><td>8</td><td>8</td></tr><tr><td>G</td><td>Management Services</td><td>8</td><td>8</td></tr><tr><td>G</td><td>Information Technology</td><td>8</td><td>8</td></tr><tr><td>G</td><td>Consultancy</td><td>8</td><td>8</td></tr><tr><td>G</td><td>Training and Coaching Services</td><td>8</td><td>8</td></tr><tr><td>G</td><td>Domestic Digital Services</td><td>8</td><td>8</td></tr><tr><td>L</td><td>Construction Works</td><td>0</td><td>6</td></tr><tr><td>K</td><td>Rental or Leasing Services</td><td>0</td><td>8</td></tr></table> <p>Services that are taxed at 6% will be identified by a tax code of ‘ST’ and services that are taxed with service tax rate of 8% will be identified as ‘S8’.</p>	ST Registration Group - Code	Custom’s Service Type/ Revenue Category	Rate prior 1 July 2025 (%)	Rate starting 1 July 2025 (%)	I	Telecommunication	6	6	I	Advertising	8	8	G	Management Services	8	8	G	Information Technology	8	8	G	Consultancy	8	8	G	Training and Coaching Services	8	8	G	Domestic Digital Services	8	8	L	Construction Works	0	6	K	Rental or Leasing Services	0	8
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4	What are the services that are subject to Service Tax beginning 1 July 2025?	<p>Services that are subject to Service Tax beginning 1 July 2025 are Construction works and Rental or Leasing Services. Examples are as follows:</p> <ul style="list-style-type: none">a. Installation of telecommunication infrastructure (6%)b. Rental of telecommunication equipment (6%)c. Rental of non telecommunication equipment such as cross connect at Data Centers (8%)d. Space Rentals (8%)																																								
5.	When will service tax on Construction works and Rental Services be charged?	<p>For construction works, a 6% Service Tax will be charged starting with your July 2025 bill (effective 1st July 2025).</p> <p>For rentals or leasing of Telco equipment, a 6% Service Tax will be charged starting with your July 2025 bill (effective 1st July 2025).</p> <p>For rentals or leasing of Non Telco equipment, an 8% Service Tax will be charged starting with your July 2025 bill (effective 1st July 2025)</p>																																								
6.	Where can I obtain more information about SST?	<p>More information can be obtained from the Royal Malaysian Customs Department’s (Jabatan Kastam Diraja Malaysia) website at https://mysst.customs.gov.my</p>																																								

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7.	What if I refuse to pay the new ST charges?	We are sorry but the new ST charges will be included in your monthly bill as it is a consumption tax.																												
8.	What are the tax codes used in TM Tech?	<table><tr><th>TAX CODE</th><th>TAX CODE DESCRIPTION</th><th>TAX %</th><th>REMARKS</th></tr><tr><td>ST</td><td>Service Tax at 6%</td><td>6</td><td>Tax code for services that are taxable at 6%</td></tr><tr><td>S8</td><td>Service Tax at 8%</td><td>8</td><td>Tax code for services that are taxable at 8%</td></tr><tr><td>NT</td><td>Non Taxable</td><td>0</td><td>Tax code for non-taxable items</td></tr><tr><td>RR</td><td>Telco to Telco exemption at Customer Level</td><td>0</td><td>Telecommunication services between 2 telco licensees are non-taxable</td></tr><tr><td>SE</td><td>Telco to Telco exemption at Service Level</td><td>0</td><td>Telecommunication services between 2 telco licensees are non-taxable</td></tr><tr><td>EX</td><td>B2B ST exemption</td><td>0.00</td><td>Services are exempted when the following criteria are met: 1. The seller and buyer are in same group of ST Registration; 2. The same service bought by buyer will be sold to customer</td></tr></table>	TAX CODE	TAX CODE DESCRIPTION	TAX %	REMARKS	ST	Service Tax at 6%	6	Tax code for services that are taxable at 6%	S8	Service Tax at 8%	8	Tax code for services that are taxable at 8%	NT	Non Taxable	0	Tax code for non-taxable items	RR	Telco to Telco exemption at Customer Level	0	Telecommunication services between 2 telco licensees are non-taxable	SE	Telco to Telco exemption at Service Level	0	Telecommunication services between 2 telco licensees are non-taxable	EX	B2B ST exemption	0.00	Services are exempted when the following criteria are met: 1. The seller and buyer are in same group of ST Registration; 2. The same service bought by buyer will be sold to customer
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9.	If my Billing Account is charged with Service Tax, will the RM0.05 rounding adjustment be included in the calculation of total tax?	The RM0.05 rounding amount is calculated after total amount is being charged and is not subjected to ST.																												

