



NEWS RELEASE

INDUSTRY PLAYERS URGE GOVERNMENT TO REVIEW VAPE TAX RATE

Establish differentiated regulations from tobacco

KUALA LUMPUR, 9 December 2021 – Local vape industry players are urging the Government to review the new tax rate for vape e-liquids which will take effect starting January next year. They have also suggested that the government introduce a differentiated regulatory framework from tobacco for the vape industry.

According to **Rizani Zakaria, President of the Malaysian Vape Industry Advocacy (MVIA)**, the vape industry, including local manufacturers, strongly support the government's move to introduce a regulatory and taxation framework (for nicotine e-liquids) for the industry. It is a move that the vape industry has advocated for years.

"The industry has long been advocated for vape regulations and an inclusive taxation framework that includes nicotine e-liquids. However, the RM1.20 excise rate set for every millimeter (ml) of nicotine e-liquid is too high. This excise rate will burden manufacturers and have a negative impact on the industry."

"In most countries, tax rates on vape e-liquids are low. For example, in European countries, the tax rate imposed is only between 0.10-0.20 Euros per ml. In fact, countries like the United Kingdom (UK) and New Zealand do not tax vape products as it is recognised as a tool that can help smokers quit. Therefore, we urge the government to review the excise rate, so local players are not negatively impacted."

With the new tax rate, every 30ml bottle of vape e-liquid will be taxed at RM36. This rate is equivalent to the current retail price per 30 ml bottle of vape e-liquid.

"Of course, consumers will be burdened with the new price and will look for cheaper alternatives. This may open up a black market," he added.

In addition to vape taxes, Rizani said that a regulatory framework is also a key component to ensure the industry remains competitive.

"The regulatory framework cannot be the same as tobacco and must take into account the impact on the local industry which consists of 3,300 Small and Medium Enterprises (SMEs) and 15,000 employees."

"Vape is not a cigarette or a tobacco product and it has been proven to help smokers quit as it is a less harmful alternative. If regulations are not differentiated between vape products and tobacco, it will hamper smoking cessation efforts and will only benefit tobacco companies."

Rizani also shared examples from countries such as the UK and New Zealand, where regulations are differentiated for tobacco and vape products. Regulations are stricter for tobacco, while vape products are allowed a leeway so it can be promoted as a less harmful alternative that can aid smokers in their quit journey.



“In this regard, an online petition has been launched on our [website](http://www.mvia.com.my) (www.mvia.com.my) to collect as many signatures as possible to support our efforts.”

“This petition is aimed at urging the government to review the tax rates set and develop a differentiated regulatory framework for the vape industry. We hope to get support from all parties through the MVIA website to sign this petition,” he concluded.

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.

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