

Frequently Asked Questions (“FAQ”) on Sales and Service Tax (SST)

1. What is Sales and Service Tax (SST)?

Sales and Service Tax (SST) in Malaysia is a consumption tax system that replaced the Goods and Services Tax (GST) in 2018. It comprises two components: Sales Tax, applied to manufactured or imported goods, and Service Tax, levied on specific services provided in Malaysia.

For more information, please visit the official Royal Malaysian Customs Department (RMCD) website at mysst.customs.gov.my.

2. What is the SST expansion of scope, and is AIIMAN included?

Effective 1 July 2025, Sales and Service Tax (SST) broadens its scope to include non-essential goods and additional service sectors. This includes sectors such as private healthcare, education, construction, and financial services.

Under the SST expansion of scope for the Financial Services Sector, a Regulated Financial Services Provider is considered a taxable person and is required to register with RMCD if the value of taxable financial services exceeds RM1 million within a 12-month period. The services rendered are subject to Service Tax at the rate of 8%.

AIIMAN is a Regulated Financial Services Provider, and its services will be subject to Service Tax under the updated regulations starting from the implementation date.

3. When will AIIMAN start charging SST?

AIIMAN will begin charging Sales and Service Tax (SST) effective 1 September 2025.

4. Who will pay for the SST charges?

The SST charges will be borne by the investor.

Frequently Asked Questions (“FAQ”) on e-Invoicing

5. What are the fees or charges on my investment that are subject to SST?

No.	Fee / Charges	Unit Trust / PRS	Subject to SST
1.	Sales Charge	UTF	✓
2.	Redemption/Repurchase Charge (SIP Series Class A)	UTF	✓
3.	Redemption/Repurchase Charge	UTF	X

Frequently Asked Questions (“FAQ”) on e-Invoicing

Part 1: Unit Trust Fund

1. What is the SST payable with the SST implementation if I subscribe RM10,000?

Illustration: Subscription of RM10,000

Amount received	: RM10,000
NAV per unit	: RM1.0000
Sales charge (%)	: 5.00%

Sales charge :

$$\begin{aligned} &\text{Amount received} / (1 + \text{Sales charge} (\%) + \text{SST} (\%)) \times \text{Sales charge} (\%) \\ &= \text{RM10,000} / (1 + 0.05 + (0.05 \times 0.08)) \times 0.05 \\ &= \text{RM10,000} / (1.054) \times 0.05 \\ &= \text{RM474.38} \end{aligned}$$

SST on Sales charge (8%): Sales charge x SST rate

$$\begin{aligned} &= \text{RM474.38} \times 8\% \\ &= \text{RM37.95} \end{aligned}$$

Net investment amount : Amount received - Sales charge - SST

$$\begin{aligned} &= \text{RM10,000} - \text{RM474.38} - \text{RM37.95} \\ &= \text{RM9,487.67} \end{aligned}$$

Number of units subscribed: Net investment amount / NAV per unit

$$\begin{aligned} &= \text{RM9,487.67} / \text{RM1.0000} \\ &= \text{9,487.67 unit} \end{aligned}$$

Frequently Asked Questions (“FAQ”) on e-Invoicing

Part 1: Unit Trust Fund (Continued)

2. How does SST impact my investment?

Illustration: Subscription of RM10,000

Description	%	Before SST	After SST
Amount received		10,000	10,000
Sales charge	5%	476.19	474.38
SST	8%	-	37.95
Net investment amount		9,523.81	9 487.67

Frequently Asked Questions (“FAQ”) on e-Invoicing

Part 1: Unit Trust Fund (Continued)

3. Do I have to pay SST on the redemption or repurchase charge when I redeem my unit trust?

Redemption/repurchase charges as penalty is not subjected to SST except SIP Series Class A.

<u>Illustration: Redemption of RM10,000 (SIP Series Class A)</u>	
Number of units redeem	: 10,000
NAV per unit	: RM1.0000
Exit fee (%)	: 1.00%
<u>Redemption amount :</u>	
Number of units to redeem x NAV per unit	
= 10,000 x RM1.0000	
= RM10,000	
<u>Exit fee (1%)</u>	: Redemption amount x Exit fee (%)
	= RM10,000 x 1%
	= RM100
<u>SST on Exit fee (8%)</u>	: Exit fee x SST rate
	= RM100 x 8%
	= RM8
<u>Redemption payment</u>	: Redemption amount - Exit fee - SST
	= RM10,000 - RM100 - RM8
	= RM9,892

Frequently Asked Questions (“FAQ”) on e-Invoicing

Part 1: Unit Trust Fund (Continued)

4. Am I required to pay SST when switching units from Fund A to Fund B?

Yes, SST is applicable if any fee (ie: Sales Charge/Exit Fee) is imposed.

5. I receive income/dividend distributions from the fund in the form of cash or reinvestment. Are these distributions subject to SST?

No, income/dividend distribution are not subject to SST.

6. I am a foreigner and invest in Unit Trust, do I have to pay SST?

Yes, if you are investing on Unit Trust trading in Malaysia.

7. If I exercise my cooling-off right, will I get a refund on the SST paid?

Yes, you can obtain the refund on the SST paid.