

## Lampiran 1: Slide Presentation Seminar GST

# BIOGRAPHY



Christopher Low  
Executive Director, Tax

### Education/Qualification

- Member of the Chartered Tax Institute of Malaysia ("CTIM")
- Licensed Tax Agent under Section 153 of the Income Tax Act, 1967

### Expertise Summary

Christopher Low has over 26 years' experience in tax compliance and tax advisory assignments. Prior to joining BDO, he was an Executive Director in the Transfer Pricing and Investigation division of PricewaterhouseCoopers.

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His clientele includes financial institutions, construction and property development, plantation, retail and groups of companies. Since 1997 he has been extensively involved in providing advice and representing taxpayers in the area of Tax Audits and Tax Investigation, having assisted and resolved numerous cases between taxpayers and the Malaysian Inland Revenue Board ("IRB").

In addition to his work experience, he has been involved in public speaking engagements such as at the National Tax Conference, CTIM and IRB joint seminars as well as in-house seminars related to Tax Audits and Tax Investigations.

Chris was a member of the CTIM Tax Audit and Tax Investigation Working Committee from 2000 to 2006. He is a member of CTIM and currently sits on its CPD working committee.

Country Experience  
Malaysia



HO YI HUI

Director, Tax  
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### Education/Qualification

- Member of Association of Certified Chartered Accountants ("ACCA")

Country Experience  
Malaysia

### Expertise Summary

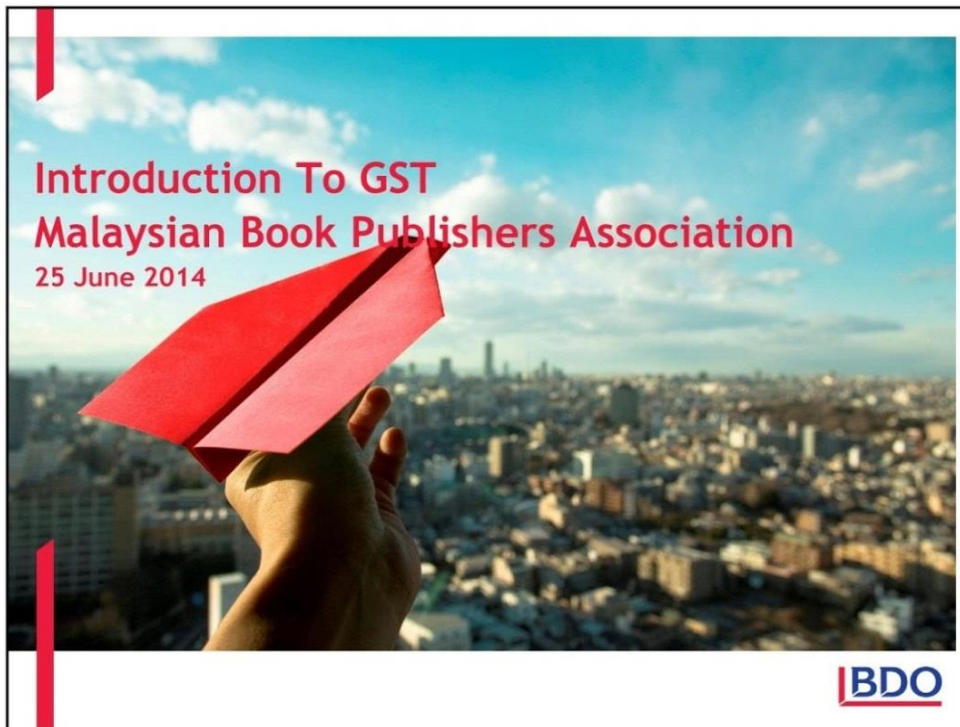
Yi Hui has over 13 years' experience in tax compliance and tax advisory assignments. She has been involved in the provision of tax compliance matters of public listed companies, multinationals and medium to large private companies. She has handled tax matters for corporations of various sizes involved in construction, property development, hotels, insurance, and manufacturing.