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QUESTIONS ON ST CHARGES FOR TM TECH PRODUCTS & SERVICES																																																																										
10.	What are the services in TM that are not subjected to ST?	Charges such as sale of goods, penalty, rebate and stamp duty are not subject to the Service Tax.																																																																								
11.	Are supplies to Foreign Telcos subject to Service Tax?	Telco to telco exemption also applies to Foreign Telcos, thus telecommunication services to Foreign Telcos are not subject to Service Tax.																																																																								
12.	Are International Supplies to Foreign non-Telcos subject to Service Tax?	No, it is not subject to Service Tax.																																																																								
13.	Will I know which charges are subject to 6% and which are subject to 8% in my Unifi Bill?	<div>Yes, the item will be clearly stated in your Unifi bill with a Tax Code. Please refer to the example below:</div> <div><table><tr><th colspan="6">Residential Voice 03-40321948</th></tr><tr><th>Description</th><th>Start Date</th><th>End Date</th><th>Gross (RM)</th><th>Discount (RM)</th><th>Amount (RM)</th></tr><tr><td>Voice STD 20 Monthly Fee (ST)</td><td>25/5/2023</td><td>24/6/2023</td><td>20.00</td><td>0.00</td><td>20.00</td></tr><tr><td>National Calls (ST)</td><td>-</td><td>-</td><td>0.15</td><td>-0.15</td><td>0.00</td></tr><tr><td>Mobile Calls (ST)</td><td>-</td><td>-</td><td>6.10</td><td>-6.10</td><td>0.00</td></tr><tr><td colspan="6">Total: RM 20.00</td></tr></table><table><tr><th>Item</th><th>Start Date</th><th>End Date</th><th>Gross (RM)</th><th>Discount (RM)</th><th>Amount (RM)</th></tr><tr><td>1 fixed IP (Add-On) (ST)</td><td>01/5/2023</td><td>31/5/2023</td><td>200.00</td><td>0.00</td><td>200.00</td></tr><tr><td>High Spees Internet - Business Internet 30 Mbps (ST)</td><td>01/5/2023</td><td>31/5/2023</td><td>1,025.00</td><td>0.00</td><td>1,025.00</td></tr><tr><td>xxxxxxx (S8)</td><td>XX/XX/XXXX</td><td>XX/XX/XXXX</td><td>XX.XX</td><td>XX.XX</td><td>XX.XX</td></tr><tr><td>TOTAL</td><td></td><td></td><td>X,XXX.XX</td><td>X.XX</td><td>X,XXX.XX</td></tr><tr><td colspan="5">SERVICE TOTAL</td><td>X,XXX.XX</td></tr></table></div>	Residential Voice 03-40321948						Description	Start Date	End Date	Gross (RM)	Discount (RM)	Amount (RM)	Voice STD 20 Monthly Fee (ST)	25/5/2023	24/6/2023	20.00	0.00	20.00	National Calls (ST)	-	-	0.15	-0.15	0.00	Mobile Calls (ST)	-	-	6.10	-6.10	0.00	Total: RM 20.00						Item	Start Date	End Date	Gross (RM)	Discount (RM)	Amount (RM)	1 fixed IP (Add-On) (ST)	01/5/2023	31/5/2023	200.00	0.00	200.00	High Spees Internet - Business Internet 30 Mbps (ST)	01/5/2023	31/5/2023	1,025.00	0.00	1,025.00	xxxxxxx (S8)	XX/XX/XXXX	XX/XX/XXXX	XX.XX	XX.XX	XX.XX	TOTAL			X,XXX.XX	X.XX	X,XXX.XX	SERVICE TOTAL					X,XXX.XX
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14.	Will I know how much I am required	Yes, the tax summary will be listed by the tax codes, as shown in below example:																																																																								

