

FAQS ON THE 6% SERVICE TAX (SST)

1. What is SST?

SST refers to the Sales Tax and Service Tax, which are consumption taxes imposed on certain goods and services in Malaysia. The tax is borne by the consumer, while businesses are responsible for collecting and remitting it to the government.

2. Why is service tax being applied to education services?

In the Malaysian Budget 2025, the government announced an expansion of taxable services. As part of this update, higher education services — previously exempt — are now subject to service tax effective 1 July 2025.

3. What is the service tax rate and what does it cover?

The current service tax rate is **6%**, applicable to selected fees charged to international students. This includes, **but is not limited to**, the following:

Fees subject to 6% SST (for international students):

- EMGS (Processing Fee)
- Application / Registration Fee
- Tuition Fees / Course Charges
- CMI Fee
- Dual Award Fee
- Resource / Library / Lab Fee
- Research Fee
- Extension Fee
- Re-Sit Fee
- Repeat Fee
- Graduation / Convocation / Certification Fee
- Late Add / Late Drop Fee
- Processing Fee

Fees exempted from SST (for international students):

- Personal Bond
- Mobility Fee
- Student Accommodation Fee
- Late Payment Penalty

Note: The above lists are based on current guidance from the Royal Malaysian Customs Department and include, but are not limited to, the items shown. They may be updated if future regulations change.

4. Who will be affected?

- The 6% service tax applies to higher education services provided to non-Malaysian citizens.
- Malaysian citizens remain exempt.

5. When does this take effect?

Universiti Malaya-Wales will begin applying the 6% service tax on eligible fees from 1 October 2025, in line with regulatory requirements.

6. What if I have already paid my semester fees?

- Fees invoiced and fully paid before 1 October 2025 will not be subject to service tax.
- Fees invoiced on or after 1 October 2025 will include the 6% service tax, regardless of the payment date.

7. Will this affect my visa or immigration status?

No. The introduction of service tax has no impact on your visa, student pass, or immigration status. However, timely payment of fees remains important to maintain your enrolment.

8. Does this apply to on-campus accommodation?

No. On-campus accommodation fees are exempt from service tax.


9. What if there is an error in billing?

If there is an overcharge or undercharge of service tax, adjustments will be made promptly.

10. Where can I get further information or assistance?

For enquiries, please contact:

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