Since 2009, she has been extensively involved in representing tax payers in resolving tax audit and tax investigation cases with the Inland Revenue Board. In addition, she has assisted clients in the preparation of transfer pricing documentation.

Currently, she is also involved in the GST implementation engagements for clients in manufacturing and trading activities.

She has also been involved in the Editorial Board of the Budget Commentary & Tax Information published by the MICPA, MIA and CTIM.

*Part 1: Introduction to GST*



## LATEST GST DEVELOPMENTS

**Goods And Services Tax Act 2014 (GST) is given assent on 9 Jun 14:**

- 1) GST shall replace the current Sales and Service Tax effective 1 April 2015
- 2) GST shall be charged and levied on any supply of goods and services made in Malaysia and any importation of goods into Malaysia
- 3) GST will NOT be imposed on basic food items, piped water supply, transportation services, first 200 units of electricity, health, education, sales/purchase/rental of residential properties and services provided by government etc.
- 4) GST standard rate is 6%.
- 5) Threshold for registration is annual taxable turnover exceeding RM500,000

## LATEST GST DEVELOPMENTS

**Goods And Services Tax Act 2014 (GST) is given assent on 9 Jun 14 (cont'd):**

- 6) Further deduction to be given for expenses incurred on training in accounting and ICT for GST in respect of years of assessment (YAs) 2014 and 2015.
- 7) Training grant of RM 100 millions will be provided to businesses who send their employees for GST courses for YAs 2014 and 2015.
- 8) Financial assistance amounting to RM 150 millions is provided to SMEs for purchase of accounting software.

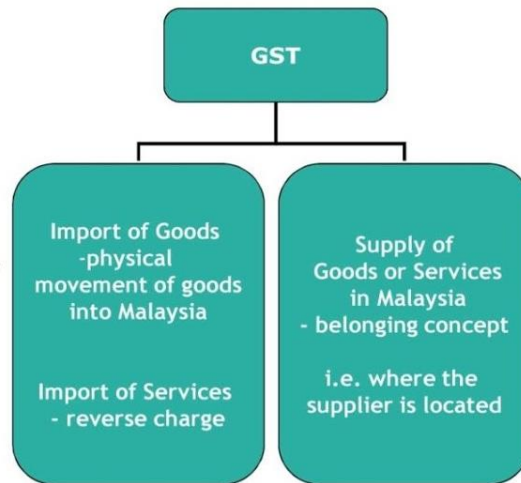
## Scope of GST

GST is imposed on

- Supply of goods and services in the country
- Import of goods into the country
- Import of services (reverse charge mechanism)

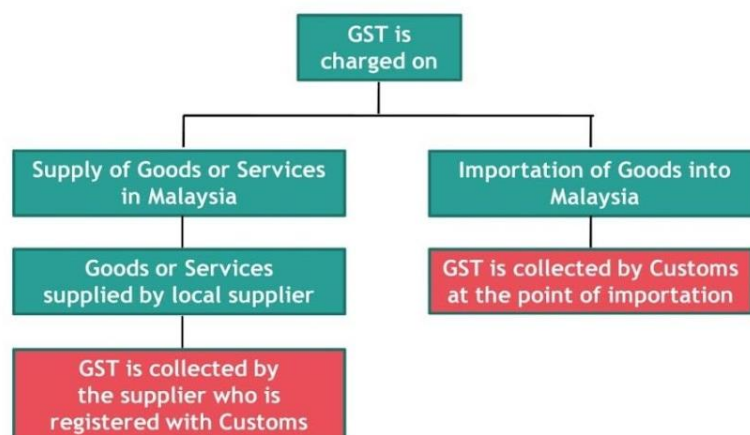
Supply:

- Takes the form of tangible goods and intangible services e.g. grants, assignment;
- Anything that is not a supply of goods will be treated as a supply of services.



