ROYAL MALAYSIAN CUSTOMS DEPARTMENT
24 JUNE 2026

SERVICE TAX POLICY NO 3/2026

SERVICE TAX TREATMENT ON MAINTENANCE CHARGES AND SINKING FUND FOR NON-RESIDENTIAL PREMISES/BUILDINGS CHARGED BY JOINT MANAGEMENT BODIES (JMB) OR MANAGEMENT CORPORATIONS (MC)

1. The Minister of Finance has stipulated that maintenance or repair services, including maintenance management services related to premises/buildings for non-residential use provided by any Joint Management Body (JMB) or Management Corporation (MC), are **not a taxable service**.

2. Pursuant to this policy, the maintenance charges and sinking fund contributions for both residential and non-residential buildings charged by any Joint Management Body (JMB) or Management Corporation (MC) to **property owners** are not subject to service tax.

3. However, the above tax treatment will only take effect after it is gazetted in the Service Tax Regulations 2018.

4. Therefore, prior to the amendment of the Service Tax Regulations 2018, **property owners are exempted from the payment of service tax** on maintenance charges and sinking fund contributions for non-residential premises/buildings charged by a Joint Management Body (JMB) or Management Corporation (MC), as granted by the Minister of Finance pursuant to the powers provided under Section 34(3)(a) of the Service Tax Act 2018.

5. Thus, as provided under Section 34(4) of the Service Tax Act 2018, a Joint Management Body (JMB) or Management Corporation (MC) is exempted from charging and collecting service tax on maintenance charges and sinking fund contributions for non-residential premises/buildings from property owners.

6. This exemption is effective from July 1, 2026, until the date the amendment to the Service Tax Regulations 2018 is gazetted.

7. No service tax exemption on maintenance charges and sinking fund contributions for non-residential premises/buildings charged by a Joint Management Body (JMB) or Management Corporation (MC) is granted for the period prior to 1 July 2026.

8. Any service tax on maintenance charges and sinking fund contributions for non-residential premises/buildings payable for the period up to 30 June 2026 must be remitted to the Royal Malaysian Customs Department (RMCD) under Section 26 of the Service Tax Act 2018. RMCD may take any action to collect the amount of

service tax unaccounted for to RMCD from the Joint Management Body (JMB) or Management Corporation (MC) of non-residential premises/buildings, in accordance with the current legislation in force.

9. If a Joint Management Body (JMB) or Management Corporation (MC) acquires any taxable services from a third party and pays for them using maintenance charges and sinking fund contributions, the JMB or MC is required to pay the service tax charged on these services according to the current legislation in force.

Disclaimer:
The service tax policy issued herein is subject to amendments should there be any changes to the relevant policy.

INTERNAL TAX DIVISION HEADQUARTERS
ROYAL MALAYSIAN CUSTOMS DEPARTMENT