



02 AUG, 2024

Customs Dept, company obtain leave to appeal sales tax exemption ruling

Borneo Post (Kuching), Malaysia



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PUTRAJAYA: The Federal Court has granted leave to the Royal Malaysian Customs Department and a trading company to appeal against a Court of Appeal ruling on sales tax exemption eligibility.

The leave was granted on July 30 by a three-judge panel comprising Chief Judge of Sabah and Sarawak Tan Sri Abdul Rahman Sebli, and Federal Court judges Datuk Nordin Hassan and Datuk Abdul Karim Abdul Jalil.

The Customs Department is seeking to overturn a Court of Appeal decision allowing Hong Leong Yamaha Motor Sdn Bhd to quash a RM27 million Bill of Demand (BOD) it imposed on the company.

Meanwhile, Wintercorn Malaysia Sdn Bhd, a trading company engaged in the export and sale of edible oil products, is seeking to overturn a Court of Appeal decision reversing a High

Court ruling that had annulled its RM3,697,852.16 BOD imposed by the Customs Department.

Justice Abdul Rahman allowed the Customs Department and Wintercorn to address three and seven legal questions, respectively, in the appeal hearing.

Hong Leong Yamaha filed three judicial review applications at the Shah Alam High Court against the Customs director-general and the Customs Department between Oct 15, 2019, and Jan 10, 2020.

The applications were consolidated into a single case on Feb 24, 2020.

The company sought a certiorari order to quash the Customs director-general's imposition of sales tax on its imports of motorcycle components used in the manufacturing of motorcycles with engine capacities below

250cc.

As a franchise holder for locally assembled Yamaha Motorcycles, Hong Leong Yamaha imports these components for assembly at its factory.

On Sept 24, 2020, the High Court granted Hong Leong Yamaha's application for leave to proceed with the judicial review and subsequently dismissed the judicial review on Dec 6, 2022.

On Jan 30, this year, the Court of Appeal overturned the High Court's decision, quashing the RM27.96 million BOD, leading the Customs director-general to seek leave to appeal to the Federal Court.

In the Wintercorn case, the company filed a judicial review on April 4, 2020, challenging the Customs director-general's decision to impose the RM3,697,852.16 BOD.

The Customs director-general

had claimed that Wintercorn's sale and purchase of packaging materials used for repackaging manufactured edible oil for export did not qualify for the sales tax exemption.

Wintercorn is in the business of sourcing edible palm oil and packaging materials from Malaysian manufacturers.

On Aug 6, 2021, the High Court allowed Wintercorn's judicial review, but it was overturned by the Court of Appeal on March 12 this year.

During Tuesday's court proceedings, senior federal counsels Liew Horng Bin and Rahazlan Affandi Abdul Rahim appeared for the Customs director-general and the Customs Department, while lawyers S. Saravana Kumar and Yap Wen Hui represented Hong Leong Yamaha and Wintercorn. — Bernama



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SUMMARIES

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