## Scope of GST (cont'd)

Charging and Collection of GST





## THE BASICS OF GST

### Differences between Sales/Services Tax and GST

Attribute	Sales and Services Tax (SST)	Goods and Services Tax (GST)
Scope	<ul style="list-style-type: none"> <li>Manufactured in Malaysia, or acquired under the provisions in Sales Tax Act</li> <li>Imported into Malaysia by any person for home consumption</li> <li>Categories of taxable person in certain groups (e.g. hotels, restaurants, private hospitals etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Any supply of goods and services made in Malaysia, including anything treated as a supply under the GST Act; and</li> <li>Any importation of goods into Malaysia</li> </ul>
Stage	<ul style="list-style-type: none"> <li>Single stage</li> </ul>	<ul style="list-style-type: none"> <li>Multi-stage</li> </ul>
Threshold	<ul style="list-style-type: none"> <li>Sales Tax- annual sales turnover exceeding RM 100,000</li> <li>Service Tax -various annual sales turnover thresholds (RM100,000, RM 300,000, RM 3 million)</li> </ul>	<ul style="list-style-type: none"> <li>RM 500,000 of annual taxable turnover</li> </ul>
Rates	<ul style="list-style-type: none"> <li>Sales Tax (5%, 10% and at a specific rate)</li> <li>Service Tax is at 6%</li> </ul>	<ul style="list-style-type: none"> <li>GST rate is at 6%</li> </ul>

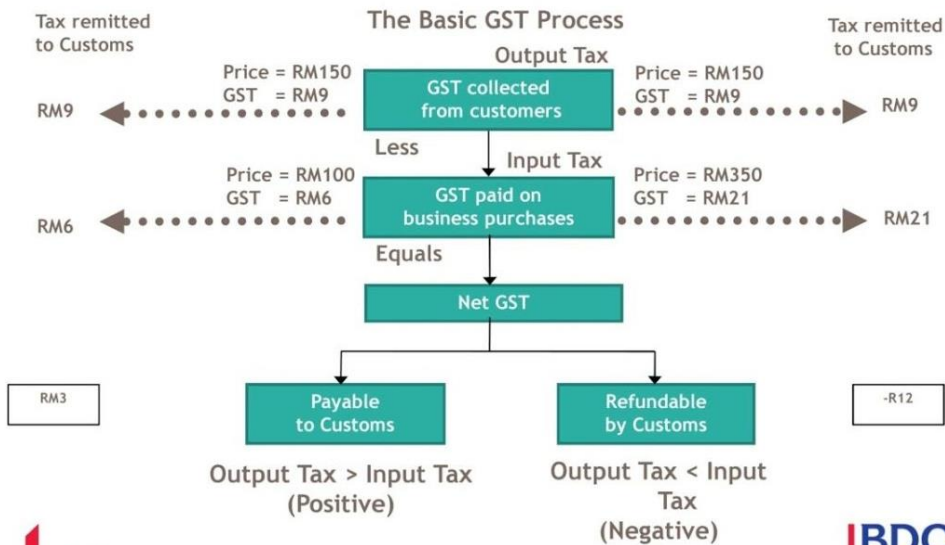
## THE BASICS OF GST

### Types of Supply

Categories of Supply	Examples of Supply
Standard Rated (Taxable Supply)	Local supply of goods / services, supply of land and building for commercial, administration or industrial purpose, construction of all types of building
Zero Rated (Taxable Supply)	Export sales / international services / basic foodstuff / agricultural supplies
Exempt (No GST)	Transport services, toll/highway, certain financial services / sales & lease of residential land / property / agricultural land / private health & education
Out of Scope (No GST)	Transfer of business as going concern or sales of property outside Malaysia, charges and fees imposed by the Government

- Businesses providing exempt supply will not be entitled to claim the input GST incurred.

