

DRAFT



SALES TAX 2018

GUIDE:

**SALES TAX ON
LOW VALUE GOODS (LVG)
(FIRST EDITION)**

Published by:

Internal Tax Division and Customs Division
Royal Malaysian Customs Department
Putrajaya

Updated: 09.01.2023

"The content of this draft guide is subject to change"

"Draf panduan ini adalah tertakluk kepada perubahan dari semasa ke semasa"

Publication

Date: 01 January 2023

Copyright Notice

Copyright 2023 Royal Malaysian Customs Department.

All rights reserved. Subject to the Copyright Act, 1987 (Malaysia).

The Guide may be withdrawn, either wholly or in part, by publication of a new guide. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, including on-site for commercial purposes without written permission from the Royal Malaysian Customs Department (RMCD). In reproducing or quoting the contents, acknowledgment of source is required.

Disclaimer

This information is intended to provide a general understanding of the relevant treatment under Sales Tax and Services Tax Legislation and aims to provide a better general understanding of taxpayers' tax obligations. It is not intended to comprehensively address all possible tax issues that may arise. While RMCD has taken the initiative to ensure that all information contained in this Guide is correct, the RMCD will not be responsible for any mistakes and inaccuracies that may be contained, or any financial loss or other incurred by individuals using the information from this Guide. All information is current at the time of preparation and is subject to change when necessary.

“The content of this draft guide is subject to change”

“Draf panduan ini adalah tertakluk kepada perubahan dari semasa ke semasa”

1.	INTRODUCTION	1
----	--------------------	---

PART I

Imposition and Scope On Low Value Goods (LVG)

2.	TERMINOLOGY	3
3.	IMPOSITION AND SCOPE OF TAX.....	3
4.	REGISTRATION	5
	4.1. Liability to be registered	5
	4.2. Application for registration.....	6
5.	NOTIFICATION OF THE CHANGES ON PARTICULARS.....	7
	5.1. Registration information.....	7
	5.2. Taxable period.....	8
	5.3. Effective date of registration	8
6.	CANCELLATION OF REGISTRATION	9
7.	ACCOUNTING FOR TAX	9
	7.1. Accounting basis	9
	7.2. Issuance of invoice or any document	9
	7.3. Issuance of credit notes and debit notes	100
	7.4. Duty to keep records	10
	7.5. Taxable period.....	10
	7.6. Manner of furnishing LVG-02 return	11
	7.7. Furnishing return amendment	12
	7.8. Payment of sales tax due and payable.....	13
	7.9. Penalty for late payment of sales tax.....	13
	7.10. Time and manner of payment.....	14
8.	REFUND OF SALES TAX, PENALTY, FEE OR OTHER MONEY	15
9.	REMISSION OF PENALTY.....	15
10.	TRANSITIONAL PROVISIONS	15
11.	OTHER RELATED INFORMATION.....	16
	11.1. Hours for submission of return and payment.....	16
	11.2. Recovery of sales tax as a civil debt	16

PART II

Customs Clearance Procedures On The Importation Of Low Value Goods (LVG)

12.	TERMINOLOGY	18
13.	GENERAL IMPORT PROCEDURES.....	19
14.	LVG INFORMATION REQUIREMENTS DURING IMPORTATION	19
	14.1. Information on the package	19
	14.2. Import declaration	19
15.	IMPORT DECLARATION VIA AIR MODE	20
16.	IMPORT DECLARATION VIA ROAD AND SEA MODE.....	21
17.	IMPORTATION USING POSTAL SERVICE.....	21
18.	LVG DECLARATION USING THE CUSTOMS FORM NO.1 (K1)	22
19.	INQUIRY.....	22