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	to pay based on the service tax rate?	<p>Tax Summary</p> <table> <tr> <th>Description</th><th>Total Before Tax (RM)</th><th>Total Tax (RM)</th></tr> <tr> <td>Service Tax - ST</td><td>0.00</td><td>0.00</td></tr> <tr> <td>Service Tax - S8</td><td>XX.XX</td><td>X.XX</td></tr> <tr> <td>Service Tax - NT</td><td>3,041.90</td><td>0.00</td></tr> </table>	Description	Total Before Tax (RM)	Total Tax (RM)	Service Tax - ST	0.00	0.00	Service Tax - S8	XX.XX	X.XX	Service Tax - NT	3,041.90	0.00
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15.	Will I receive any notification regarding ST to 8% in my Unifi Bill?	<p>Yes. We notify our customers via bill message. Example are shown below:</p> <div> <p>SERVICE TAX (ST)</p> <p>In accordance with the change in rate of tax under the Service Tax Act 2018 from 6% to 8% with effect from 1 March 2024, provision of the following services are taxable at the rates:</p> <ol style="list-style-type: none"> 1. Telecommunications Services (6%) 2. Information Technology Services (8%) 3. Digital Services and other prescribed taxable services (8%) <p>In addition to the expansion of Service Tax scope effective from 1 July 2025, provision of the following services are taxable at the rates:</p> <ol style="list-style-type: none"> 1. Rental and Leasing (8%) 2. Infrastructure Services (6%) <p>Tax Code: ST- Service tax at 6% rate S8 – Service tax at 8% NT - Not taxable services</p> </div>												
16.	For free services that are provided as part of a package, will that free services be charged with ST?	No, the Service Tax is already calculated and charged on the total package price.												
17.	When I am given a rebate on payment, will my ST amount be reduced?	No, the Service Tax is a standard amount, as it is charged on the total value of the services before any rebate is applied. The rebate is then used to reduce the customer's final payment.												
18.	When I am given a discount/ adjustment, will my	If discount/adjustment is provided to customer, the ST amount will be increased/ reduced accordingly based on the service tax rate that was initially charged to you.												

NO	QUESTION	ANSWER
	ST amount increase/ reduce?	
19	I am a non-Malaysian customer subscribing to TM service; will I be charged for Service Tax (ST)?	Yes, services provided in Malaysia to non-Malaysian residents are subject to a Service Tax, which will be included in their bills.

QUESTIONS ON UNIFI BILL AFTER THE IMPLEMENTATION OF ST TO 8%

28.	Will my Unifi monthly bill be similar to previous monthly bills?	<p>Yes. Unifi monthly bill will be similar to the previous monthly bills:</p> <div><p>Residential Voice 03-40321948</p><table><tr><th>Description</th><th>Start Date</th><th>End Date</th><th>Gross (RM)</th><th>Discount (RM)</th><th>Amount (RM)</th></tr><tr><td>Voice STD 20 Monthly Fee (ST)</td><td>25/5/2023</td><td>24/6/2023</td><td>20.00</td><td>0.00</td><td>20.00</td></tr><tr><td>National Calls (ST)</td><td>-</td><td>-</td><td>0.15</td><td>-0.15</td><td>0.00</td></tr><tr><td>Mobile Calls (ST)</td><td>-</td><td>-</td><td>6.10</td><td>-6.10</td><td>0.00</td></tr><tr><td colspan="5">Total: RM 20.00</td><td></td></tr></table></div> <div><p>Tax Summary</p><table><tr><th>Description</th><th>Total Before Tax (RM)</th><th>Total Tax (RM)</th></tr><tr><td>Service Tax - ST</td><td>0.00</td><td>0.00</td></tr><tr><td>Service Tax - S8</td><td>XX.XX</td><td>X.XX</td></tr><tr><td>Service Tax - NT</td><td>3,041.90</td><td>0.00</td></tr></table></div>	Description	Start Date	End Date	Gross (RM)	Discount (RM)	Amount (RM)	Voice STD 20 Monthly Fee (ST)	25/5/2023	24/6/2023	20.00	0.00	20.00	National Calls (ST)	-	-	0.15	-0.15	0.00	Mobile Calls (ST)	-	-	6.10	-6.10	0.00	Total: RM 20.00						Description	Total Before Tax (RM)	Total Tax (RM)	Service Tax - ST	0.00	0.00	Service Tax - S8	XX.XX	X.XX	Service Tax - NT	3,041.90	0.00
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29.	Are there any changes in the pricing for services provided by TM?	No, the pricing for TM’s services (excluding ST) remains the same.																																										
30	What if TM wrongly charged new taxation on my bill?	Please contact our customer service or your Account Manager immediately.																																										

