

CIRCULAR NO. 134/2023

DATE: 13 DECEMBER 2023

MANUFACTURING AIDS USED IN THE PLASTICS INDUSTRY - UPDATE

The Sales Tax Order 2018 (dated 23 August) allows manufacturing aids such as lubricants, jigs, moulds, mounting materials, cleanroom equipment, chemical cleaner, sandpaper, etc., to be exempted from sales tax. However, the Royal Malaysian Customs Department (RMCD) issued a revised Sales Tax Guide on 8 March 2021 to remove the sales tax exemption for manufacturing aids. This has resulted in cost burden to the industry.

The Federation of Malaysian Manufacturers (FMM) had taken up the issue with the relevant authorities. An engagement session with the RMCD was held on 20 February 2023, whereby FMM had proposed to reinstate sales tax exemption for manufacturing aids. MPMA was invited for an engagement session with RMCD and had presented a list of the manufacturing aids used in the production line of the plastics industry and their functions. The **LIST** is attached for members' reference.

On 5 December 2023, MPMA was invited for an engagement session with the Ministry of Finance (MOF) regarding the proposed exemption of import duty and sales tax on manufacturing aids as announced in the 2024 Budget Speech. MOF informed that industries could still update their list of manufacturing aids for MOF's final consideration.

Kindly review the **LIST** and include additional items which you may want MOF to consider for exemption of import duty and sales tax by **22 December 2023**. For additional information/inquiries, please contact Mr SC Chan at E: scchan@mpma.org.my.

Thank you.

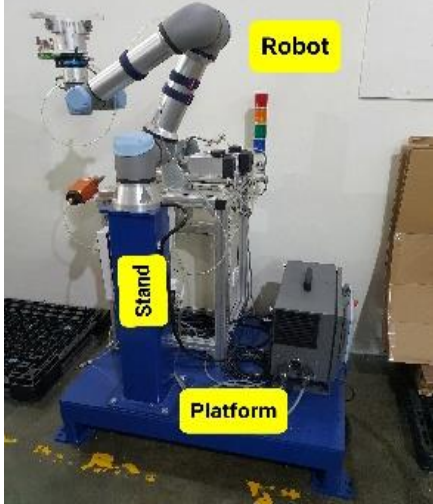

MALAYSIAN PLASTICS MANUFACTURERS ASSOCIATION

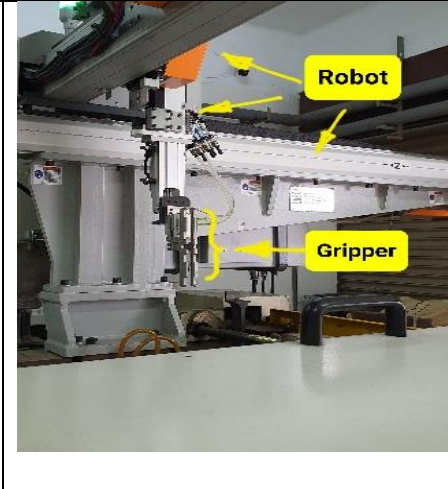
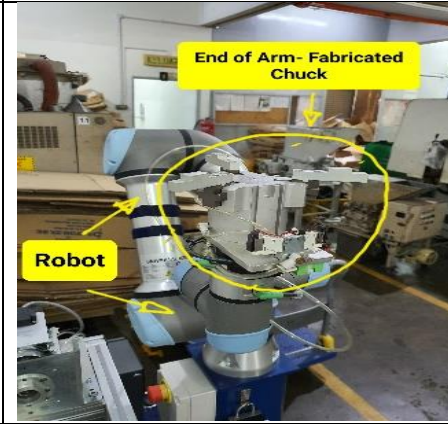
SUJATA ALBERT


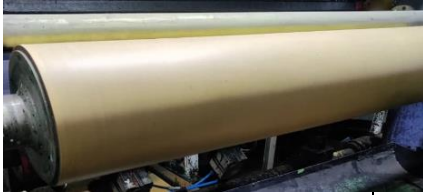

Executive Director





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LIST OF MANUFACTURING AIDS USED IN THE PLASTICS INDUSTRY

NO.	TYPE OF MFG AIDS AND HS CODE	FUNCTION	WHERE IT WILL BE USED IN THE PRODUCTION LINE	PHOTO
1	<p>Robot Platform & Stands (HS Code: 8487.90.0000 “Machinery Parts, Non-Electric, and others”)</p>	<p>To mount robots for picking parts, assembly operations etc.</p>	<p>Alongside injection machines and at assembly stations.</p>	
2	<p>End of Arm Attachments for Robots (HS Code: 8487.90.0000 “Machinery Parts, Non-Electric, and others”)</p>	<p>To enable robots to grip parts & do specific function etc.</p>	<p>This is the “Hand & Finger Part” of the robot to do specific tasks.</p>	

<p>3</p>	<p>Grippers for Extracting Parts from Machines (HS Code: 8487.90.0000 “Machinery Parts, Non-Electric, and others”)</p>	<p>To extract parts from the injection moulding machines.</p>	<p>Alongside injection moulding machines.</p>	
<p>4</p>	<p>Special Fabricated Devices at End of Arm of Robot for Specific Jobs (HS Code: 8487.90.0000 “Machinery Parts, Non-Electric, and others”)</p>	<p>To enable robots to do very specific functions.</p>	<p>Alongside injection machines and at assembly stations</p>	

5	<p>Assembly Aids for Robotic Operations like Vibration Bowls, Guide Chutes, Jigs and Fixtures, Clamps, Nests etc.</p> <p>(HS Code: 8487.90.0000 “Machinery Parts, Non-Electric, and others”)</p>	<p>To enable robots to do very specific assembly functions, quality checking functions etc.</p>	<p>Alongside injection machines and at assembly stations.</p>	
6	<p>Rubber Roller (HS Code: 8483.10.1000) Spare part</p>	<p>To press the film to be touch with the printing block.</p>	<p>At Printing Process</p>	
7	<p>Cutter (HS Code: 8208.90.0000) Spare part</p>	<p>To cut the film bag into pieces.</p>	<p>At Cutting Process</p>	

8	Silicone Mould Release (HS Code: 3403.99.1900)	To Prevent plastic stick at the machine die, to reducer clean die frequencies	All cast line machine clean die process area. Spray direct on the die.	
9	Printing Flexo Plate (HS Code: 3701.30.2500)	To print wording or images on Plastic cast stretch film.	Use at printing machine, stick on printing roller.	
10	Cleaning paste	To clean die	Die zone	
11	Pneumatic Tubing	To transfer air	All area machine	

12	Stearic Acid	To helping clean T-Die process		
13	Polishing Agent	To helping clean T-Die process		
14	Perforated cutter (HS code: 8208.90.0000)	To create a long series of holes that plastic can be torn more easily.	At Cutting Process	
15				

16				
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Respondent's Information

Name:

Designation:

Company:

Main production process:

Contact no: