

Licensed Manufacturing Warehouse (LMW) – Licensing, Facilitation and Control plus the Latest LMW & SST Rules

12 August 2022 * RM 636.00(Member) / RM 742.00(Non-member)
Venue: Remote Online Training * Scheme: SBL-Khas

The purpose of having LMW is to enable manufacturer to set up its factory within the warehouse. It is primarily intended for export oriented market whose entire production or not than 80% are meant for export. LMW factories can be established anywhere in the principal customs area. This makes it different from FREE INDUSTRIAL AREAS which have to be gazetted & near the port. LMW gets the same tax benefits as FIZ such as total tax exemption and sales tax @ 0% for its raw materials/ components/ machinery/ equipment which is used directly in the production.

TARGET AUDIENCE

LMW license holders include: Shipping / Finance/ Purchasing / Sales & Marketing/ Human Resources/ Warehouse – Managers, Executives & Officers

OBJECTIVES

- Understand the concept, guidelines, laws and regulations with regards to LMW;
- Understand the application procedures for license & customs duties exemption (Import duty and sales tax);
- Enable manufacturer to have a more realistic cost analysis on his manufactured product as element of customs tax exemption / new sales tax @ 0% is being well taken care of. Hence enable the manufacturer to market his products at a more competitive price.
- To implement the correct new sales tax procedures on work performed by subcontractors (PCA/LMW/FIZ/NRM) & Customs clearance;
- Latest LMW policies as at Jan 2022



FACILITATOR- MR. GOH KIN SIANG was holding the post of Deputy Director of Customs, Putrajaya before his recent retirement after having served the Royal Malaysian Customs (RMC) for 31 years. His academic credential includes a Bachelor of Economics (Hons) degree from University Malaya.

He has a wide range of working experiences with the Royal Malaysian Customs (RMC). It covers Import, Export, Sales tax, Excise, Petroleum, Service tax, LMW, Mida Tax exemption, Free Industrial Zone, warehousing, GST & last but not least, Preventive. He specializes on GST training with special focus on the manufacturing sector.

He has worked as a resource person for Johor Freight Forwarders Association (JOFFA) i.e. to train customs forwarders & had also worked as a lecturer in the Royal Customs Academy, Melaka. After his retirement, he starts to conduct customs trainings for the private sector. Participants ranging from license holders of LMW, Sales tax, Free zone & Warehouse operators; Holders of MIDA Tax Exemption; Importers, Exporters; Claimants of customs tax refunds & drawbacks, GST registrants and Tax consultants

ADMINISTRATIVE DETAILS

- **Date** : **12 August 2022 (Friday)**
- **Time** : **9:00am - 5:00pm**
- **Venue** : **Remote Online Training (ZOOM)**
- **Fees** : **RM 636.00 (FMM Member)**
RM 742.00 (Others)

The fee inclusive Service Tax at 6% (SST Number : W10-1901-32000105)
(Fees include Course Materials, Refreshment, Lunch & Certificate of Attendance)

- **Medium of Instruction** : **English**
- **Closing Date** : **29 July 2022**
- **SBL-Khas code no.** : **10001144151**
- **Training Provider** : **FMM Institute Johor**
MYCOID: 475427W_JOHOR

- **For further enquiries, please contact:**
FMM Institute
Ms. Sabrina / Pn. Astri / En Omar / Ms Jessica
Tel: 07-3577613 Fax: 07-3577618
- **Email:** sabrina@fmm.org.my / astri@fmm.org.my /
omar@fmm.org.my / jessica@fmm.org.my

PSMB Registered No: 0268
(FMM Headquarter Kuala Lumpur)

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Facilitation and Control plus the Latest LMW & SST
Rules**

Online Training

COURSE CONTENT

1. **Eligibility**
~ Factories which are qualified for LMW status. – Criteria used.
2. **Application for license**
~ Procedures to apply for LMW license.
~ Checklist, supporting documents and forms used for submission of application for license.
~ New format of LMW license & fee. Procedures for renewal of license.
3. **Import duties exemption; sales tax @ 0% on import and sales tax @ 0% on local purchase on raw materials, components, machinery & equipments.**
~ How to apply for duties exemption;
~ Formats used for application & relevant section of the laws pertaining to claim of duties exemption and new sales tax @ 0%
4. **Manufacturing aids**
~ To explain types of manufacturing aids which are qualified for duties exemption/new sales tax @ 0%
5. **Non-exemption of customs duty on selected goods listed by MOF**
~ To explain goods which are not qualified for customs duties exemption
6. **Responsibilities of a licensee**
~ Record keeping, payments of customs duties/sales tax for local sales, scraps.
~ Submission of monthly returns on usage of raw materials, sales of finished products, Yearly report on sale and purchase.
7. **Subcontract work**
~ Procedures & types of subcontract work allowed. Format used to apply for subcontract work. Sales tax on sub-contract work (in and out):
~ Exemption of import duty under: Customs duties (Exemption) Order 2017.
~ Exemption of Sales Tax under: Sales Tax (Person Exempted from Payment of Tax) Order 2018 on subcontract work performed by:
 - o PCA----PCA/LMW/FIZ
 - o LMW----PCA/LMW/FIZ
 - o LMW—NRM (Non registered manufacturer)
 - o Oversea----LMW/FIZ
8. **Movements of finished goods**
Movements of goods. Documents used for movements of goods & new sales tax impact on sale to:
 - ~ LMW to LMW
 - ~ Export
 - ~ Public warehouse
 - ~ domestic sales (SST manufacturer, non SST manufacturer, trader)
 - ~ LMW to FIZ
 - ~ duty free shop
 - ~ Drop-shipment sale & its import duty & sales tax on:
 - LMW----PCA/LMW/FIZ
 - FIZ----PCA/LMW/FIZ
 - PCA----PCA/LMW/FIZ
9. **Tax policy on local sales**
~ Consumer goods & Intermediate goods.
~ Payment of tax based on CEPT/ATIGA rate. How to apply for CEPT/ATIGA rate
~ Latest Government policy on local sale to include Product Specific Rule PSR)
~ Pay import duty @ ATIGA rate & sales tax @ 10% (unless exempted) for local sale
10. **Reimport, re-export (exemption & sales tax)**
~ Reimport of finished goods & re-export of raw materials (transfer, sale, return)
11. **Remission (import duty & sales tax)**
~ Fire, theft & Loss
12. **Disposal**
~ License holder responsibilities on disposal of wastes, rejected finished goods, defective raw materials, machinery & equipments.
 - ♦ Imposition of sales tax @ 0% on sale of scrap.
 - ♦ Time of import/date of purchase to determine payment of import duty & sales tax on sale of used machinery & equipment
13. **Export of finished goods through a third party**
~ Procedures to apply for export through a third party & format used. Sales tax implication.
14. **Offences (Customs Act 1967and Sales Tax Act 2018)**
~ Types of offences commonly committed by licensed holder.
15. **Penalties for non-compliance (Customs Act 1067 and Sales tax Act 2018)**
~ Types of penalties. Sections of the laws pertaining to penalties.
16. **Conclusion**
~ Pros & Cons of LMW as compared to manufacturers having tax exemption under sec.14.2, Customs Act 1967 &Sales Tax Act Act 2018.

REGISTRATION FORM

Dear Sir,
Please register the following participant(s) for the above programme

1 Name : _____
Designation : _____
I/C No. : _____
H/P No. : _____

2 Name : _____
Designation : _____
I/C No. : _____

Submitted by:

Name : _____
Designation : _____
Company : _____
Address : _____
GST No. : _____
Tel & Fax No. : (T) _____ (F) _____
Email : _____

Please tick (/) accordingly;

PSMB Scheme : SBL-Khas Non SBL-Khas

Enclosed cheque No. _____ for RM _____ being payment for _____ participant(s) made in favour of the "FMM Institute" should be forwarded to the Secretariat **before 12 August 2022.**

- * There will be no refund for cancellation within 3 days prior to the programme; 50% refund for cancellation between 3-6 days;
- * Full refund for cancellation 7 days prior to the programme; Cancellation must be in writing. Replacement can be accepted at no additional cost.
- * The FMM reserves the right to change the facilitator, date or reschedule the above programme and all efforts will be taken to inform participants of the changes.

For further enquiries please contact: Ms. Sabrina / Pn. Astri / En. Omar / Ms. Jessica Tel: 07-357 7613 / Fax: 07-357 7618
Email : sabrina@fmm.org.my / astri@fmm.org.my / omar@fmm.org.my / jessica@fmm.org.my