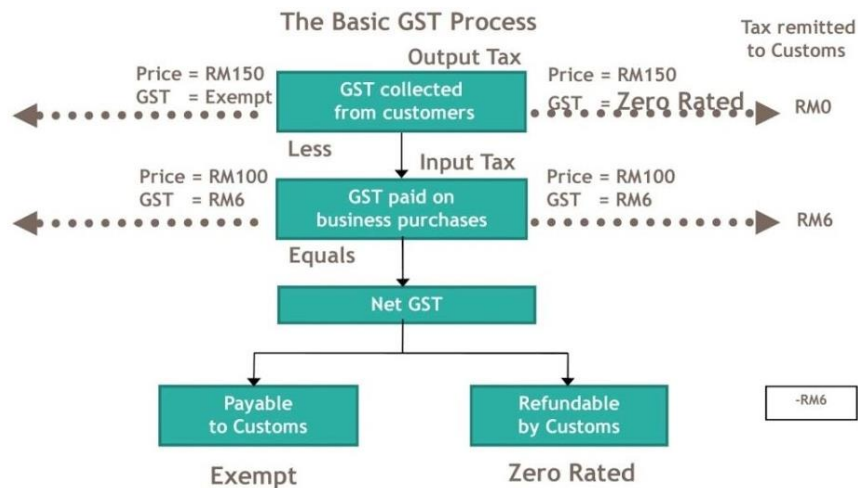
## THE BASICS OF GST



Page 9



## THE BASICS OF GST



Page 10



## THE BASICS OF GST



## GST Schemes

The following are assistance scheme to ease the cash flow for businesses and help to create a competitive business environment:

- Approved Trader Scheme (ATS)
  - to help the exporters who have significant imports where GST on imports is suspended
- Approved Toll Manufacturer Scheme (ATMS)
  - an ATMS is not required to charge GST when you are instructed by your overseas customer to deliver your finished goods to his customers in Malaysia
- Warehousing Scheme
  - GST suspended in public and private warehouse to minimise red tape and bypass the GST process

## GST Schemes

The following are assistance scheme to ease the cash flow for businesses and help to create a competitive business environment (cont'd):

- Designated Area
  - no GST to be charged for supply of goods and services in Labuan, Langkawi & Tioman

## GST SUPPLIES



## GST SUPPLIES

### Input tax credits

- In general terms, an ITC is available to an entity if:
  - It is the recipient of a taxable supply
  - It has provided consideration for the supply (or is liable to do so)
  - It is registered/required to be registered **AND**
  - The acquisition is made solely/partly in carrying on the entity's business (except to the extent that the acquisition relates to exempt supplies made by the entity or is of a private/domestic nature)

## Proposed GST Model

### Tax computation on standard rated supply (6%)

Business Entity	Sales (RM)	Tax on Output (RM)	Tax on Input (RM)	Net Tax Paid (RM)
Supplier (raw material)	10.00	0.60	0	0.60
Manufacturer	50.00	3.00	0.60	2.40
Wholesaler	70.00	4.20	3.00	1.20
Retailer	100.00	6.00	4.20	1.80
GST collected by the Government				6.00

Consumer will pay RM106.00

## Tax Computation on Standard Rated Supply (6%)

### Input tax



### Manufacturing Process



### Output tax



Total GST paid to Custom = RM5,280

## TAXABLE SUPPLIES

## Core Concepts - Taxable Supply

- Supply
  - Connected with Australia / in Malaysia
  - In course or furtherance of an enterprise / business
  - For consideration
  - By a registered person
  - Not “zero rated ” or “exempt”

## Supply

“any form of supply whatsoever”

- **Goods** - transfer of tangible property
- **Services**
  - Provision information/advice
  - Financial supply
  - Grant, assignment or surrender of real property
  - Creation, grant, assignment or surrender of any right
  - Entry into/release from obligation
    - To do anything
    - To refrain from an act
    - To tolerate an act or situation
- Subject to Ministerial change

# BUSINESS, CONSIDERATION AND VALUE

Page 21



## Core Concepts - Taxable Supply

- Supply
- In Malaysia
- In business
- For consideration
- By a registered person
- Not “zero-rated” or “exempt”



Page 22





## **GST**

### **RMCD guide**

- Analogy with income tax law
- Mechanism for keeping out of the GST system
  - Consumers
  - Employees

## **GST - Business Clause 3**

### **Activity or series of activities, done:**

- Trade
- Commerce
- Profession
- Vocation or similar activity
- Whether for a pecuniary profit
- Includes activities of clubs, associations and societies

## Business

### Not

- a) Employee
- b) Recreational pursuit or hobby



## GST - Business

- Wind down activities included
- Excludes supplies in individual capacity
- Likely difference from income tax test
  - Transactions with capital assets
  - Sale of business
- Start up activities -goods.