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31	For any adjustments to previous charges made before the 1st July 2025 bill, which tax rate will apply?	Any adjustment requests for charges billed before 1 st July 2025, will be subject to the Service Tax rate that was in effect at that time (before 1 st July 2025).
32	For any adjustments to charges on bills from 1st July 2025 onward, which tax rate will apply?	Any adjustment requests for bills dated on or after 1 st July 2025 will be subject to the 6% and 8% Service Tax rates, whichever applicable.
33	When will I be charged with the new Service Tax rate?	The new Service Tax rate is effective starting 1 July 2025 and the charges will be applied to your bills starting with your November 2025 billing period.

QUESTIONS ON BUSINESS ACCOUNTS

34	My contract is a bundled package that includes both services subject to a 6% service tax and other non-taxable goods or services. What is the tax rate for the entire contract?	The charges on your contract will be itemized by the different Service Tax rates. However, if a bill is not itemized, the entire amount will be subject to a 6% Service Tax.
35	If my contract is a bundled package with a free service that would be taxable at 8% if purchased separately, will I be charged the tax?	Free services that are provided as part of a bundled contract are not subject to Service Tax, as they will not be billed separately.
36	Will the quote that is provided to me specify the rate of tax?	Yes, quotes will specify the applicable Service Tax rate for each service type. For example: <ul style="list-style-type: none"> • Telecommunications: 6% Service Tax

NO	QUESTION	ANSWER
		<ul style="list-style-type: none"> • IT Services: 8% Service Tax • Equipment Rental (Telco): 6% Service Tax • Equipment Rental (non-Telco): 8% Service Tax • Installation of Telecommunication Infrastructure: 6% Service Tax • Space Rental: 8% Service Tax
QUESTIONS ON TRANSITIONAL RULES		
37.	If Purchase Order (PO) is issued before 1 July 2025 but supply is delivered after 1 July 2025, can additional ST be added on the supply/ bill?	<p>If PO is issued before 1 July 2025 for services which are subject to 8% but delivered after 1 July 2025, the supplies are subjected to ST at 8%.</p> <p>The rate of service tax is determined based on when the service is provided to customers i.e.:</p> <ul style="list-style-type: none"> • If provided before 1 July 2025 – 0% • If provided on or after 1 July 2025 – 6% or 8%
38.	I have not been invoiced but have made full payment for services that are provided on or after 1 July 2025. Will I be charged with the new tax rate in my bill?	<p>Services provided on or after 1 July 2025:</p> <ul style="list-style-type: none"> • This will be subject to the new tax rate. • However, if the full payment is received before the effective date, the tax rate remains at the rate prior to 1 July 2025.
39	If a service period includes dates before and after 1st July 2025, which service tax rate should be used?	<p>For services that cross the effective date, the service tax will be split based on the service period. For example, in a rental agreement:</p> <ul style="list-style-type: none"> • The part of the service provided before the effective date will have a 0% tax. • The part of the service provided on or after the effective date will have an 8% tax. <p>Important: If you make the full payment before the effective date, the tax rate will remain 0% for the entire service.</p>

NO	QUESTION	ANSWER
42	For space rental services used before 1st July 2025, but billed after that date, will the 8% Service Tax apply?	Space rental services provided before 1 st July 2025, are subject to a 0% Service Tax. If you were billed with an 8% tax rate, we will issue a service tax credit adjustment to you.