

## Warehousing Scheme

70. (1) In relation to goods that have been imported and deposited in the warehouse and for which tax would be chargeable on the imported goods, there shall be a scheme to be known as the “Warehousing Scheme” which allows —

- (a) tax chargeable on the imported goods to be suspended when the imported goods are deposited in the warehouse;
- (b) supplies of goods made between the warehouse to be disregarded; and
- (c) supplies of goods made within the warehouse to be disregarded except for the last of such supplies of goods which are removed before the duty point.

*(Amd. S53 FA 2015 w.e.f. 1/1/2016)*

(2) The last supply referred to in subsection (1) shall be treated as taking place at the duty point and the value of the supply shall be treated as including the duty, if any.

(3) The tax on the last supply referred to in subsection (1) shall be due and payable at the duty point, together with the duty, if any, by the person who is required to pay the duty or, if no duty is due and payable, by the person by whom the goods are removed, except as may be otherwise provided by regulations made under this Act.

(4) No person shall remove from a Warehousing Scheme any goods subject to tax and duty except—

- (a) after payment of the tax together with the duty, if any;
- (b) if the goods are in customs warehouse or licensed warehouse, under such conditions as the Director General deems fit to impose, for deposit in another customs warehouse or licensed warehouse; or
- (c) in accordance with such conditions as the Director General deems fit to impose, for a re-export from Malaysia,

and in no case shall any goods be removed from a warehouse.

(5) Any goods which are not subject to any duty shall be construed as being under customs control if they are subject to a Warehousing Scheme and shall be construed as being removed from customs control if they are removed from a Warehousing Scheme.

(6) A reference in this section to goods being subject to a Warehousing Scheme shall be a reference to goods being kept in a warehouse or being transported between warehouses without the payment of any tax or duty and a reference to the removal of goods from a warehouse shall be construed accordingly.

(7) For the purposes of this section—

- (a)* “customs warehouse” has the meaning assigned to it in section 2 of the Customs Act 1967;
- (b)* “duty” means customs duty or excise duty or to both;
- (c)* “duty free shop” has the meaning assigned to it in section 2 of the Customs Act 1967;
- (d)* “duty point” in relation to any supply of goods, means the time when the goods are removed from the Warehousing Scheme;
- (e)* “inland clearance depot” has the meaning assigned to it in section 2 of the Customs Act 1967;
- (f)* “licensed warehouse” has the meaning assigned to it in section 2 of the Customs Act 1967; and
- (g)* “warehouse” means—
  - (i)* any customs warehouse;
  - (ii)* any licensed warehouse;
  - (iii)* any duty free shop;
  - (iv)* any inland clearance depot.

(8) Any person who contravenes subsection (4) commits an offence.