

Collect & Remit (tax) - Malaysia

<h2>GUIDE.SUMMARY From January 1, 2024, eBay is required to collect and remit Sales and Service Tax (SST) on low-value goods (i.e., goods with an item value up to and including RM 500). Additionally, pursuant to the Digital Services by Foreign Service Provider Guide published by the Ministry of Finance on February 1, 2021, eBay will begin collecting SST on digital goods and services that are imported into Malaysia (a threshold value does not apply for such goods and services). What Service tax is a tax levied on taxable services provided by any taxable person in Malaysia in the course and furtherance of business. Sales tax is a single stage tax levied on imported and locally manufactured goods, either at the time of importation or at the time the goods are sold or otherwise disposed of by the manufacturer. In other countries, SST is known as Value-Added Tax (VAT), Goods and Services Tax (GST) or Sales Tax. eBay is obligated to collect SST on the full value of the item excluding transportation & insurance costs. When This change is effective February 1, 2024, and buyers will begin to see GST on their purchases starting on this date Who Buyers based in Malaysia are impacted as they'll begin to see Malaysia SST on applicable purchases they make on eBay eBay will collect SST from the buyer based on their delivery address (for physical goods) and registration address (for digital goods and services). See the helpful charts below <table border="1" cellspacing="0"> <tbody> <tr> <td colspan="6">Physical Goods</td> </tr> <tr> <td>Item location</td> <td>Shipping address</td> <td>Item Value</td> <td>Does SST apply?</td> <td>Tax Rate</td> <td>Comments</td> </tr> <tr> <td>Outside Malaysia</td> <td>Malaysia</td> <td>RM 500 or less</td> <td>Yes</td> <td>10%</td> <td>eBay will collect SST on items that meet LVG threshold</td> </tr> <tr> <td>Outside Malaysia</td> <td>Malaysia</td> <td>Greater than RM 500</td> <td>No</td> <td>N/A</td> <td>eBay will not collect SST on items above LVG threshold. The buyer

may be required to pay tax to the shipping carrier at time of delivery

Malaysia	Malaysia	Irrelevant
No	N/A	eBay will not collect SST on domestic transactions
Digital Goods and Services		
Seller registration address	Buyer registration address	Item Value
Does SST apply?	Tax Rate	Comments
Outside Malaysia	Malaysia	Irrelevant
Yes	6%	eBay will collect SST on all digital goods and services imported into MY
Malaysia	Malaysia	Malaysia
Irrelevant	No	N/A
eBay will not collect SST on domestic transactions		

Internal information: When digital goods and services over RM 500 are purchased on the US site and shipped to MY, SST will not apply. This is a temporary design issue.

How

- eBay will be responsible for the collection of applicable taxes and will remit the SST to the Ministry of Finance (MOF).

GUIDE.RELATED_LINKS

Related pages

- Tax policy

<https://www.ebay.com.my/help/policies/selling-policies/tax-policy?id=4348>

<https://www.ebay.com.my/help/policies/selling-policies/tax-policy?id=4348>

eBay User Agreement

<https://www.ebay.com.my/help/policies/member-behaviour-policies/user-agreement?id=4259>

<https://www.ebay.com.my/help/policies/member-behaviour-policies/user-agreement?id=4259>

Taxes and import charges

<https://www.ebay.com.my/help/selling/fees-credits-invoices/taxes-import-charges?id=4121>

<https://www.ebay.com.my/help/selling/fees-credits-invoices/taxes-import-charges?id=4121>

Paying tax on eBay purchases

<https://www.ebay.com.my/help/buying/paying-items/paying-tax-ebay-purchases?id=4771>

<https://www.ebay.com.my/help/buying/paying-items/paying-tax-ebay-purchases?id=4771>

GUIDE.TALKING_POINTS

https://cskb.qa.ebay.com/cskbapp/art?page_content&id=GUIDE1844&ViewLocale=en_US#MYsellqanda Seller questions and answers

https://cskb.qa.ebay.com/cskbapp/art?page_content&id=GUIDE1844&ViewLocale=en_US#MYbuyqanda Buyer questions and answers

NOTE TO TEAMMATES: When a buyer or seller requires further research by Indirect Tax, the customer service teammate should, upon receiving a response from Indirect Tax, reach out to the buyer or seller to close the issue. Indirect Tax will not communicate with buyers or sellers directly.

[Seller questions and answers](#) Should I make any changes in my current listings?

No, there is no further action required by sellers with active listings. In order to remain competitive sellers may choose to revise pricing of their listings at their discretion.

eBay has collected taxes on my sale, why did I only get the net amount?

eBay is responsible for collecting the SST and remitting the tax to the appropriate tax authorities on behalf of all sellers shipping into Malaysia, regardless of the sellers registration status (business seller or consumer seller).

My buyers are saying that an incorrect rate was charged (or that they are exempt)

In Malaysia, certain products are exempt from SST. Some common examples of exempt goods and services include books, magazines, newspapers, journals, and periodicals. However under the Low Value Goods regime only alcohol, tobacco, and cigarettes are out of scope of SST.

eBay has mapped categories to a taxability matrix in Vertex so that the software will exempt (or tax) items based on the item type and the ship-to location.