INTRODUCTION

- 1.1. The Ministry of Finance announced in Budget 2022 that Low Value goods (LVG) not exceeding RM500 from abroad sold online by seller and delivered to consumers in Malaysia is subject to sales tax with effect from 1 January 2023. This is to ensure level playing field and fair treatment between all LVG purchased from overseas or locally.
- 1.2. This guide explains the implementation of sales tax on LVG. Therefore, any person who sells LVG through an online marketplace or operates online marketplace should make this guide as a reference.
- 1.3. The Sales Tax Act 2018 has been amended accordingly to include the scope of sales tax on LVG. This is to create level playing field for local and imported goods sold in Malaysia.
- 1.4. The implementation of sales tax on LVG will be effective on 1 January 2023. Hence, eligible sellers are required to register from the effective date. However, imposition of sales tax on LVG will be starting from 1 April 2023.
- 1.5. This guide consist of two (2) parts:-
 - i) Part I – Imposition and Scope
 - ii) Part II – Customs Clearance Procedures On The Importation Of Low Value Goods (LVG)

PART I

Imposition and Scope On Low Value Goods (LVG)

2. TERMINOLOGY

- 2.1. “Low Value Goods (LVG)” are goods or class of goods from outside Malaysia that are sold in the online marketplace at a price of not exceeding RM500 and brought into Malaysia via air, sea or land modes.
- 2.2. “MyLVG” is an online system for the purpose of sales tax on LVG.
- 2.3. “Online Marketplace (OMP)” refers to an online platform that provides facilities for the sale and purchase of LVG which includes marketplace operated via website, internet portal or gateway, distribution platform or any other type of electronic interface. However not including payment processor / payment gateway or internet service provider.
- 2.4. “Registered Seller (RS)” means seller who is registered under section 13 of the Sales Tax Act 2018 (LVG).
- 2.5. “Seller” means a person, whether in or outside Malaysia, who sells LVG on an online marketplace or operates an online marketplace for the sales and purchase of LVG.
- 2.6. “Designated Areas (DA)” means Labuan, Langkawi, Tioman and Pangkor.
- 2.7. “Special Areas (SA)” means any free zone, licensed warehouse and licensed manufacturing warehouse, the Joint Development Area, and a petroleum supply base licensed under section 77_B of the Customs Act 1967.

3. IMPOSITION AND SCOPE OF TAX

3.1. LVG refers to:

3.1.1. all goods;

3.1.2. the sale value of such goods shall be RM500 or less; and

3.1.3. such goods brought from outside Malaysia by land, sea or air mode into Malaysia including SA and DA.

3.2. Sales tax on LVG shall be charged and levied at the rate of 10%.

3.3. The sales tax is charged on the sale value of LVG not including the following;

3.3.1. Transportation and insurance costs (i.e. fees charged to customer for transportation and insurance) for transporting the goods from overseas to the place of delivery in Malaysia; and

3.3.2. Any tax or duties, chargeable and payable on the sale of LVG.

Example 1

Uzair buys a watch from abroad for Soffiyya worth RM200 through Lazonia, an online shopping platform. During payment, 10% sales tax is charged on the price of the watch. In addition, a delivery cost of RM10 is charged. Therefore, the price to be paid by Uzair is as follows:

DESCRIPTION		PRICE (RM)
Price of watch (per unit)	=	200
Sales tax on LVG (10%)	=	20
Delivery fee	=	10
Total	=	230

In the above example, Sales Tax on LVG will be charged at the time at which an order confirmation is issued by Lazonia.

4. REGISTRATION

4.1. Liability to be registered

- 4.1.1. Any seller with the total sale value of LVG brought into Malaysia in 12 months exceeds **RM500,000**, is liable to be registered as RS.