## GST - Business

### Problem areas

- Hobby/business border
- Business/investment border
  - Holding companies/ dormant companies/ superannuation funds
- One-off activities
- Charities/religions
- Government and quasi-government
- Non-profit associations and clubs

## Core Concepts - Taxable Supply

- Supply
- In Malaysia
- In business
- **For consideration**
- By a registered person
- Not “zero-rated” or “exempt”



## Consideration

- Any payment or any act of forbearance in connection with a supply
- Any payment, or act or forbearance, in response to or for the inducement of a supply
- Whether voluntary or not

Consideration = value of supply + GST

## GST - Consideration

- Payment or act or forbearance
- Can be either money or something non-monetary

### Non-monetary consideration example

Jack sells a computer to Jill in return for 10 office chairs. This involves two supplies and two lots of consideration:

1. Jack's supply of the computer - for consideration of 10 chairs
2. Jill's supply of the 10 chairs - for consideration of the computer.



## **GST - Consideration**

- Must be direct connection between supply and consideration
- Consideration vs Value of supply
  - Tax is imposed on the value of supply
  - What was received in return for the supply
  - NOT what was the value of what was supplied

## **GST - Consideration**

- Payment or act or forbearance
- Can be either money or something non-monetary
- Must be direct connection between supply and consideration

## Consideration

### Not

- a) If right or option granted and no additional consideration when right/option exercised
- b) Gift to non-profit body

## ACCOUNTING FOR GST & REFUND

# ACCOUNTING FOR GST

Page 35



## Accounting for GST

### 2 ways

- Accruals basis (standard)
- Payments basis
  - On approval



Page 36



## Payments Basis

### When is GST accounted for ?

- Supplies
  - When payment is received
  - Could be when part payment is received to extent received
- Acquisition
  - When payment is made
  - If hold a tax invoice
  - Could be when part payment is made to extent of part payment

## Accruals Basis

### When is GST accounted for?

- Supplies - earlier of tax period in which
- Goods - removal or made available
- Services - when performed
- Earlier if invoice issued or payment received
- 21 days for invoicing then invoice date
- Acquisitions
  - Reverse of above provided tax invoice available at time relevant GST return submitted



## Invoice

- A document notifying an obligation to make a payment
- “presently existing obligation to make payment”
  - What does this mean?
- Not necessarily a Tax invoice



## Tax Periods

- General rule
  - 3 month tax periods ending calendar quarterly
  - Turnover less than RM5 million
- 1 month tax periods if:
  - application made
  - turnover exceeds RM5 million
  - poor compliance record
- 6 months
  - small business

## Monthly vs Quarterly

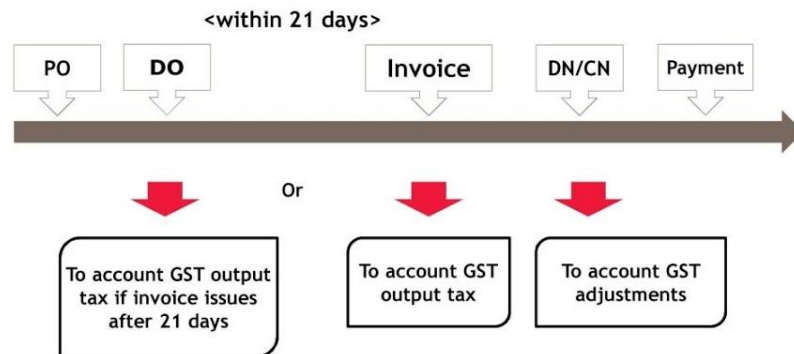
- Tax period

- Quarterly
  - General rule
- Monthly
  - turnover in excess of RM5 million p.a.
  - history of failing to comply with tax law obligations
  - may apply - e.g. if entity always in a net refund position

