

Date : 13 February 2026

INDUSTRY STATEMENT: SERVICE TAX ON RENTAL / LEASING SERVICES – EFFECTIVE 1 JANUARY 2026

Dear esteemed members,

The Royal Malaysian Customs Department (RMCD) has announced a reduction in the Service Tax rate for **rental or leasing services** from **8% to 6%**, effective **1 January 2026**.

The **2% reduction** is implemented through a **policy exemption mechanism** and shall remain in force until further legislative amendments are officially gazetted.

Reference Documents:

- **DASAR CUKAI PERKHIDMATAN BIL. 2/2025 (Pindaan No.3)**
- Released on 23 January 2026
https://drive.google.com/file/d/19Bw9KJrMjMRNv_qCWaaxLBHBY6wV7DqU/view?usp=sharing
- **TATACARA PENGELUARAN INVOIS DAN PENGIKRARAN PENYATA SST-02 BAGI PENGECUALIAN CUKAI PERKHIDMATAN SEBANYAK 2% ATAS KADAR CUKAI PERKHIDMATAN SEWAAN ATAU PAJAKAN** - Released on 27 January 2026
<https://drive.google.com/file/d/1J4krYEis33ILyV0jvEljX3Wb5fqnitqZ/view?usp=sharing>
- **DASAR CUKAI PERKHIDMATAN BIL. 2/2025 (Pindaan No. 4)**
- Released on 6 February 2026
<https://drive.google.com/file/d/1CmnYYVwa6ILyu8KcX6TR9CairsSFSkiY/view?usp=sharing>

A. ACTION REQUIRED: IF YOU HAVE CHARGED 8% SINCE 1 JANUARY 2026

If you have invoiced clients at **8% service tax** on rental/leasing services on or after **1 January 2026**, you should:

- Adjust the applicable tax rate to **6%**; and
- **Refund the excess 2%** collected to your clients.

The RMCD allows **refund claims** for overpaid tax, provided you submit the required documents and proof that the excess tax has been returned to your clients.

Required documents for refund applications:

- Official application letter

- Custom Malaysia Form No. 2
- Relevant SST-02 listing
- Supporting agreement/invoice documentation
- Proof of refund to customer (e.g., credit note, payment proof)

Please ensure compliance with the refund procedure outlined in [Lampiran B](#) of the policy document.

B. ACTION REQUIRED: IF YOU HAVE PAID 8% TO SUPPLIERS

If you have **paid 8% service tax to suppliers** on rental/leasing services dated on or after 1 January 2026:

- Request the supplier to adjust the tax rate to 6%;
- Obtain a tax adjustment document (e.g., credit note) from the supplier; and
- The supplier may then submit a refund claim to RMCD following the prescribed procedure.

C. ACTION REQUIRED: INVOICING & SST-02 DECLARATION

Service providers must ensure that invoices reflect the **6% effective rate**. You may choose to:

- Show 8% tax with a 2% exemption adjustment; or
- Charge directly at 6%.

For SST-02 submission, declare the tax value at **6%**, and record the exempted portion in the designated field as required by RMCD.

MOVING FORWARD

We strongly encourage all members to:

- Review all rental/leasing invoices issued from **1 January 2026** onward;
- Rectify any overcharged service tax;
- Maintain proper documentation to support refund applications; and
- Seek advice from your tax advisor or RMCD for further clarification.

This update is crucial to ensure compliance and to safeguard commercial relationships with clients and partners.

Yours sincerely,

For and on behalf of MACEOS Executive Committee 2024/2026



Datuk Dr. M Gandhi
President