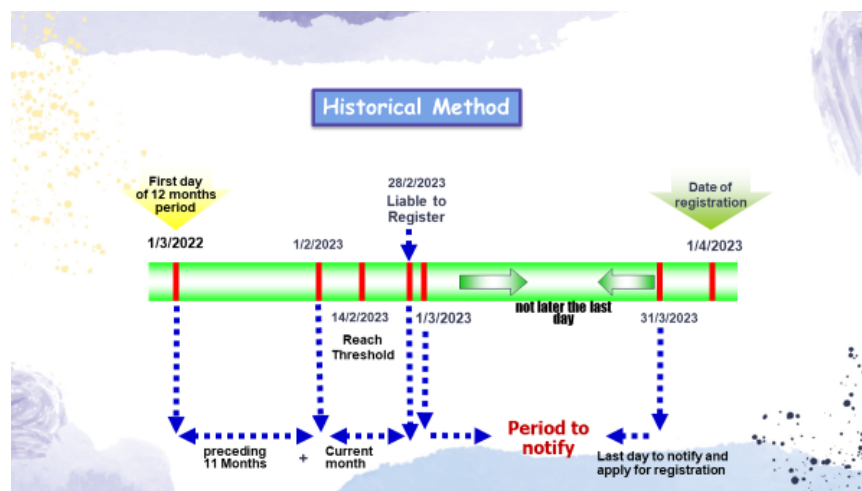
Example 2

Lazonia is an e-commerce platform which sells consumer goods, on behalf of both local and overseas sellers. The value of LVG made to consumer in Malaysia has exceeded RM500,000 on 15.02.2023. Lazonia is liable to notify to DG and register as RS before 31.03.2023.

- 4.1.2. A seller of LVG is liable to be registered at the following time, whichever the earlier:

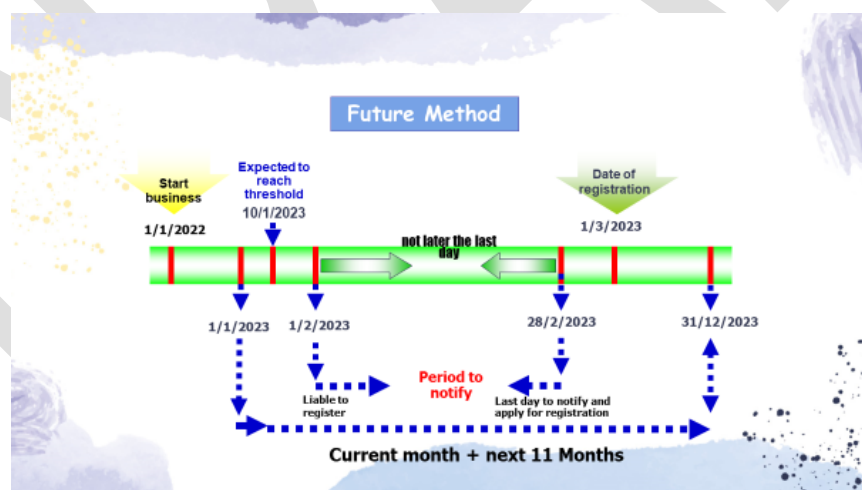
- 4.1.2.1. At the end of any month, where the total sales value of LVG in that month and the eleven months immediately preceding that month has exceeded RM500,000 (Historical Method);
or

Example 3(i)



4.1.2.2. At the end of any month, where the total sales value of LVG in that month and the eleven months immediately succeeding that month will exceed RM500,000 (Future Method).

Example 3(ii)



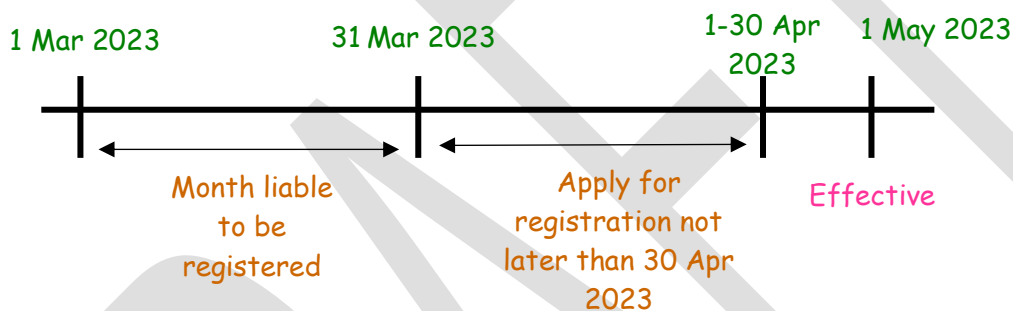
4.2. Application for registration

4.2.1. A seller may apply for registration with effect from 1 January 2023. Application shall be made by using LVG-01 form via MyLVG. Please refer to the registration manual.

- 4.2.2. Upon approval, the registration date will be on the first day of the following month, after the month which seller becomes liable to be registered.