## Tax Invoices

- No valid tax invoice - no input tax credit
- Different information required for:
  - Invoice RM500 or more
  - Invoice less than RM500
- “Tax Invoice” must be issued by supplier within 21 days if recipient request a tax invoice

## General Time of Supply Rules



## Full Tax Invoices

- GST inclusive value = RM500 or more

- Serial No.
- Words "Tax Invoice" \*
- Date of issue
- Name of supplier, address and identification number
- Name and address of recipient
- Brief description, quantity or volume of each thing supplied
- GST exclusive price
- Rate of tax
- Total amount of GST payable
- GST inclusive price

## Full Tax Invoices

### Sample

The words "Tax Invoice" clearly indicated

Supplier's name, address and GST identification number

Customer's name, address and GST identification number

Description of goods or services supplied

GST relief clause

Tax invoice serial number

Total amount payable, excluding GST

Total amount of GST charged

Total amount payable

KK3 COMPUTER SDN BHD  
No. 1, Jalan Lalang, Kepong  
55100 Kuala Lumpur  
(GST ID No: 100077/2015)  
Tel: 03 - 6277900

To: SEKOLAH KEBANGSAAN KEPONG  
No. 22, Jalan Kepong  
52100 Kuala Lumpur  
Tel: 03 - 6257980

TAX INVOICE

Invoice No: 00000123  
Date: 14 July 2015  
D/O No: DO61291

No.	Description	Quantity	Unit Price RM	Total RM
1.	CPU (Dell) EP002	100	1,800.00	180,000.00
2.	Monitor (Dell 15") M5209	100	500.00	50,000.00
3.	Key board WM112	100	30.00	3,000.00
Total Sales				233,000.00
Add: GST @ 6%				Nil
Total Amount Due				233,000.00

Relieved from charging GST for supply to a person given relief under Item 3, Schedule A of GST (Relief)

KK3 COMPUTER SDN BHD

Page 45

BDO

## Adjustments

An adjustment event is any event that has the effect of:

- Cancelling a supply or acquisition
- Changing the consideration for a supply or acquisition
- Causes a supply or acquisition to become, or stop being, a taxable supply or creditable acquisition

## Examples of Adjustment Events

- Goods returned
- Discounts given/received
- Additional consideration required
- Exports exceeding 3 months



## Effect of Adjustment Events

- Value of taxable supplies may need to be adjusted
- Creditable input tax may need to be adjusted
- Adjustment notes may have to be issued

## Adjustment events

- Credit/Debit note - supplier must issue one:

- within 28 days of recipient's request OR
- within 28 days of becoming aware that an adjustment has occurred (if a tax invoice was issued or requested)
- "Credit/Debit note"
- issue date and serial number
- identification of supplier and recipient - depends on value
- the difference in the price of the supply and the change to the GST amount due to the adjustment event
- reason for the adjustment
- Similar to tax invoice requirements

## Other Adjustments - Bad Debt Relief

- If taxable supply made and either
  - Debt written off, or
  - Debt outstanding longer than 6 months
- Supplier can reduce output tax by 5.66% of outstanding amount
- Recipient must reduce input tax
- If supplier recovers amount previously written off/overdue and adjusted Supplier has an increasing adjustment equal to 5.66% of the amount recovered
  - Recipient has a decreasing adjustment equal to 5.66% of the amount recovered

# REFUND

## Refund Overview

- GST Refund
  - 14 working days for electronic submission
  - 28 working days for manual submission
- JDKM issue payment vouchers to taxpayers through a configurable, uniform process.



## Features of Refund

- All refunds go through the same, uniform approval process
- Cross Account Transfers and Intercepts only occur after a refund has been approved to be issued.
- Option to Carry Forward

## Features of Refund

- Approved refunds are processed into batches to send in a file to the bank. The processing order
  - Status
  - Date Approved
  - Amount
- Refunds are direct deposit only - no paper cheques.

