

## **PROGRAMME OUTLINE for MIDA TAX EXEMPTIONS UNDER SECTION 14(2) CUSTOMS ACT 1967**

**9.00am to 10.15am**

### **1. Overview of Tax Exemptions Under Customs Legislations**

### **2. Introduction to MIDA Exemptions and Sector Eligible**

### **3. Organisations Qualified for Tax Exemptions**

- Manufacturers registered under the Sales Tax Act 2018
- Non registered manufacturers (LMW, FIZ and manufacturers of non-sales taxable goods)

### **4. Guidelines on Tax Exemptions for Manufacturing Sector :**

- Duty / Tax Exemption on Raw Materials and Components
- Duty / Tax Exemption on Machinery / Equipment
- Guidelines and Criteria for Tax Exemptions

**10.15am to 10.30am**

**Break**

**10.30am to 1.00pm**

### **5. Changes in Tax Exemption Policy**

- Drawback facilities for export-oriented industries
- Exemption for non-registered manufacturers under Schedule B, Sales. Tax (Persons Exempted from Tax) Order 2018

### **6. Types of Tax Exemptions**

- Import duty exemption on raw materials / components granted by Ministry of Finance (MIDA)
- Import duty exemption on machinery / equipment approved by RMCD based on Letter of Confirmation from MIDA
- Drawback Facility for export orientated industry
- Import duty exemption on importation of raw materials listed under item 105 & 106, CDEO 2017 for manufacturers licensed under industrial Coordination Act 1975
- Import Duty Exemption under item 99 CDEO 2017 for Iron & Steel Products
- Category of manufacturer qualified under Schedule B, Sales Tax (Persons Exempted from Payment of Tax) Order 2018

### **7. Application Procedures for Tax Exemptions (Form SPM / SPM1)**

## 8. Conditions imposed by MIDA / RMCD on Tax Exemptions

## 9. Implementation, Enforcement and Supervision by RMCD on Exemption Holders

- Visit & surprise check by senior officer of customs
- Auditing of records & documents
- Control over importation pending MIDA exemption / Bank Guarantee
- Compliance with MIDA conditions
- Procedures as to Disposal of Scrap / Destruction Certificate

**1.00pm to 2.00pm**

**Lunch Break**

**2.00pm to 3.30pm**

## 10. Responsibilities of Exemption Holders

- Submission of quarterly returns
- Maintenance of Machinery / Equipment Inventory List
- Maintenance of Records / Documents on Raw Material / Components and Finished Goods

## 11. Common Mistakes / Non-compliance by Exemption Holders

## 12. Tax Exemptions Under Customs Duties Exemption Order 2017 and Sales Tax (Persons Exempted From Payment of Tax) Order 2018

- Temporary Import / Export of Machineries / Equipment
- Temporary Import / Export of Defective Goods
- Compliance with conditions

## 13. Treatment of Miscellaneous Items

- Winding up / Receivership / Liquidation of Exemption Holders
- Accounting for Losses by Floods, Fire and Theft
- Accounting for Subcontract
- Drawback Facility under Customs Act 1967 and Sales Tax Act 2018

## 14. Brief Outline Sales Tax Concept

- Single Stage Taxation
- Concept of Manufacture
- Facilities / Incentives under Sales Tax Legislations
- Treatment of Special Areas & Designated Areas

**3.30pm to 3.45pm**

**Break**

**3.45pm to 5.00pm**

## **15. Applications for Sales Tax Exemptions**

- Schedule A, Sales Tax (Persons Exempted from Payment of Tax) Order 2018
- Schedule B, Sales Tax (Persons Exempted from Payment of Tax) Order 2018
- Schedule C, Sales Tax (Persons Exempted from Payment of Tax) Order 2018
- Sales Tax Exemption For Trader and Manufacturers under Approved Major Exporter Scheme (AMES)

## **16. Sales Tax Exemptions on Subcontract Works & Related Procedures**

### **17. Offences and Penalties**

- Section 15, Customs Act 1967
- Section 138, Customs Act 1967
- Section 86 (1), Sales Tax Act 2018

### **18. Remission of Customs Duty and Sales Tax**

- Remission of duty / tax by the Director General of Customs
- Remission of duty / tax by the Minister of Finance
- Related provisions under Customs Act and Sales Tax Act

### **19. Review and Appeal Procedures**

- Appeal to Director General of Customs
- Appeal to Minister of Finance
- Appeal to Customs Appeal Tribunal
- Prescribed Forms – JKDM 4 and SST 04