



MEDIA RELEASE MINISTRY OF FINANCE

REVISION TO THE EXPANDED SALES TAX AND SERVICE TAX TAKE INTO ACCOUNT PUBLIC AND INDUSTRY FEEDBACK

Since the announcement on 9 June 2025 regarding the revision of the Sales Tax and Service Tax (SST), the MADANI Government has closely followed feedback received from the *rakyat* and engaged industry on the proposed expansion of the SST. In addition, the Ministry of Finance also engaged a number of backbenchers yesterday as part of understanding feedback from the grassroots.

The MADANI Government remains committed to ensure that the revision to SST is progressive and mitigates the impact on basic consumption items by the *rakyat* and the impact on small businesses. In relation to this, the Ministry of Finance (MOF) would like to update on three key amendments to the SST that will take effect on 1 July 2025.

Select imported fruits to be exempt from Sales Tax

After due consideration on the feedback received with respect to Sales Tax on imported fruits, **YAB Dato' Seri Anwar Ibrahim, Prime Minister and Minister of Finance has agreed to exempt imported apples, oranges, mandarin oranges and dates from the Sales Tax.**

The MOF would like to reiterate that the MADANI Government has not imposed Sales Tax on daily essential goods in order to mitigate pressure on the cost of living for the majority of Malaysians.

These tax-exempted essential goods, whether locally produced or imported, include rice, chicken, beef, vegetables and eggs. Local fish varieties, including *selar*, *tongkol*, *cencaru*, and sardines, whether frozen, chilled or fresh, will also continue to be exempt from Sales Tax.

Higher annual sales threshold for Service Tax to ease burden on businesses

To reduce the number of small businesses affected by the revision of Service Tax, YAB Prime Minister and Minister of Finance has also decided to increase the registration threshold of Service Tax from **RM500,000 to RM1 million for Leasing or Rental and Financial services.**

Services	Service Tax	Registration threshold	
		Previous	Revised
Leasing or rental	8%	RM500,000	RM1 million
Financial Services	8% on fee or commission based financial services	RM500,000	RM1 million

Additionally, the **threshold for businesses to be subject to Service Tax on rental services has been increased — from RM500,000 to RM1 million in total annual sales.** This means that only businesses with sales exceeding RM1 million will be required to pay Service Tax on rental services, providing relief to more Micro, Small, and Medium Enterprises (MSMEs).

Beauty services no longer subject to Service Tax expansion

After carefully considering public sentiment, YAB Prime Minister and Minister of Finance has also decided **not to proceed with the proposed expansion of Service Tax on beauty services** such as manicure and pedicure; facial services; barbers and hairdressers.

The MOF calls on all parties to make responsible and informed statements on the SST. Please refer to the public announcements, infographics, subsidiary legislation, general rulings, guidelines, and frequently asked questions (FAQs) that are issued via the official communication channels of the Ministry of Finance and the Royal Malaysian Customs Department.

Members of the public and businesses can also call the SST Call Centre at Royal Malaysian Customs Department at any of the following numbers:

Royal Malaysian Customs Department's SST Call Centre			
03-8323 7406	03-8323 7407	03-8323 7409	03-8323 7412
03-8323 7414	03-8323 7415	03-8323 7416	03-8323 7417
Customs Department Call Centre Hotline			
1-300-888-500			

Ministry of Finance

Putrajaya

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