



**MEDIA STATEMENT BY
THE CHIEF MINISTER OF SARAWAK
IN CONJUNCTION WITH HANDING OVER OF
CHEQUE FOR SST BY PETRONAS
TO SARAWAK GOVERNMENT**

Petronas and its subsidiaries have today fully settled the payments of State Sales Tax on petroleum products for 2019, as assessed by the Comptroller of State Sales Tax in accordance with the provisions of the Sarawak State Sales Tax Ordinance, 1998.

The amount paid by Petronas and its subsidiaries is **RM 2,956,671,407.36.**

State Sales Tax for this year 2020 would be paid when assessment has been made based on the volume of the petroleum products, namely, crude oil, condensates, urea and liquefied petroleum gas actually sold and the sale value of these products.

The payment of SST by Petronas and its subsidiaries is the result of a settlement reached between Petronas, the Federal Government and the State Government whereby Petronas upon reaching an agreement to withdraw its judicial review appeal to the Court of Appeal, thereby and thus, recognising the State's

Constitutional power to impose the tax, the discontinuance of civil case by the State against Petronas was then withdrawn.

Following this settlement of the legal proceedings, Petronas and its subsidiaries have registered as 'taxable persons' and submitted their returns to the Comptroller of State Sales Tax.

Consequently, the Comptroller has made an assessment of the tax due and Petronas and its subsidiaries were issued with the relevant notices under the Ordinance on 10th of September, 2020. Payments in accordance with these notices were made today in this simple ceremony here at Wisma Bapa Malaysia.

The State also like to take this opportunity to thank Shell, Murphy Oil, Pertamina and Sapura OMV who have earlier complied and settled the taxes due to the State.

The State Government would now focus on discussions with the Federal Government to reach a commercial settlement on other matters relating to oil and gas found and produced in Sarawak.

End.

Date: 17th September 2020