

Introduction to GST

Fauzan Afandi

Authentic Venture Sdn Bhd

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About GST

- Goods and Services Tax or Cukai Barangan & Perkhidmatan (CBP)
- Rated at 6%*
- Compulsory registration for companies with equal to or more than RM 500,000 annual turnover
- Optional registration for others

*Some exceptions apply. Refer subsequent slides for information

GST Categories

- Input Tax
 - Raw ingredients
 - Office rental
 - Telephone
- Output Tax
 - Products sold
 - Services offered

Zero-rated supplies (0%)

- **Food items:** Rice grain, wheat flour, dhal, sugar, salt, cooking oil, spices, baby formula
- **Agricultural products:** Paddy, fresh vegetables and *ulams*
- **Meat & Livestock:** Cow, goat, pig, chicken, duck and their meat. Eggs included.
- **Seafood:** All types including dried fish and anchovies
- **Utility:** Domestic water supply, first 300 kWh residential electricity
- Exported goods and services

GST-exempted services

- Government department services
- Local government (PBT) and statutory body (*badan berkanun*) services

Surveillance and enforcement services only

Sample of Full Tax Invoice

Supplier's name, address and GST identification number

KILANG KASUT SEDAP PAKAI SDN.BHD.
 Lot 123, Jalan Pengkalan, 31500 Lahat, Perak
 (GST ID No : 100001/2015)

Tel : 05-3349876

Invoice No: 0001111

Tax Invoice serial number

Date : 25 Jun 2015

D/O No : S000345

Date of Tax Invoice

Customer's name & address

To : Syarikat Kasut Ali Sdn. Bhd.
 No. 27, Jalan Maju Jaya,
 31400 Ipoh, Perak

TAX INVOICE

The words "Tax Invoice" clearly indicated

Serial No.	Description	Quantity	Unit Price (RM)	Total (RM)
1.	School Shoes SS1201	200	8.00	1,600.00
2.	School Shoes SS1210	200	10.00	2,000.00
3.	Sport Shoes SP2315	50	25.00	1,250.00
				4,850.00
Discount @ 10%				(485.00)
Total before GST				4,365.00
Add GST @ 6%				261.90
Total Sales				4,626.90

Description of goods supplied

Total amount payable, excluding GST

Quantity of goods or extent of the services supplied

Total amount of GST charged

Rate of GST

Total amount payable, inclusive of GST

KILANG KASUT SEDAP PAKAI SDN.BHD.

Sample of Simplified Tax Invoice



TAX INVOICE

Supplier's name, address and GST identification number

COMFORT PARKING SDN. BHD.
GF1-03, Kompleks Beli-Belah, Jalan Kenangan, 41100 Klang, Selangor.
(GST ID No : 003456/2015)
Tel : 03-33498765

Tax invoice serial number

Inv No: A00295
Date : 17.12.2015

Date of Tax Invoice

Description of goods or services supplied

Description	Total (RM)
Parking fee – 3 hours	3.12
Rounding Adj.	0.02
TOTAL	*3.10

Total amount payable including GST

* Price payable includes GST RM0.18 @ 6%

Rate of GST

Total amount of GST

Input Tax Claim

- Input taxes can be claimed except **Blocked Input Tax**
- Claimable during **GST return**
- Claimable within **6 years**
after date of supply or importation
- **Full tax invoice** for purchases > RM 500
- **Simplified tax invoice** for purchases RM 500 or less
- **Customs No. 1** for imported goods
- **Customs No. 9** for goods removed from bonded warehouse

Blocked input Tax

- Passenger motor car
Normally used on public roads, designed to carry 9 (8 passengers + 1 driver) or less, unladen weight > 3000 kg
 - Passenger motor car repair and maintenance cost
- Exception
- Public service / tourism motor cars
 - Hire & drive cars
 - Cars sold by 2nd hand car dealers
 - Cars used at driving schools
 - Cars as part of stock (car dealer)
 - Cars used exclusively for business purposes (need approval by Director-General)

Blocked input Tax

- Benefits for other than staff (staff' family)
- Club subscription fee (for clubs established principally for recreational or sporting purposes)
- Medical insurance payments
- Medical expenses
- Entertainment expenses for non-staff / potential clients

Exception

- Entertainment expenses for staff and existing clients

Entertainment Expenses

- Include:
- Provision of any food, drink, recreation or hospitality
- Provision of accommodation or travel
- Recreation or hospitality include:
- A trip to a theme park or a recreation centre
- A stay at a holiday resort
- Tickets to a show or theatre; and entry to sporting activities/events

Input Tax Refund

- Excess input tax can be claimed if
Input Tax > Output Tax
- Claimable within 6 years
- Can be carried forward (via application or Director-General's direction)
- Creditability checks might be needed for some refunds

Input Tax Refund

- Refund time:
 - 28 working days (manual submission)
 - 14 working days (online submission)
- Refund will be on hold if:
 - Fail to submit return

Accounting for GST

Taxable Period

- Interval period for GST calculation
- Not the same as accounting period
- Default: Quarterly tax period
(4 times every year)
 - Taxable supplies up to RM 5 million
- Monthly tax period
 - Taxable supplies > RM 5 million

Accounting for GST

- Tax is due on:
 - Date of Invoice, if invoice is issued within 21 days or less of Delivery Order (D.O)
 - Date of D.O, if invoice is issued after 21 days

Gifts

- Gift to a person/company accumulating more than RM 500 in a year is subjected to output tax

Bad Debt

- Bad Debt Relief: Claiming output tax after six months of tax due
- Bad Debt Recovered: Sending tax due after payment has been received

GST Tax Return

- A process of filing GST reports to Kastam
- Two ways of filing
 - Online: Upload TAP file to Kastam TAP website
 - Offline: Submit GST 03 Form to Kastam

Sources

- GST: Introduction, Mechanism & Model, GST: Input Tax Credit – Presentation by Mohd Rozlan Mohamed Ali