Example 4

Lazonia is liable to be registered in March 2023. Lazonia has applied for registration on 15.04.2023. The registration effective date for Lazonia will be on 1.5.2023 and has to charge sales tax on LVG starting from 1.5.2023.



- 4.2.3. The RS will be notified and assigned with a registration number through e-mail stated on the application.

- 4.2.4. Where a seller fails to register when he is liable under this Act and fails to notify the Director General of his liability, the Director General shall register him on the date as the Director General may determine but not earlier than the date he is liable to be registered under section 12 of the Sales Tax Act 2018 (LVG).

5. NOTIFICATION OF THE CHANGES ON PARTICULARS

5.1. Registration information

- 5.1.1. Any RS shall immediately notify if there are any changes via MyLVG for the following particulars;

- (i) in the name of the business;
- (ii) in the address of any place of business;

- (iii) in the status of the business;
- (iv) of the authorized person or details of authorized person; or
- (v) there is an opening of any new business premises or closing of any business premises.

5.2. Taxable period

5.2.1. Subsection 25(4)(c) Sales Tax Act 2018 (LVG) allows RS to apply for a taxable period other than the taxable period that has been set under subsection 25(1) Sales Tax Act 2018 (LVG). RS can submit an application to change the taxable period through MyLVG.

5.2.2. Application for change of taxable period may be considered due to the following matters:

- (i) In line with the financial year end month RS; or
- (ii) Application from RS for varied taxable period

5.3. Effective date of registration

5.3.1. The following are situations that allow the amendment of the effective date on registration;

- (i) Application from RS;

a. Application before the effective date

RS can apply to amend the effective date of registration via MyLVG. RS must provide a reasonable reason regarding the amendment of the effective date. The effective date of registration can be earlier but cannot be earlier than the date the seller is liable to be registered in accordance with subsection 13(3) Sales Tax Act 2018 (LVG).

b. Application after the effective date

Not allowed.

6. CANCELLATION OF REGISTRATION

6.1. The liability of RS will end when;

- (i) Ceases to sell LVG; or
- (ii) The total sale value of LVG in that month and the eleven months immediately succeeding that month does not exceed RM500,000.

6.2. RS is required to submit application for cancellation via MyLVG within thirty (30) days from the date of such occurrence. However, if no notification is made, RS shall continue his obligation to charge sales tax on LVG, submit LVG-02 return and other related matters.

6.3. RS will be notified on the approval and effective date of cancellation through e-mail stated on the application.

7. ACCOUNTING FOR TAX

7.1. Accounting basis

7.1.1. The sales tax on LVG shall be due and payable at the time when the LVG are sold by RS.

7.2. Issuance of invoice or any document

7.2.1. Section 21 Sales Tax Act 2018 (LVG) requires RS to issue invoice or any document containing prescribed particulars to the consumer with regard to the transaction.

7.2.2. The invoice or any document shall state the following particulars in the national language (*Bahasa Melayu*) or English language:

- (i) serial number of invoice or document;
- (ii) date of invoice or document;
- (iii) name and address of the RS;
- (iv) RS registration number;

- (v) Sufficient description to identify the sale of LVG;
- (vi) the total amount payable excluding sales tax;
- (vii) rate of sales tax; and
- (viii) the total sales tax chargeable shown as separate amount.

7.2.3. RS may apply via MyLVG for any particulars **not to be stated** on an invoice or any document.

7.3. Issuance of credit notes and debit notes

7.3.1. Issuance of credit notes or debit notes shall not apply to LVG.

7.4. Duty to keep records

7.4.1. It is the responsibility of every RS to keep complete and true records written up to date of all transactions which affect or may affect his liability to sales tax on LVG.

7.4.2. Such records or books of accounts must be maintained in the national language (*Bahasa Melayu*) or English language for a period of seven (7) years from the latest date to which the record relates.

7.4.3. If the record is in an electronically readable form, the record should be kept so that it can be readily accessed and exchanged in written form.

7.4.4. A copy of the record shall be admissible as evidence in any proceedings.

7.5. Taxable period

7.5.1. RS will be assigned a taxable period for which he is required to account for tax in his return to be furnished to the Director General. The taxable period shall be a period of three (3) months ending on the last day of any month of any calendar year.

