

Revision of sales tax rates

The rate of sales tax for various goods have been reviewed and effective from 1 July 2025, sales tax will be applied at the rate of 5% or 10% on various types of goods.

Salient points include the following:

- The new sales tax rates will be imposed on manufactured taxable goods sold, used or disposed, on or after the effective date of the new tax rate. The date of sale is based on the date the invoice was issued.
- The new sales tax rate will be imposed on imported taxable goods when the goods are released from Customs control on or after the effective date of the new tax rate.
- Ministry of Finance has further clarified on agricultural produce grown in Malaysia are not manufactured and thus are not subject to sales tax.
- New sales tax registrants are required to register by the end of August 2025 and the effective date will be the beginning of September 2025.



Below is a summary of the sales tax rates:

Goods	Sales Tax Rate
Manufactured / imported taxable goods	10%
Manufactured / imported goods listed under the First Schedule in Sales Tax (Rate of Sales Tax) Order 2025 P.U. (A) 170	5%
Manufactured / imported goods listed under the Second Schedule in Sales Tax (Rate of Sales Tax) Order 2025 P.U. (A) 170	Specific rate
Manufactured / imported goods listed in Sales Tax (Goods Exempted from Sales Tax) Order 2025 P.U. (A) 171	Exempted

For further details, you may refer to the Guidelines on Transitional Measures for Sales Tax Rate Change dated 9 June 2025 (currently only available in the Malay language version of the website) (<https://mysst.customs.gov.my/IndustryGuides>). Please contact your respective Grant Thornton indirect tax adviser should you require further guidance.

Contact us to discuss how we can help with the revision of sales tax rates



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