

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 platform 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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