7.5.2. The Director General may reassign the taxable period for taxable person other than the period previously assigned to him, as he deems fit, and also upon application via MyLVG by RS to vary the taxable period or the date on which the taxable period begins or ends.

Example 5

Lazonia applied for registration as RS on 1 January 2023. The effective date to charge LVG will be on 1 April 2023. Lazonia needs to submit return for the 1st taxable period as following:

Filing Frequency	Taxable period
Financial Year End: December	
First Taxable period	Apr. – June
Subsequent Taxable period	July – Sept., Oct. – Dec.
Specific Basis Period	Subject to Director General's approval

7.6. Manner of furnishing LVG-02 return

7.6.1. RS shall account sales tax due and payable in LVG-02 form and submit the return via MyLVG. The return shall be furnished not later than the last day of the month following the end of taxable period.

7.6.2. All the transaction values shall be accounted in Ringgit Malaysia (MYR).

7.6.3. Where RS charge consumer in currency other than MYR, RS shall convert the total value of sales tax to MYR according to the following conversion method:

- (i) In the case that the conversion is done on daily basis, RS shall use the daily conversion rate.
- (ii) In the case that the conversion is done at the end of the taxable period, RS shall use the conversion rate either at:
 - a. the end of each taxable period; or
 - b. the time of furnishing the LVG-02 return

7.6.4. Once RS chooses to use the option for conversion from one of the options given above, RS shall use that consistently.

7.6.5. The LVG-02 return shall be furnished according to the taxable period whether or not there is any sales tax to be paid.

7.6.6. Upon approval, RS who ceases to be liable to be registered shall furnish a final return not later than thirty days or such later date.

7.7. Furnishing return amendment

7.7.1. If there is any error in LVG-02 declaration, RS may correct the errors by amending the LVG-02 declaration via MyLVG.

7.7.2. Amendment to the LVG-02 are subject to the following rules:

Situation	Amendment Rules
(1) Before submission of return (At this stage return status shown as 'Draft')	No limitation to amend (edit) the declaration (LVG-02)
Situation	Amendment Rules

<p>(2) After submission of return and no payment made (At this stage return status shown as 'Submitted')</p>	<p>If the amendment results in:</p> <p>(i) Addition to the amount of sales tax, the tax shall be paid accordingly.</p>
<p>(3) After submission of return and payment has been made (At this stage return status shown as 'Paid or Partial Paid')</p>	<p>(ii) Reduction to the amount of sales tax, a verification by RMCD officer is required and amendment is allowed up to three (3) times only.</p>

7.8. Payment of sales tax due and payable

7.8.1. RS is required to pay the amount of sales tax due and payable not later than the last day of the month following after the end of taxable period.

7.9. Penalty for late payment of sales tax

7.9.1. The penalty under subsection 26(8), Sales Tax Act 2018 (LVG) is imposed on part or all of the amount of **sales tax that remains unpaid** after the last day the tax is due and payable.

7.9.2. The penalty imposed is as follows;

Period of Late Payment	Rate of Penalty (%)
1 to 30 days from the first day after the payment deadline	10%
31 to 60 days from the first day after the payment deadline	Additional 15% (10% + 15% = 25%)
61 to 90 days from the first day after the payment deadline	Additional 15% (10% + 15% + 15% = 40%)
91 days and more than the first day after the payment deadline	40% (maximum) (10% + 15% + 15%)

7.9.3. The example of the penalty is as follows:

Example 6

Lazonia apply for registration on 1 March 2023. The effective date to charge LVG will be on 1 April 2023. Lazonia need to submit LVG-02 return for the 1st taxable period from April till June 2023 by 31 July 2023.

