

Sales Tax on Low Value Goods ("LVG")



The implementation date of sales tax on LVG has been gazetted to be effective from 1 January 2024.

What is LVG?

- Generally, LVG refers to:
- i. all goods (with some exceptions);
- ii. sold at a price not more than RM500; and
- iii. brought into Malaysia by land, sea or air mode.

Who is a seller?

- In the context of LVG, sellers cover both local and foreign persons who sell LVG on an online marketplace or operates an online marketplace for the sale and purchase of LVG.
- However, it is proposed in the recent Finance (No. 2) Bill 2023 that the definition of seller be amended to local and foreign persons who sell LVG on an online <u>platform</u> or operates an online marketplace for the sale and purchase of LVG.

Who needs to register?

 A seller with a total sales value of LVG imported into Malaysia that exceeds RM500,000 in any 12-month period is liable to register as a registered seller with the Royal Malaysian Customs Department.

What is the rate of sales tax on LVG?

• Sales tax on LVG shall be charged at the rate of 10%.

Contact us to discuss how we can help with Sales Tax on Low Value Goods



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