

FAQ : Sales & Service Tax 2025

Education Service Tax for Non-Malaysian Citizens (USM International Student)



- SST, or Sales and Service Tax, is a tax levied by the Malaysian government on specific goods and services.
- As announced in the Government Gazette on 9th June 2025, a 6% service tax will be imposed on higher education services effective 1st July 2025.
- **Universiti Sains Malaysia (USM) will impose a 6% service tax on all tuition and related non-tuition fees effective 1st September 2025 (Academic Session 2025/2026).**

Who is impacted?

Student

- International student (Undergraduate & Postgraduate)
- Enroll at Universiti Sains Malaysia

Service Subjected to 6% Service Tax

International Student (Undergraduate & Postgraduate)

- Tuition fees
- Registrations fees
- Welfare & facilities fees
- Any other charges related to education services

Most Frequently Asked Questions

Q1 : Will service tax affect new and continuing students?

Answer : Yes. All new and existing non-Malaysian students will be required to pay service tax on eligible fees charged from the effective date onward.

Q2 : I currently have a tuition fee waiver (partial or full) from USM. Will I be charged service tax on the full tuition fee after the waiver is applied?

Answer : Service tax will be charged on the net tuition fee amount.

Q3 : What if I add or drop subject (unit)?

Answer : If you add a unit, the tuition fee including the 6% service tax for that unit will be added to your total fees.

If you drop a unit, the tuition fee and the 6% service tax for that unit will be deducted from your total fees.

Q4 : How do I know how much to pay for my study fees?

Answer : Billing for Semester 1, 2025/2026 will begin to be issued from August onward while the University upgrades its system for SST compliance. The initial bill will not include the service tax. Once the University's SST compliant system is activated, a separate tax bill will be issued.

Sponsorship program

Q5 : I am a sponsored student, and my tuition fees are paid in full by my sponsor. Do I need to pay service tax?

Answer : Your tuition fees and the service tax will be billed to your sponsor, who is responsible for the payment. However, if your sponsor does not agree to cover the service tax, you will be required to bear the cost yourself.

Tax refund

Q6 : Can I get a refund of service tax if I withdraw?

Answer : Service tax is a government imposed tax that USM collects from students on behalf of the Malaysian government. If you are eligible for a refund, it will be processed in accordance with the University's standard refund policy, and the service tax will be managed in line with the applicable tax regulations.

