



NEWS RELEASE

TAX IMPLEMENTATION GUIDELINES FOR NICOTINE VAPE LIQUIDS STILL VAGUE TWO DAYS BEFORE IMPLEMENTATION

KUALA LUMPUR, 29 December 2021 – The local vape industry has urged the government to urgently share the guidelines for the taxation of nicotine vape liquids which will be implemented starting 1 January 2022. This includes guidelines for the maximum amount of nicotine allowed in vape liquids.

In the 2022 Budget presentation last October, the taxation level for vape liquids was increased by 200% to RM1.20 per milliliter, including nicotine vape liquids.

The industry has also requested for the Government to review the excise tax rate as it is too high.

Meanwhile, the Ministry of Health has yet to share details on the maximum level of nicotine allowed in vape liquids, once the taxation framework is implemented in January 2022.

According to **Rizani Zakaria, President of Malaysian Vape Industry Advocacy (MVIA)**, the industry still has not received any information on the views that have been shared on the high tax rate, and the maximum level of nicotine allowed for vape liquids. The industry has requested for the government to expedite the delivery of information on these matters.

“Manufacturers and producers are still unsure about the tax rate that will be implemented, and the maximum levels of nicotine allowed in vape liquids set for sale. There are only a few days left to 2022 and the industry still does not have the information needed.”

Rizani said that the Government should not delay this matter as it will affect the operations of producers and manufacturers in the vape industry, if information is not obtained before the implementation takes place.

He added that the tax rate will cause the price of vape liquids to increase. Due to this, manufacturers and producers need to make initial preparations before entering the new year to avoid any disruption to their operations.

Furthermore, manufacturers and producers must also ensure that vape liquids with nicotine levels that exceed government guidelines to be removed from their stock. All this requires preparation, and the industry has so far not received any updates from the Government.

On the maximum rate of nicotine, the industry has suggested for the Government to look at countries such as in the United States and the Philippines where the maximum rate set is 65mg per milliliter. There are also examples in New Zealand where the maximum rate is 50mg per milliliter while most European countries are at the rate of 20mg per milliliter.

“The industry fully supports all the government's efforts and actions in working towards regulating the industry. We are ready to comply with any guidelines provided. However, we hope that the Government can provide feedback immediately on this matter,” said Rizani.



About Malaysian Vape Industry Advocacy (MVIA)

MVIA is a non-profit advocacy group that supports Malaysian vape entrepreneurs and businesses. It aims to represent the Malaysian vape industry and provide a voice for the industry with government bodies, regulators, enforcement agencies and other interested parties.