



ROYAL MALAYSIAN CUSTOMS DEPARTMENT

THE APPLICATION OF SECTION 93 OF THE CUSTOMS ACT 1967 AND SECTION 19A OF THE EXCISE ACT 1976 IN RELATION TO DRAWBACK CLAIMS

PUBLIC RULING NO. 2/2020

EFFECTIVE DATE: 30 JULY 2020

PUBLIC RULING

In accordance with section 10F of the Customs Act 1967 [*Akta 235*], the Director General issues the Public Ruling No. 2/2020 which sets out the application of section 93 of the Customs Act 1967 and section 19A of the Excise Act 1976 which have been amended with regard to drawback claims on goods imported before, on or after 1 January 2020.

This Public Ruling may be amended in part or wholly or withdrawn at any time by publication of a new ruling or a withdrawal notice.

If there is any amendment in the legislation that affects the content of this Ruling, such amendment overrides the information in this Public Ruling.

Publication

Date of publication: 30 July 2020

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TABLE OF CONTENTS

WHAT IS THIS RULING ABOUT	1
INTERPRETATION	1
LEGISLATION	1
RULING AND EXPLANATION	1
REFERENCES	3
APPENDIX 1	4

WHAT IS THIS RULING ABOUT

1. This Public Ruling set out the application of amended section 93 of the Customs Act 1967 [*Act 235*] and section 19A of the Excise Act 1976 [*Act 176*] which have been amended with regard to drawback claims on goods imported before, on or after 1 January 2020.

INTERPRETATION

2. In this Public Ruling, unless the context otherwise requires—

“drawback claims” means claims of import duty or excise duty which has been paid on goods imported in accordance with section 93 of the Customs Act 1967 and section 19A of the Excise Act 1976.

LEGISLATION

3. Conditions for drawback claims under sections 93 of the Customs Act 1967 (CA) and section 19A of the Excise Act 1976 (EA) have been amended through the amendment Act *A1593* and *A1594* and comes into operation on 1 January 2020.
4. The conditions under section 93 of the CA and section 19A of the EA before and after amendments are shown in Appendix 1.

RULING AND EXPLANATION

5. This ruling sets out the application of section 93 of the CA and section 19A of the EA which have been amended through amendment Act *A1593* and *A1594* with regard to drawback claims on goods imported before, on or after **1 January 2020**.
6. Before 1 January 2020, the period for goods to be re-exported for drawback claims under section 93 of the CA and section 19A of the EA was within twelve (12) months upon which the import or excise duty was paid and the amount of

drawback claim in respect of any one (1) consignment of re-exported goods shall not less than fifty ringgit. However, effective on 1 January 2020, the period for goods to be re-exported under the amended section 93 of the CA and section 19A of the EA has been shortened to three (3) months upon which the import or excise duty was paid and the amount of drawback claim in respect of any one consignment of re-exported goods is not less than two hundred (200) ringgit.

7. The amended section 93 of the CA [Act A1593] and section 19A of the EA [Act A1594] **shall be applicable only to goods imported on or after 1 January 2020 and not applicable to goods that have been imported before 1 January 2020.**

Example (1):

Importation before 1 January 2020

- (1) A has imported X goods and paid the import and/or excise duty on such good on **31 December 2019**. A entitles to claim drawback on the import and/or excise duty which he has paid if he—
- (a) re-export the goods before **31 December 2020** (within **twelve (12) months** of the date upon which the customs duty or excise duty was paid);
 - (b) has given a written notice to a senior officer of customs at or before the time of re-export that a claim for drawback will be made;
 - (c) made the claim in the prescribed form JKDM No.2 and established to the satisfaction of a senior officer of customs within three (3) months of the date of re-export;
 - (d) the drawback claimed in respect of any one (1) consignment of re-exported goods is not less than **fifty (50) ringgit**; and

(e) has fulfilled all other conditions specified under the paragraphs 93(1)(a), (d), (e) and (f) and subsection 93(2) of the CA or paragraphs 19A(1)(a), (d), (e) and (f) and subsection 19A(2) of the EA.

Example (2):

Importation on 1 January 2020

(2) A has imported X goods and paid the import or excise duty on such good on **1 January 2020**. A entitles to claim drawback on the import or excise duty which he has paid if he-

(a) re-export the goods before **31 March 2020** (within **three (3) months** of the date upon which the customs duty was paid);

(b) has given a written notice to a senior officer of customs at or before the time of re-export that a claim for drawback will be made;

(c) made the claim in the prescribed form JKDM No.2 and established to the satisfaction of a senior officer of customs within three months of the date of r-export;

(d) made the claim in respect of any one (1) consignment of the re-exported goods not less than **two hundred (200) ringgit**; and

(e) has fulfilled all other conditions specified under paragraphs 93(1)(a), (d), (e) and (f) and subsection 93(2) of the CA or paragraphs 19A(1)(a), (d), (e) and (f) and subsection 19A(2) of the EA.

REFERENCES

8. Legislative references:

(a) Customs Act 1967 [Act 235];and

(b) Excise Act 1976 [Act 176].

