



**Date: 23 October, 2025
(Thursday)**

Time: 9.00 am—5.00 pm

Venue:



INTRODUCTION

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 less 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 & sales tax @ 0% for its raw materials/components/machinery/equipment which are used directly in the production.

Two additional topics have been added to this course:

The implementation of SMARTGPB (online application submissions)

Product-specific rules to address the failure to use the RVC 40% formula for ATIGA local sales.

OBJECTIVES

- Understand the concept, guidelines, legislations and regulations with regards to LMW;
- Understand the application procedures for licence & 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/ **SST (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**
- *Understand and enroll in the SMARTGPB online platform to facilitate the movement of goods from the licensed premises.*
- *Make use of Product Specific Rules (PSR) for ATIGA local sale.*



COURSE CONTENTS

1. Eligibility

Factories which are qualified for LMW status.

Criteria used.

2. Application for licence

Procedures to apply for LMW licence.

Checklist, supporting documents and forms used for submission of application for licence.

New format of LMW licence & fee. Procedures for renewal of licence.

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.



COURSE CONTENTS (Continue)

7.Steps to apply for SmartGPB facilities and submit applications/reports online.

10.30 am-10.45 am: Tea Break

10.45am-1.00pm

8. Subcontract work

Procedures & types of various 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:

PCA----PCA/LMW/FIZ

LMW----PCA/LMW/FIZ

LMW—NRM (Non registered manufacturer)

Oversea----LMW/FIZ

9. 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 implication on:

LMW's local and export ratio

LMW's imposition of Customs duties and sales tax

Type of drop shipment sale

LMW sells to trading co but drop ship to trading co's oversea customer

LMW sells to trading co but drop ship to trading co's customer in PCA

LMW sells to trading co but drop ship to trading co's LMW customer

LMW sells to trading co but drop ship to trading co's FZ (FIZ/FCZ) customer

LMW sells to trading co but deposit the goods into a bonded warehouse and thereafter drop ship to trading co's customer in FZ

PCA/Oversea

1.00am-2.00pm: Lunch Break

2.00pm-3.30 pm:

10. Tax policy on local sales

- Consumer goods & Intermediate goods.
- Payment of tax based on ATIGA rate. How to apply for ATIGA rate using RVC 40%
- Understand and apply Product Specific Rule (PSR) on ATIGA local sale:
 - Change in tariff heading
 - Change in tariff subheading
 - Change in tariff subheading
 - Process Rule
- Pay import duty @ ATIGA rate & **sales tax @ 10% (unless exempted) for local sale**

COURSE CONTENTS (Continue)

11. Reimport, re-export (exemption & sales tax)

11.1 Reimport of finished goods;

11.2 Customs policy on export of unused raw materials packaging materials by LMW manufacturers

Movement of goods which can be treated as export .

Class of raw materials and packaging materials under duties exemption which are eligible for export without payment of taxes.

Raw materials and packaging materials which **are not allowed export**.

How to apply ?

- ♦ Format used.
- ♦ Supporting documents.
- ♦ Period approved for export.

12. Remission (import duty & sales tax)

Fire, theft & Loss

3.30pm-3.45pm: Afternoon Tea Break

3.45pm-4.30pm

13. Disposal

Licence 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

14. Export of finished goods through a third party

Procedures to apply for export through a third party & format used. Sales tax implication.

15. 8 Value added activities allowed for LMW manufacturers

Revenue earner

16. Offences (Customs Act 1967 and Sales Tax Act 2018)

Types of offences commonly committed by licensed holder

17. Penalties for non-compliance (Customs Act 1967 and Sales tax Act 2018)

Types of penalties. Sections of the laws pertaining to penalties.

18. Conclusion

Pros & Cons of LMW as compared to manufacturers having tax exemption under sec.14.2, Customs Act 1967 & Sales Tax Act 2018.

For enquiries, kindly contact:
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CUSTOMS LEGISLATION AND PROCEDURES FOR LICENSED MANUFACTURING WAREHOUSE (LMW)

(Latest Policy Updates)

Date: 23 October, 2025 (Thursday)

Time: 9.00am - 5.00pm

Venue: Royale Chulan Seremban

Registration & Payment

PARTICULARS	PARTICIPATION FEE	
	Member	Non-Member
Inclusive of SST at 8%	RM 680.40 /pax	RM 793.80 /pax
HRDCorp Registered Employer	Claimable under HRDCorp SBL-Khas Scheme • No payment to FMM Institute • Fee will be deducted from the employer's HRDCorp contributions. Fund must be sufficient • Full payment is to be made to FMM Institute in the event that no disbursement from HRDCorp under any circumstances.	
HRDCorp NON-Registered Employer	Cheque or online transfer made payable to FMM Institute	

- Registration is on a **first-come-first-serve basis**. Upon faxing/mailling the completed Registration Form to FMM, you are deemed to have read and accepted the terms and conditions. The program would also be deemed as confirmed unless informed otherwise.
- All registration together with the payment should be made **before the event date**. Certificate will only be issued upon full payment.
 - Malayan Banking Berhad A/C No: 505176 510352
 - FMM INSTITUTE SST Registration No: W10-1901-32000105
- For SBL-KHAS, **grant approval must be provided to FMM at least 3 days** before the event. An attendance of 100% is a must, otherwise employers will be billed in full.

Who Should Attend

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

Trainer

Mr Goh Kin Siang (Deputy Director of Customs rtd) holds a Bachelor of Economics (Hons) from University Malaya. He was formerly with the Royal Customs Department for 31 years. He retired as a Deputy Director of Customs in 2007. Mr Goh has a wide experience in the field of import, export, sales tax, port, service tax, excise, petroleum, finance and industry. Currently, he is a freelance trainer and had conducted a series of training programmes for the private sectors. He is also one of the lecturers for the Customs Academy, Malacca.

Replacement / Cancellation

- Must be made in writing with reasons to FMM Institute
- Full payment fee will be charged by FMM Institute for cancellation within 2 days prior to the programme.
- 50% payment charged for cancellation between 3-6 days.
- No payment charged for cancellation within 7 days prior to the programme.
- Participants who did **not turn-up will be charged full payment**.
- Replacement can be accepted at no additional cost. FMM reserves the right to cancel or reschedule the program.

**Closing Date
22 October, 2025**

REGISTRATION FORM

FMM Institute Negeri Sembilan Branch Fax : 06-603 1628

<u>Name</u>	<u>Designation</u>	<u>Email</u>	<u>I.C Number / Passport Number</u>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____

Payment:

Full payment of RM _____ will be made via ☐ SBL-Khas ☐ Cheque ☐ Direct bank-in

Please Tick (/)

☐

FMM Member

Membership No : _____

☐

NON- Member

Submitted By:

Name : _____

Designation : _____

Company : _____

Address : _____

Tel : _____ Fax : _____

Email : _____

Company Stamp