

## **SUMMARY OF APPEAL DECISION**

### **APPEAL NO. TRK (P) 1-2008**

#### **FACTS**

1. The Appellant is a private limited company incorporated on 7 December 1999. The Appellant provided Information Technology Infrastructure Services (IT Outsourcing Services) to Affin Bank Berhad and Information Technology and Communication Environment (IT Outsourcing Services) to Malaysia Airlines System Berhad. The Appellant applied for a Customs Ruling under section 6B Service Tax Act 1975 for each of the services. The Director General of Customs decided in Customs Ruling No. 0314/2008 dated 8 May 2008 (in relation to services provided to Affin Bank Berhad) and Customs Ruling No. 0315/2008 dated 8 May 2008 (in relation to services provided to Malaysia Airlines System Berhad) that both services provided are taxable services under item 12(o) and 13(r) Group G, Second Schedule, Service Tax Regulations 1975 which are consultancy and management services.
2. The Appellant was aggrieved with the decision of the Director General of Customs and filed a Notice of Appeal at the Customs Appeal Tribunal on 6 June 2008.

#### **ISSUE**

The ground of appeal is that service tax should not be imposed on the service provided by the Appellant to Affin Bank Berhad whereas for the service provided to Malaysia Airlines System Berhad, service tax should be imposed on part of that service only.

(After the appeal was filed the parties negotiated for settlement as provided under section 141P Customs Act 1967. As a result of the negotiation for settlement the Appellant withdrew the appeal)

## **DECISION**

The appeal is dismissed.

23 July 2008