# THANK YOU

This presentation has been written in general terms and should be seen as broad guidance only. The presentation cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO Tax Services Sdn Bhd to discuss these matters in the context of your particular circumstances. BDO Tax Services Sdn Bhd, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

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## IT Requirement, GST Registration & Reporting

### **GST ACCOUNTING SOFTWARE** Introduction

- Follow guidelines issued by **Royal Malaysia Customs** in developing or enhancing their accounting software to be GST compliant

## **GST ACCOUNTING SOFTWARE**

### **Guidance for software developers**

Software developers are required to ensure its accounting software to provide:

- Tax invoices, CN & DN
- Generating information for GST returns
- Comprehensive documentation e.g. user manual
- Incorporates adequate internal controls

## **GST ACCOUNTING SOFTWARE**

### **Guidance for software developers (Cont'd)**

Software developers are required to ensure its accounting software to provide:

- Adequate audit trails
- Archived data mechanisms
- Key data elements necessary for business e.g. Company info
- Produce GST Audit File (GAF)

## GST ACCOUNTING SOFTWARE

### Issuance of tax invoice

No.	Contain of the tax invoice
1.	The words “tax invoice” in a prominent place
2.	Serial number & date of issue
3.	Name, address & identification number of the supplier
4.	Name & address of the buyer
5.	Description sufficient to identify the goods / services supplied
6.	For each description, the quantity of the goods or the extent of the services & amount payable, excluding tax
7.	Any discount offered
8.	Total amount excluding tax, the rate of the tax & the total tax chargeable to be shown separately

## GST ACCOUNTING SOFTWARE

### Issuance of tax invoice (Cont'd)

No.	Contain of the tax invoice
9.	Total amount payable including the total tax chargeable
10.	Any amount in no. (8) and (9) must be converted into Malaysian currency (MYR) if they expressed in a foreign currency
11.	State separately the gross total amount payable in respect of each supply and rate

## GST ACCOUNTING SOFTWARE

### Issuance of DN & CN

No.	Contain of the DN & CR
1.	The words “ Credit Note” or “Debit Note” in a prominent place
2.	The serial number & date of issue
3.	Name, address & identification number of the supplier
4.	Name & address of the person to whom the goods or services are supplied
5.	The reason for its issue
6.	A description which the supply of goods or services
7.	The quantity & amount for each supply
8.	The total amount excluding tax
9.	The rate & amount of tax
10.	The number and date of the original tax invoice

## GST ACCOUNTING SOFTWARE

### List of GST Forms

No.	Form No.	Form Description
1.	GST-01	Application For Goods And Services Tax Registration
2.	GST-02	Application For Group / Joint Venture Registration
3.	GST-2A	Group Member / Venturer Registration
4.	GST-2B	Notice Of Change Of Representative Member / Venture Operator And Removal Of Group Member / Venturer
5.	GST-03	Goods And Services Tax Return
6.	GST-04	Goods And Services Tax Declaration By Person Other Than A Taxable Person
7.	GST-05	Registration Of Branch Or Division

## GST ACCOUNTING SOFTWARE

### Goods And Tax Services Tax Return Form

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 **JABATAN KASTAM DIRAJA MALAYSIA**  
**ROYAL MALAYSIAN CUSTOMS DEPARTMENT**

**GST - 03**

**PENYATA CUKAI BARANG DAN PERKHIDMATAN**  
**GOODS AND SERVICES TAX RETURN**

**Nota Penting (Important Notes)**

- 1) Sila isikan borang ini dengan **HURUF BESAR** dan menggunakan pen mata bulat berdekat hitam.  
*Please fill in this form in **BLOCK LETTERS** using black ink ball-point pen.*
- 2) Sila rujuk Buku Panduan Mengisi Borang Cukai Barang dan Perkhidmatan (CBP).  
*Please refer to Goods and Services Tax (GST) Forms Guide.*
- 3) Ruangan yang bertanda (\*) adalah wajib diisi.  
*Column with (\*) is a mandatory field.*
- 4) Sila tandakan (X) dalam petak yang berkenaan.  
*Please tick (X) accordingly.*
- 5) Sekiranya mengikis nilai sifar, sila isi angka "0".  
*If declaring a zero amount, please fill in "0".*
- 6) Sila hubungi Pusat Panggilan Kastam di talian 1-300-88-8500 / 03-78067200 atau emel [ccc@customs.gov.my](mailto:ccc@customs.gov.my) untuk pertanyaan lanjut.  
*Please contact Customs Call Center at 1-300-88-8500 / 03-78067200 or email [ccc@customs.gov.my](mailto:ccc@customs.gov.my) for further enquiry.*