Note: Vertex is a 3rd party tax calculation and invoice software eBay uses to determine taxability of goods and services

 As a Malaysia seller should I list items net or gross of SST?
Items located outside of MY: Items located outside MY should be listed net of tax. eBay will add the applicable SST to the listing or at checkout as a separate line item. Items located within MY: eBay will not collect SST on items located in MY and shipped to a buyer in MY. If the seller has a responsibility to collect SST on items delivered domestically, the seller should list the item gross of tax when the item location is in MY. Sellers should consult a tax advisor for guidance on domestic tax collection responsibility I ship through GSP, how will this impact me? When selling through the Global Shipping Programme into MY: Where eBay is responsible for remitting SST (item value of RM 500 or less), the Global Shipping Programme will collect SST from the buyer on behalf of eBay. Where eBay is not responsible for SST (item value over RM 500), Pitney Bowes will continue to clear goods into MY for buyers. Pitney Bowes will collect the import SST and duty from the buyer based on the delivery country and the value of the goods and will remit the import charges to the responsible tax authorities on behalf of the buyer. Is eBay going to make us pay the payment/FVF based on the SST included price or SST excluded price? The FVF will be based on the item price + postage + SST + additional fees. The buyer asked me to cancel the transaction because they were not expecting to pay the SST. How can I proceed with the refund? Please proceed to cancel the transaction following the eBay flow. Once you refund the buyer, they will also receive the refund for their SST payment. It's unfair for eBay to charge SST during the transactions as this is affecting my sales to Malaysia eBay is legally obliged to collect SST on all items with a value of up to RM 500 that are imported into Malaysia and remit the SST to the tax authorities. Can I include the invoice provided by eBay or packing slip in the package to prove that SST was paid? Yes, we recommend sellers include the invoice or packing slip in the package when sending goods to buyers in MY, as this proves that eBay has collected SST on the supply.

Such Packing Slips & Buyer invoices are available in the View order Detail.We have enabled eBay's Low Value Goods number, transaction type, and exemption type status to be included in shipping labels when printing shipping labels. What should I do if I am a MY seller with a warehouse outside MY? eBay will collect SST on items when item location is outside of MY and deliver to buyer in Malaysia provided it meets the LVG threshold. How can I make sure I collect the correct SST when I make domestic sales into Malaysia? eBay will not charge SST when items are delivered from a Malaysian location to a Malaysian buyer.Sellers should not bill buyers SST after a sale has occurred.Sellers should consult their tax advisors for further guidance. Internal Information Buyers may reach out directly to eBay if they are concerned about an incorrect rate of tax charged on items. Teammates can send an email to _indirect_tax_sg@ebay.com (internal DL only). In your subject line, write 'Malaysia SST Inquiries'Please include this in the body of your email: Buyer's eBay User ID:Buyer's eBay Item Number:Item Number:Order Number:Ship to Country:Issue Description:Transaction Date: The team will reply to you within 2 business days. What are the requirements for sellers who were previously required to collect the tax and now eBay is? For sellers who previously were required to be registered to collect and remit the tax, please consult with your tax advisor on your monthly filing requirements going forward. Will eBay be issuing detailed tax information to sellers on a monthly or quarterly basis or will it be done yearly? Detailed seller reporting information will be provided monthly indicating the eBay collected tax. This will indicate SST collected from buyers on your sales and the tax that will be remitted by eBay to the appropriate taxing authorities. There are no new requirements for sellers who were not

previously required to collect and remit. For those sellers who were required to be registered and collecting, this does represent a change. However, the administrative burden will be on eBay beginning on January 1, 2024.

- How can a seller ensure tax is not charged on tax exempt items listed?

Beginning January 1, 2024, eBay will be responsible for the configuration and taxation of all items imported to purchasers in Malaysia including exempt items. If an error is made, eBay will refund the buyer any tax over-collected and will be responsible for any tax under-collected. eBay is utilizing third party software and taxability rules to ensure the proper tax treatment of all items listed on the site.

- If I import low value goods to Malaysia where SST was collected by eBay from the buyer and I don't use eBay issued shipping labels, what should I include on the shipping label?
- For low value goods imported into Malaysia where SST was charged by eBay but seller did not use an eBay issued shipping label, the seller should include the following information under the buyers address section:

LVG number:	2312020026
Transaction Type:	LV
SST Exemption Type:	LG

Buyer questions and answers

Why are you charging tax on my purchases?

