MUFG Bank (Malaysia) Berhad

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Frequently Asked Questions (FAQ)

Service Tax on Financial Services

Updated: [September 2026]

This FAQ explains the general application of Service Tax to selected financial services provided by MUFG Bank (Malaysia) Berhad.

1. What is Service Tax (SST)?

Sales Tax and Service Tax (SST) is Malaysia's consumption tax framework. As MUFG Bank (Malaysia) Berhad ("MUFG") provides financial services, this FAQ focuses on Service Tax imposed on taxable financial services under the Service Tax Act 2018 and its subsidiary legislation.

2. What is the Service Tax rate applicable to financial services?

An 8% Service Tax applies to taxable financial services provided by the Bank.

Description	Amount (RM)
Service fee	100.00
Service Tax at 8%	8.00
Total Amount Payable	108.00

3. When did the expanded Service Tax scope for financial services take effect?

The expanded scope was implemented in phases beginning 1 July 2025, with broader application from 1 October 2025, unless a service is specifically exempted or excluded.

4. Are all banking services subject to Service Tax?

In general, fee or commission based financial services will be subject to Service Tax **excluding** the following:

a) Basic banking services that incur fees or commission related to the operation of savings account, current accounts ("CASA") or similar accounts.
   - Deposit, withdrawal, payment or fund transfer
   - Issuance of debit card
   - Basic transaction over the counter
   - Basic transaction using Automatic Teller Machine ("ATM")
   - Printing of account statement

b) Interest or spread-based charges for credit facility.

c) Profit based payment for Syariah compliant financing.

d) Fees and charges which are punitive in nature:
   - Late payment charges
   - Charges for early withdrawal of fixed deposits
   - Charges for dishonoured cheques
   - Overdraft excess fees

e) Services in connection with goods, land or matters outside Malaysia, but excluding outward remittance services where charges are imposed on customers located in Malaysia. For this purpose, customers are treated as "located in Malaysia" if they maintain a banking facility or account with the financial service provider, including having a Malaysian address in the customer records, or if they physically visit a branch in Malaysia to obtain financial services.

f) Any financial services directly related to goods that are exported out of Malaysia. For clarity, the exportation of goods includes the transportation of goods from port in Malaysia to another port in Malaysia, so long as the domestic transportation leg forms part of the overall goods exportation shipment.

g) Financial services provided by the Federal Government, State Governments or Local Authorities. This exclusion does not apply to statutory bodies or Government-linked companies. For Local Authorities, the

exclusion applied only for the period from 1 July 2025 to 30 September 2025. The exemption from payment of service tax for the Federal and State Governments applies only to financial services that became subject to service tax from 1 July 2025 under the scope expansion and does not apply to financial services that were already subject to service tax before 1 July 2025 (e.g. insurance, takaful, management and consultancy services).

5. Is Service Tax applicable to loan or financing repayments?

Service Tax is not imposed on principal repayments, conventional interest, Shariah-compliant financing profit, or returns in the nature of a spread. Fees, commissions or other charges associated with a financing facility may nevertheless be taxable.

6. Are punitive charges subject to Service Tax?

Charges that are punitive in nature are generally not subject to Service Tax. Examples may include late payment charges or penalties imposed for breach of contractual obligations. However, compensatory charges – i.e charges intended solely to compensate for harm, loss, or inconvenience rather than to punish – are not considered punitive in nature and may be subject to Service Tax.

7. Are import trade finance fees subject to Service Tax?

Import trade finance fees may or may not be subject to Service Tax depending on the nature of the underlying transaction. Refer to MUFG's prevailing Tariffs and Charges. Where the trade finance services relate to the importation of goods from overseas (i.e. goods located outside Malaysia at the time the services are provided), the fees charged are excluded from Services Tax as they are connected with goods outside Malaysia. However, where the services do not qualify for this exclusion based on the supporting documentation provided, Service Tax will apply. Customers should refer to Question 8 below regarding the documentation required to substantiate non-taxable treatment

8. How is the Service Tax treatment for trade-related services determined?

The Service Tax treatment of trade transactions is determined based on the supporting information and documentation submitted by customers. This includes evidence of the underlying transaction, such as the shipment origin and destination, to demonstrate that the goods, land, or other subject matter are located outside Malaysia. In accordance with applicable Service Tax regulations, MUFG Bank (Malaysia) Berhad ("MUFG") reserves the right to levy Service Tax where the necessary information or supporting documents are not provided to substantiate a non-taxable treatment.

9. If a discount or rebate is granted, how is Service Tax calculated?

Service Tax is calculated on the final fee after the applicable discount or rebate has been taken into account.

Description	Amount (RM)
Total Amount	100.00
Less: Total Discount Amount	(20.00)

Total Excluding Tax	80.00
Service Tax at 8%	6.40
Total Payable Amount	86.40

10. Is stamp duty subject to Service Tax?

No. Stamp duty itself is not subject to Service Tax.

11. Can MUFG waive or absorb the Service Tax charged?

No. Service Tax is imposed under Malaysian law. Where applicable, MUFG Bank (Malaysia) Berhad ("MUFG") is required to collect the tax from customers and remit it to the Royal Malaysian Customs Department ("RMCD"). It is not a fee imposed by the Bank.

12. How will I know if Service Tax has been charged?

Where applicable, the Service Tax amount will be reflected in the relevant customer document, which may include an account statement or e-Invoice. The display timing and document type may depend on the product and system process.

13. Will Service Tax be refunded if the underlying fee is refunded?

Where the underlying fee is refunded and the applicable requirements are met, the corresponding Service Tax may also be refunded in accordance with SST rules and the Bank's procedures.

14. What is Bank's SST registration number?

SST registration number for MUFG group in Malaysia as follows:

MUFG Bank (Malaysia) Berhad: W10-2002-32000083
MUFG Bank, Ltd., Labuan Branch: E10-2607-32000003

15. Where can I obtain further information?

For further information, customers may refer to the Royal Malaysian Customs Department MySST portal (Industry Guides – MySST) and the latest Guide on Financial Services, or contact their MUFG Relationship Manager.

16. Will there be any updates to SST charges in the future?

MUFG Bank (Malaysia) Berhad ("MUFG") continuously monitors regulatory developments and RMCD guidelines relating to SST. Should there be any changes affecting SST rates or SST-applicable banking services, the Bank will notify customers through the appropriate communication channels.