Based on the calculation made by Lazonia, the value of sales tax that need to be declared and accounted to RMCD is RM10,000. However, Lazonia have failed to pay sales tax and calculation of penalty on the sales tax due as shown below;

7.10. Time and manner of payment

Taxable period	Last day of return and payment (31 July 2023)	10% Penalty on first (1st) 30 days (1 August – 30 August 2023)	15% Penalty on the second (2nd) 30 days (31 August - 29 September 2023)	15% Penalty on the third (3rd) 30 days (30 September – 29 October 2023)	Maximum 40% Penalty on upcoming 30 days onwards (30 October – 29 November 2023)
April - June 2023	RM10,000 sales tax value	RM1,000	RM1,500	RM1,500	RM4,000
TOTAL AMOUNT (SALES TAX + PENALTY) DUE = RM18,000					

7.10.1. Tax payment can be made via MyLVG through the;

- (i) Financial Process Exchange (FPX) or Telegraphic Transfer (TT) method. Payment via TT method is only for registered sellers abroad.
- (ii) Financial Process Exchange (FPX) method requires RS to have a bank account registered in Malaysia.

7.10.2. Payment of sales tax, penalty or any other money by RS shall be deemed to be paid when the payment is received and is credited into the RMCD's account.

7.10.3. Any miscellaneous charges charged by the bank in regard to any payment under Sales Tax Act 2018 (LVG), shall be borne by the RS.

8. REFUND OF SALES TAX, PENALTY, FEE OR OTHER MONEY

8.1. A registered seller who sells LVG may make a claim of refund under section 39 Sales Tax Act 2018 (LVG), to the Director General, if there is an error in the amount of sales tax payable in such circumstance;

(i) has overpaid the amount due in the return; or

(ii) erroneously paid

8.2. An application for refund shall be made by filing LVG-03 form and to be submitted together with the relevant supporting documents. Each claim shall be made separately.

9. REMISSION OF PENALTY

9.1. The Director General may remit the whole or any part of the surcharge accrued, or penalty, fee or other money payable as he deems fit.

9.2. Application for remission should be made via MyLVG and submitted together with the relevant supporting documents.

10. TRANSITIONAL PROVISIONS

10.1. If any LVG are purchased before the effective date for charging and levying sales tax, such goods shall not be subjected to sales tax even though the delivery of such goods is made after the effective date.

Date of invoice issued by the RS (payment received)	Date of goods being removed to customer	Subject to Sales Tax?	Remarks
Before 1 April 2023	Before 1 April 2023	No	When invoice is issued and goods are removed to the customer before 1 April 2023, the transaction is not subject to sales tax.
	On or after 1 April 2023		

On or after 1 April 2023	On or after 1 April 2023	Yes	When invoice is issued and goods are removed to the customer on or after 1 April 2023, the transaction is subject to sales tax.
--------------------------	--------------------------	-----	---------------------------------------------------------------------------------------------------------------------------------

Note: Table – To be updated

11. OTHER RELATED INFORMATION

11.1. Hours for submission of return and payment

11.1.1. For the purposes of receiving LVG-02 returns and payments of sales tax, penalty or other money payable via the electronic service, the ordinary hours shall be Malaysia Standard Time (UTC/GMT + 8 hours) on any day of the week.

11.2. Recovery of sales tax as a civil debt

11.2.1. In addition to the recovery of sales tax, penalty or other moneys by a demand, any sales tax, penalty or other moneys due and payable may be recovered as a civil debt due to the Government.

PART II

Customs Clearance Procedures On The Importation Of Low Value Goods (LVG)

12. TERMINOLOGY

- 12.1. **“Consignment”** - A batch of goods destined for or delivered to one recipient (individual) or many recipients (consolidated).
- 12.2. **“Customs agent”** - Any person approved under Section 90 of the Customs Act 1967 to undertake any customs transactions on behalf of another person.
- 12.3. **“Customs Form No.1 (K1): Declaration of Goods Imported”** - A declaration statement used by the importers or customs agents acting on their behalf, for goods imported into Malaysia by air, road, or sea for the purpose of customs clearance.
- 12.4. **“Courier service”** - A person or an organization that offers a service of delivering parcels, packages, letters, and documents from one location to another.
- 12.5. **“De minimis”** - A treatment facility when goods imported by air using courier service (including postal service), with a total C.I.F. value not exceeding MYR500 per consignment (excluding cigarettes; tobacco; intoxicating liquor; smoking pipes including pipe bowls; electronic cigarette and similar personal electric vaporizing devices; and a preparation of a kind used for smoking through electronic cigarette and electric vaporizing device, in forms of liquid of gel, not containing nicotine), **are exempted from Import Duties and Sales Tax on Import** during importation through any airports listed under Item 94 of the Customs Duties Order (Exemption) 2017 and Item 24 of the Sales Tax (Person Exempted from Payment of Tax) 2018.
- 12.6. **“e-PAM”** - An online system to submit Pre-Alert Manifest electronically for all goods imported by air using courier service.