APPENDIX 1

BEFORE 1 JANUARY 2020	ON/AFTER 1 JANUARY 2020
<p>Section 93 Customs Act 1967 Conditions under which drawback may be paid.</p> <p>93. (1) When any goods, other than goods affected by section 95 and section 96, upon which customs duty has been paid are re-exported, nine-tenths of the duties calculated in accordance with subsection (2) may be repaid as drawback, if—</p> <p>(a) the goods are identified to the satisfaction of a senior officer of customs at the customs port or customs airport at which such goods are shipped or loaded for re-export, or at the place of re-export;</p> <p>(b) the drawback claimed in respect of any one consignment of re-exported goods is not less than fifty ringgit;</p> <p>(c) the goods are re-exported within twelve months of the date upon which the customs duty was paid;</p>	<p>Sections 93 Customs Act 1967 Conditions under which drawback may be paid</p> <p>93. (1) When any goods, other than goods affected by section 96, upon which customs duty has been paid are re-exported, nine-tenths of the duties calculated in accordance with subsection (2) may be repaid as drawback, if—</p> <p>(a) the goods are identified to the satisfaction of a senior officer of customs at the customs port or customs airport at which such goods are shipped or loaded for re-export, or at the place of re-export;</p> <p>(b) the drawback claimed in respect of any one consignment of re-exported goods is not less than two hundred ringgit;</p> <p>(c) the goods are re-exported within three months of the date upon which the customs duty was paid;</p>

BEFORE 1 JANUARY 2020	ON/AFTER 1 JANUARY 2020
<p>(d) <i>payment of drawback upon goods of a class to which the goods to be re-exported belong has not been prohibited by regulations made under this Act;</i></p>	<p>(d) <i>payment of drawback upon goods of a class to which the goods to be reexported belong has not been prohibited by regulations made under this Act;</i></p>
<p>(e) <i>written notice has been given to a senior officer of customs at or before the time of re-export that a claim for drawback will be made, and such claim is made in the prescribed form and established to the satisfaction of a senior officer of customs within three months of the date of re-export; and</i></p>	<p>(f) <i>written notice has been given to a senior officer of customs at or before the time of re-export that a claim for drawback will be made, and such claim is made in the prescribed form and established to the satisfaction of a senior officer of customs within three months of the date of re-export; and</i></p>
<p>(f) <i>the goods have not been used after importation.</i></p>	<p>(g) <i>the goods have not been used after importation.</i></p>
<p>(2) <i>The amount of drawback allowed shall be calculated at the rate of the customs duty levied at the time of import, or at the rate of customs duty leviable on goods of a like description at the time of re-export of the goods, whichever is the lower.</i></p>	<p>(2) <i>The amount of drawback allowed shall be calculated at the rate of the customs duty levied at the time of import.</i></p>

BEFORE 1 JANUARY 2020	ON/AFTER 1 JANUARY 2020
<p>Section 19A Excise Act 1976 Drawback on imported goods.</p> <p>19A. (1) When any imported goods, upon which excise duty has been paid, are re-exported, nine-tenths of the duties calculated in accordance with subsection (2) may be repaid as drawback if—</p> <p>(a) the goods are identified to the satisfaction of a senior officer of excise at the customs port or customs airport at which such goods are shipped or loaded for re-export, or at the place of re-export;</p> <p>(b) the drawback claimed in respect of any one consignment of re-exported goods is not less than fifty ringgit;</p> <p>(c) the goods are re-exported within twelve months of the date upon which the excise duty was paid;</p> <p>(d) payment of drawback upon goods of a class to which the goods to be re-exported belong has not been prohibited by regulations made under this Act;</p>	<p>Section 19A Excise Act 1967 Drawback on imported goods</p> <p>19A. (1) When any imported goods, other than goods affected under section 19E upon which excise duty has been paid, are re-exported, nine-tenths of the duties calculated in accordance with subsection (2) may be repaid as drawback if—</p> <p>(a) the goods are identified to the satisfaction of a senior officer of customs at the customs port or customs airport at which such goods are shipped or loaded for re-export, or at the place of re-export;</p> <p>(b) the drawback claimed in respect of any one consignment of re-exported goods is not less than two hundred ringgit;</p> <p>(c) the goods are re-exported within three months of the date upon which the excise duty was paid;</p> <p>(d) payment of drawback upon goods of a class to which the goods to be re-exported belong has not been prohibited by regulations made under this Act;</p>

BEFORE 1 JANUARY 2020	ON/AFTER 1 JANUARY 2020
<p><i>(e) written notice has been given to a senior officer of excise at or before the time of re-export that a claim for drawback will be made, and such claim is made in the prescribed form and established to the satisfaction of a senior officer of excise within three months of the date of re-export; and</i></p> <p><i>(f) the goods have not been used after importation.</i></p> <p><i>(2) The amount of drawback allowed shall be calculated at the rate of the excise duty levied at the time of import, or at the rate of excise duty leviable on goods of a like description at the time of re-export of the goods, whichever is the lower.</i></p>	<p><i>(e) written notice has been given to a senior officer of excise at or before the time of re-export that a claim for drawback will be made, and such claim is made in the prescribed form and established to the satisfaction of a senior officer of excise within three months of the date of reexport; and</i></p> <p><i>(f) the goods have not been used after importation.</i></p> <p><i>(2) The amount of drawback allowed shall be calculated at the rate of the excise duty levied at the time of import.</i></p>