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## CIRCULAR

Date:	9 January 2025	Ref No.:	ID/ALL/HYF-JW-TK-AZ/001-25 (Total no. of pages: 2)
To:	UTMC, IUTA, CUTA, PRS PROVIDER, IPRA AND CPRA		
Attn:	Authorised Representative/Chief Executive Officer		

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### REQUEST FOR INDUSTRY FEEDBACK ON PROPOSED SALES AND SERVICE TAX (SST) -IMPOSED FEES AND COMMISSIONS

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#### 1. Background

Reference is made to our circular ID/ALL/KL-JW-TK-AZ/028-24, issued on 3 December 2024, requesting industry members to provide their feedback on the impending SST implementation.

FIMM has collated 27 companies' responses (20 members and 7 distributors) which was submitted to Royal Malaysian Customs Department (RMCD) on 20 December 2024.

Consequently, the Ministry of Finance (MOF) has invited key financial sector stakeholders, including FIMM on 8 January 2025 for an engagement session that requires our industry member's participation regarding the implementation of SST within the financial sector. As requested by the MOF, we are required to propose specific areas of fees and commissions subject to SST, particularly in relation to unit trusts, private retirement schemes (PRS), and commissions payable to distributors and consultants.

#### 2. Objective

This circular seeks your feedback on the proposed scope of SST application to assist in finalizing an industry-wide position to be submitted to MOF by **15 January 2025**.

#### 3. Scope of Feedback

To streamline the feedback process, please provide your input on whether SST should apply to the different fees/charges on the provided table, and if so, suggest any exemptions or mitigations.

## 4. Immediate Actions Required

To ensure a comprehensive and unified response, we request the following actions:

### 4.1. Feedback Submission

- Review the table and the attached draft proposal.
- Submit your consolidated feedback via email to [ID@fimm.com.my](mailto:ID@fimm.com.my) by 10 January 2025, 5:00 PM.

### 4.2. Industry Engagement Session

- FIMM will host an industry engagement session to discuss and finalise the scope of SST charges:
  - Registration link: [Engagement Session Registration Link](#)
  - Date: 13 January 2025 (Monday)
  - Time: 10 AM – 12PM
  - Venue: Microsoft Teams ([Join the meeting now](#))  
Meeting ID: 476 598 688 143  
Passcode: e6bN2By6

### 4.3. Finalisation of Proposal

- FIMM to present industry feedback to the Industry Development Committee.
- FIMM to submit the finalized proposal to the MOF by 15 January 2025.

## 5. Your Cooperation Matters

Your timely and active participation is crucial to ensure that our proposal reflects the collective interests of the industry. Should you have any questions or require further clarification, please contact Industry Development Department (ID) at [ID@fimm.com.my](mailto:ID@fimm.com.my).

Thank you.

Yours faithfully



**Heow Yen Fen**  
General Manager  
Industry Services Division  
FEDERATION OF INVESTMENT MANAGERS MALAYSIA

**Scope of Feedback**

Fee/ Charge	Description	Borne By	Should SST apply? (Yes/ No)	If YES, where/ who should it apply to?	If NO, what exemptions are proposed and please state rationale.
<b>EXAMPLE: Sales/ Service Charge</b>	<b>One-time charge paid by investors upon purchasing fund units, typically as a percentage of their investment.</b>	<b>Investors</b>	<b>YES</b>	<b>Apply SST on non-individual investors only.</b>	
Service Charge	One-time charge paid by investors upon purchasing fund units, typically as a percentage of their investment.	Investors (directly charged)			
Annual Management Fee	Fees charged by licensed/registered fund managers under CMSA for managing funds	Investors (Fund)			
Trustee Fee	Fees paid to trustees for custodial oversight of fund assets.	Investors (indirectly charged at the Fund)			

Fee/ Charge	Description	Borne By	Should SST apply? (Yes/ No)	If YES, where/ who should it apply to?	If NO, what exemptions are proposed and please state rationale.
Repurchase charge	One-time charge incurred when investors sell or redeem their fund units.	Investors (directly charged)			
Switching/ Transfer fee	Fee incurred when investors switch units between funds or transfer units to another party.	Investors (directly charged)			
Transaction/ Brokerage Fees Incurred When	Fees incurred by fund managers for buying and selling securities in the portfolio.	Investors (indirectly charged at the Fund)			
Other Fund-Related Fees	Administrative costs such as audit, legal, and regulatory compliance.	Investors (indirectly charged at the Fund)			

Fee/ Charge	Description	Borne By	Should SST apply? (Yes/ No)	If YES, where/ who should it apply to?	If NO, what exemptions are proposed and please state rationale.
Commissions / benefits in (indirectly charged at the kind	Payments to distributors for marketing and sales of unit trusts/PRS. Sales commissions are paid from sales charges retained by the Manager on a sale of units.	Fund Manager			