- 12.7. **“Pre-Alert Manifest (PAM)”** - A list of information of goods, including letters and documents submitted by the courier service prior to the arrival of the goods at any airports listed under Item 94 of the Customs Duties Order (Exemption) 2017 and Item 24 of the Sales Tax (Person Exempted from Payment of Tax) 2018.

13. GENERAL IMPORT PROCEDURES

- 13.1. In general, the current existing importation procedures remain unchanged. Certain goods may require permits / approvals from relevant agencies prior to the goods arrival. Goods may also be screened, inspect, or examine prior to their release.

14. LVG INFORMATION REQUIREMENTS DURING IMPORTATION

All relevant information is required to be provided during LVG importation, including the additional information as below:

14.1. Information on The Package

- 14.1.1. **The LVG Registration Number** information is required to be provided by the exporters / RS in the consignment note (CN) / Air Waybill under the exporter / consignor column / field and must be displayed on all packages (**refer to Appendix 1**)

14.2. Import Declaration

- 14.2.1. Customs agents / courier services are required to provide the **LVG Registration Number** information upon completing their import declaration.
- 14.2.2. Customs agents / courier services may also be required to provide any necessary supporting documents when requested by the proper officer of customs.

- 14.2.3. LVG that have been charged Sales Tax at the point of sale will not be charged Sales Tax on Import, provided that the LVG Registration Number is included in the import declaration. Therefore, it is essential for the customs agents / courier services to fully understand the importation procedures of LVG on all modes.

15. IMPORT DECLARATION VIA AIR MODE

- 15.1. LVG imported via air, using courier service are entitled to *de minimis*..
- 15.2. Goods that are entitled to *de minimis* may be released immediately, subject to the following conditions:
- 15.2.1. Goods with a total C.I.F. value not exceeding MYR500 per consignment;
 - 15.2.2. Goods that are not listed under the existing Customs (Prohibition of Imports) Order, regardless of its value;
 - 15.2.3. Goods that are not subject to any duties; and
 - 15.2.4. Goods that are not subject to Sales Tax on Import.
- 15.3. Courier services are responsible for declaring LVG imported by air using the e-PAM system, with minimal data requirements. Please refer to this link for more information on the e-PAM system:
http://www.customs.gov.my/en/ip/Pages/ip_epam.aspx

- 15.4. Goods that do not comply under **paragraph 15.2** will be treated as a normal importation procedure, by which a declaration using K1 shall be lodged by the importers / customs agents for customs clearance.

16. IMPORT DECLARATION VIA ROAD AND SEA MODE

- 16.1. Importers / customs agents are required to declare K1 for LVG imported via road or sea mode.
- 16.2. The *de minimis* does not apply to LVG imported by road or sea. Thus, these LVG will be subjected to Import Duties and Sales Tax on Import (if applicable) during importation.
- 16.3. However, Sales Tax on Import will not be charged during importation if the Sales Tax on LVG has been charged by the RS.
- 16.4. Importers / customs agents are required to provide the LVG Registration Number in K1 to prevent Sales Tax on Import being charged during importation.

