

Exempt supply

18. (1) An exempt supply is a supply of any goods or services which shall not be subject to the imposition of tax under section 9.

(2) The Minister may, by order published in the *Gazette*, determine any supply of goods or services in Malaysia to be an exempt supply.

(3) Any order made under subsection (2) shall, at the next meeting of the Dewan Rakyat, be laid before the Dewan Rakyat and shall, at the expiration of one hundred and twenty days of being so laid or of such extended period as the Dewan Rakyat may by resolution direct, cease to have effect if and insofar as it is not confirmed by resolution passed by the Dewan Rakyat within the said one hundred and twenty days or, if such period has been extended, within such extended period.

(4) Where an order ceases to have effect in whole or in part as provided in subsection (3), any tax charged and levied in pursuance of the order, as the case may be, of such part thereof as ceases to have effect shall, subject to subsections (5) and (6), be refundable to the persons by whom the tax was paid.

(5) Unless the Minister otherwise directs, no tax refundable under subsection (4) shall be refunded, unless the person by whom the tax was paid makes a claim in writing to the Director General within one year from the date on which the order ceases to have effect in whole or in part and the claim shall contain such particulars as the Director General may require.

(6) The Director General may reduce or disallow any tax refundable under subsection (4) to the extent that the refund would unjustly enrich the person by whom the tax was paid.