- Due to legislative changes in Malaysias tax laws, eBay will charge and collect SST on applicable sales to Malaysia-based buyers, effective January 1, 2024. eBay will comply with these changes effective February 1, 2024. These changes will affect most e-commerce companies that operate outside of Malaysia.
- Will tax be refunded if I return the item?
- If you return a purchase, you'll also be refunded the SST accordingly.
- Will the tax I paid be refunded if I win a claim for an "item not received" or if I request to cancel the transaction?
- If your order was canceled, please check your payment method (e.g. PayPal, Credit card). Up to 10 days after your request, you should be able to see the full refund of item price, additional costs, and the SST.
- I should not pay tax as I am exempted
- There is no provision for a business exemption for Low Value imported into Malaysia. eBay will apply SST on all Low Value Imported

goods regardless of the buyers registration status. I paid tax at checkout and was charged tax again at time of clearance by customs/shipping carrier. How can I get my refund? Buyers who paid SST on eBay at checkout and were charged SST again when clearing their package will need to reach out to eBay for a refund of duplicated tax payments. Buyers must provide proof of SST remittance to the customs or shipping carriers. Examples of import documentation are provided here: Declaration of imports Bill of lading Documentation can be uploaded here A detailed list of accepted documentation can be found here. Is the tax % applied to net price or including shipping costs? Shipping and handling costs for transactions are not subject to SST in Malaysia. The Standard SST rate on goods in Malaysia is 10%, on Services it is 6%, and 5% on basic foods items and other items that qualify for a reduced rate. The tax rate is applied based on the item purchased, and the buyer's delivery address Why is eBay collecting the tax as of February 1, 2024? This new tax requirement is legislated by the Malaysian government. eBay can comply with this requirement effective February 1, 2024, and will remit all taxes collected to the appropriate taxing authorities as legally required. What about taxes collected prior to February 1, 2024? Prior to February 1, 2024, eBay is not currently collecting any SST on transactions to Malaysian buyers. There are some sellers who may be required to collect the tax who were collecting on their sales to Malaysian buyers. Any issues with tax collection prior to February 1, 2024 should be directed to the sellers on these transactions. Are items listed on eBay SST inclusive? Malaysia Site: When buyers who have a Malaysia registered address search for goods and services on the Malaysia site, buyers will see items exclusive of SST. All other Sites: When buyers who have a Malaysia registered address search for goods and services on eBay sites other than

Malaysia, the buyer will not see SST inclusive pricing. SST will be charged at checkout as a separate line item.

https://cskb.qa.ebay.com/csKBapp/art?page_content&id=GUIDE1844&ViewLocale=en_US#glossary Collect & remit glossary

https://cskb.qa.ebay.com/csKBapp/art?page_content&id=GUIDE1844&ViewLocale=en_US#refunds Refunds

https://cskb.qa.ebay.com/csKBapp/art?page_content&id=GUIDE1844&ViewLocale=en_US#decisionmaking Collect & remit decision making

SST	Sales and Services Tax
is a consumption tax levied on goods and services at every point of sale where value has been added, starting from raw materials to final product.	
SST shall be paid by the end customer.	
MOF	Ministry of Finance
RMM	Reverse Money Movement
Digitally Delivered Goods (DDG)	
Digitally Delivered Goods are intangible goods delivered by electronic means such as e-books, electronically delivered software, etc.	
Low Value Goods (LVG)	
Low Value Goods is the threshold where eBay is required to charge SST when items are imported into Malaysia for amount up to RM 500	
Collect & Remit (C&R)	
eBay terminology used to describe SST collected from buyers at checkout.	
Business-to-Business (B2B)	
Business to business transactions (where the buyer has a SST or LVG number in MY).	
Final Value Fees (FVF)	
Fee charged to sellers when an item is sold	
Business-to-consumer transactions (B2C)	
Business-to-consumer	

transactions (B2C) are those made between a company and individual consumers.

Output SST	The SST that a business charges on sales of goods and services.
Input SST	The SST paid on purchases.

Refunds No refunds will be offered to buyers In instances where buyer and seller negotiate to make a payment outside of eBays platform, a refund will not be issued.

Internal Information If a Malaysian buyer says a particular item should have been tax exempt or if they indicate they were overcharged rate of tax on a purchase, please report examples to _indirect_tax_sg@ebay.com (internal DL only).

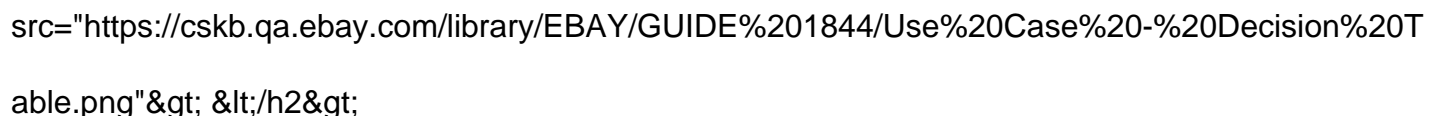
In your subject line, write 'Malaysia SST Inquiries'

Please include this in the body of your email:

- Buyer's eBay User ID:
- Buyer's eBay Item Number:
- Item Number:
- Order Number:
- Ship to Country:
- Issue Description:
- Transaction Date:

The team will reply to you within 2 business days.

Collect & remit decision making Use Case - Decision Table



<https://cskb.qa.ebay.com/library/EBAY/GUIDE%201844/Use%20Case%20-%20Decision%20Table.png>