

OCBC Bank (Malaysia) Berhad
OCBC Al-Amin Bank Berhad
Service Tax Expansion on Financial Services
Frequently Asked Questions (FAQs)

No	Topic	Questions	Answer						
1.	General Information	What is Service Tax (“ST”)?	Service Tax is a consumption tax levied on specific services in Malaysia under the Service Tax Act 2018.						
2.	General Information	Why is ST being expanded?	The expansion is part of the Malaysian Government’s initiative under Budget 2025 to broaden the tax base. Effective 1 July, more financial services will be subject to ST.						
3.	General Information	Who administers the ST?	The Royal Malaysian Customs Department (RMCD) is responsible for administering and enforcing the ST.						
4.	General Information	Is OCBC Malaysia a registered financial service provider for ST purposes?	Yes, the following entities are registered: <table><tr><td>Entity</td><td>ST registration number</td></tr><tr><td>OCBC Bank Malaysia Berhad</td><td>W10-1808-32001298</td></tr><tr><td>OCBC Al-Amin Bank Berhad</td><td>W10-1808-32001756</td></tr></table>	Entity	ST registration number	OCBC Bank Malaysia Berhad	W10-1808-32001298	OCBC Al-Amin Bank Berhad	W10-1808-32001756
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5.	Implementation	When will the ST expansion take effect?	The expansion will be implemented in two phases: <ul style="list-style-type: none">Phase 1 [1 July 2025] – Selected corporate and investment banking services as detailed in Appendix A of the <i>Service Tax Guide on Financial Services</i> dated 9 June 2025.Phase 2 [1 October 2025] – the remaining fees and charges not listed in Appendix A will be subject to service tax unless specifically exempted or out of scope. Please refer to <i>Service Tax Policy No. 1/2025 (Amendment No 2)</i> for more details.						
6.	Implementation	Who will be impacted?	Phase 1: Corporate banking customers Phase 2: Individual and corporate customers						
7.	Implementation	What is the ST rate?	For financial services: <ul style="list-style-type: none">the rate is 8% on applicable fee-and-commission-based services; andRM25 per year for credit card services.						
8.	Implementation	How is ST calculated?	Example: If a fee is RM100.00, ST at 8% Total charge = RM108.00 (RM100.00 + RM8.00) Note: ST will be rounded to the nearest 2 decimal points, where applicable.						
9.	Scope	What financial services are subject to ST?	Fees, commissions, or any other similar charges unless specifically exempted or out-of-scope.						

No	Topic	Questions	Answer
10.	Scope	Are there any exemptions / exclusions available for fees and charges charged by the Bank	<p>There are certain exemptions / exclusion which may be applicable. Some examples are listed below:</p> <ul style="list-style-type: none"> a) Interest / profit charged under conventional or Islamic bank b) Return in the form of spread c) Punitive charges, which are fees or penalties imposed (eg: late payment charges on loans, early withdrawal of fixed deposits, cancellation fees for terminating contract before expiry, overdraft excess fees) d) Fees and charges on basic banking services related to the operation of savings account, current accounts for similar accounts. The basic banking services includes: <ul style="list-style-type: none"> • Deposit, withdrawal, payment or fund transfer • Issuance of debit card • Basic transaction over the counter • Basic transaction using ATM; or • Printing of account statements e) Financial services in connection with goods, land or matters outside Malaysia f) Federal and state government g) Stamp duty
11.	Scope	Will there be additional ST on my credit card?	No, the ST remain at RM25 per year, per card. No additional ST on the credit card annual fees.
12.	Scope	Can the ST be waived?	As a registered person under the Service Tax Act 2018, the Bank must collect and remit ST to the RMCD. Waivers are not permitted.
13.	Scope	Is ST applicable to fees / charges which have been waived upfront?	Yes, under the ST Act, fees / charges waived shall still be liable for ST. Thus, the ST is still applicable to fees/ charges which have been waived upfront.
14.	Scope	How will I know that I have been charged with ST?	ST charged by OCBC will be reflected in the document such as bank statement / invoice / advice issued to the customers.
15.	Scope	Where can I obtain more information about ST in Malaysia?	For ST related information, legislation and guidelines, please refer to the official website of Royal Malaysian Customs Department ("RMCD") at https://mysst.customs.gov.my/

APPENDIX A
FINANCIAL SERVICE GUIDE DATED 9 JUNE 2025

List of Financial Services Subject to Service Tax Starting July 1, 2025.

Conventional and Islamic Banking Services

No.	Type of Services
1.	<div>Treasury Services<ul style="list-style-type: none">▪ Credit Facility<ul style="list-style-type: none">○ Facility fee for arranging and marking limit</div>
2.	<div>Corporate Banking Advisory Service<ul style="list-style-type: none">▪ Global Markets and Corporate Banking Advisory Services<ul style="list-style-type: none">○ Structuring and securities fee○ Processing fee○ Participation in deals fee○ Pass-through deal fee (with markup)○ Upfront fee○ Administrative charges○ Letter of undertaking / support / credit advice charges○ Annual review of facilities fee○ Restructuring / rescheduling fee○ Extension fee</div>