17. IMPORTATION USING POSTAL SERVICE

- 17.1. LVG imported by using the postal service are either via air, road, or sea. Despite the implementation of Sales Tax on LVG, the current existing import procedures for the postal service remain unchanged.
- 17.2. Consignment Note (CN) 22 / CN23 is used by postal service for import declaration. To prevent Sales Tax on Import being charged during importation, the LVG Registration Number information must be provided by the exporters / RS in the CN22 / CN23 declaration (**refer to Appendix 1**)

18. LVG DECLARATION USING THE CUSTOMS FORM NO.1 (K1)

- 18.1. When lodging an import declaration for LVG in the system, importers / customs agents are required to select a specific **Transaction Type: “LV”** and **SST Exemption Type: “LG”** that has been set for importation of LVG.
- 18.2. Once the **Transaction Type** and **SST Exemption Type** for LVG have been selected, importers / customs agents are required to provide all relevant import data requirements into the system, including the **LVG Registration Number**.
- 18.3. Importers / customs agents are required to provide the LVG Registration Number in the **Remarks** field as well as the **SST / LVG** field in the system (**refer to Appendix 2**)
- 18.4. By selecting these **Transaction Type** and **SST Exemption Type**, the system will also allow importers / customs agents to key in all the duties and taxes involved.

19. INQUIRY

For any inquiries for this guide please contact:

i) **PART I: Imposition and Scope on Low Value Goods (LVG)**

Royal Malaysian Customs Department
Internal Tax Division
Level 5&6, Tower A, Saujana PJH
Jalan Tun Razak, Precinct 2
62100 Putrajaya, Malaysia

e-mail: mylvg@customs.gov.my

ii) **PART II: Customs Clearance Procedures on the Importation of Low Value Goods (LVG)**

Royal Malaysian Customs Department
Customs Division
Level 4, North Block, Ministry of Finance Complex
No. 3, Persiaran Perdana, Precinct 2
62596 Putrajaya, Malaysia

e-mail:

- zamhudi.muhamad@customs.gov.my
- mohdfaizal.idris@customs.gov.my

Appendix 1

EXAMPLE: LVG REGISTRATION NUMBER IN CONSIGNMENT NOTE / AIR WAYBILL

Postal administration		CUSTOMS DECLARATION			CN 23	
From	Name	Sender's Customs reference (if any)	No. of item (barcode, if any)	May be opened officially	Important! See instructions on the back	
	Business					
	Street					
	Postcode City					
	Country					
To	Name	Importer's reference (if any) (tax code/VAT No./importer code) (optional)	Reporter's telephone/e-mail (if known)			
	Business					
	Street					
	Postcode City					
	Country					
Detailed description of contents (1)		Quantity (2)	Net weight (in kg) (3)	Value (5)	For commercial items only	
					HS tariff number (7)	Country of origin of goods (8)
			Total gross weight (4)	Total value (6)	Postal charges/Fees (9)	
Category of item (10)		Explanation:		Office of origin/Date of posting		
<input type="checkbox"/> Gift		Commercial sample				
<input type="checkbox"/> Documents		Returned goods				
		Other				
Comments (11): (e.g.: goods subject to quarantine, sanitary/phytosanitary inspection or other restrictions)						

XYZ Pvt. Ltd.
LVG Reg.No: YYMM020001
 Address:

LVG Registration Number format

<YYMM010001>
 <YYMM020001>

YY = Year
 MM = Month
 01 = Local RS
 02 = Oversea RS



Appendix 2

IMPORT DECLARATION USING CUSTOMS FORM NO.1 (K1)

(Note: The content of this appendix is subject to change)

The image shows a screenshot of the Customs Form NO.1 (K1) with several fields highlighted by red boxes and arrows. The annotations are as follows:

- Transaction Type:** A dropdown menu with an arrow pointing to the value "LV". A red box above it says "New Transaction type 'LV'".
- SST Ex. Type:** A dropdown menu with an arrow pointing to the value "LG". A red box above it says "New SST Exemption type 'LG'".
- SST / LVG:** A dropdown menu with an arrow pointing to the value "LVG".
- LVG Registration Number format:** A box on the left contains the following text:

LVG Registration Number format
<YYMM010001>
<YYMM020001>
YY = Year
MM = Month
01 = Local RS
02 = Oversea RS
- Provide LVG Registration Number in this field:** A large red box contains two examples of the registration number format:

Example:
LVG Registration No: 2403020205

03020205 - 2024
- Station Code: Not Applicable:** A box with an arrow pointing to an empty field.
- Provide LVG Registration No. in the "Remarks" field:** A red box with an arrow pointing to the "Remarks" field.