☐ Pindaan  
*Amendment*

Extraction of the Form GST - 03

Page 9



## GST ACCOUNTING SOFTWARE

### Goods And Tax Services Tax Return Form (Cont'd)

**BAHAGIAN A : BUTIRAN ORANG BERDAFTAR**  
**PART A : REGISTERED PERSON DETAILS**

1) No. CBP \*  
GST No. \*

2) Nama Perniagaan \*  
Name of Business \*

**BAHAGIAN B : BUTIRAN PENYATA**  
**PART B : RETURN DETAILS**

3) Tempoh Bercukai \*  
Taxable Period \*

Tarikh Mula  
Start Date

HH (DD) - BB (MM) - TTTT (YYYY)

Tarikh Akhir  
End Date

HH (DD) - BB (MM) - TTTT (YYYY)

4) Tarikh Akhir Serahan Penyata dan Bayaran \*  
Return and Payment Due Date \*

HH (DD) - BB (MM) - TTTT (YYYY)

5) Cukai Output  
Output Tax

a) Jumlah Nilai Pembekalan Berkadat Standard \*  
Total Value of Standard Rated Supply \*

RM

b) Jumlah Cukai Output (Termasuk Hutang Lapuk Dibayar Balik dan Pelarasan lain) \*  
Total Output Tax (Inclusive of Bad Debt Recovered & other Adjustments) \*

RM

**Amaun (Amount)**

1

Extraction of the Form GST - 03

Page 10





## GST ACCOUNTING SOFTWARE

### Goods And Tax Services Tax Return Form (Cont'd)

No. CBP *		
GST No. *		
6) Cukai Input / Input Tax		
		Amaun (Amount)
a) Jumlah Nilai Perolehan Berkadar Standard *	RM	
Total Value of Standard Rated Acquisition *		
b) Jumlah Cukai Input (Termasuk Pelepasan Hutang Lapuk dan Pelarasan lain) *	RM	
Total Input Tax (Inclusive of Bad Debt Relief & other Adjustments) *		
7) Amaun CBP Kena Dibayar (Butiran 5b - Butiran 6b) *	RM	
GST Amount Payable (Item 5b - Item 6b) *		
ATAU / OR		
8) Amaun CBP Boleh Dituntut (Butiran 6b - Butiran 5b) *	RM	
GST Amount Claimable (Item 6b - Item 5b) *		
9) Adakah anda memilih untuk membawa ke hadapan pembayaran balik CBP? *	<input type="checkbox"/> Ya Yes	<input type="checkbox"/> Tidak No
Do you choose to carry forward refund for GST? *		

Extraction of the Form GST - 03

Page 11



## GST ACCOUNTING SOFTWARE

### Goods And Tax Services Tax Return Form (Cont'd)

BAHAGIAN C : MAKLUMAT TAMBAHAN PART C : ADDITIONAL INFORMATION	
Amaun (Amount)	
10) Jumlah Nilai Pembekalan Tempatan Berkadar Sifar *	RM
Total Value of Local Zero-Rated Supplies *	
11) Jumlah Nilai Pembekalan Eksport *	RM
Total Value of Export Supplies *	
12) Jumlah Nilai Pembekalan Dikecualikan *	RM
Total Value of Exempt Supplies *	
13) Jumlah Nilai Pembekalan Diberi Pelepasan CBP *	RM
Total Value of Supplies Granted GST Relief *	
14) Jumlah Nilai Pengimportan Barang Dibawah Skim Pedagang Diluluskan *	RM
Total Value of Goods Imported Under Approved Trader Scheme *	
15) Jumlah Nilai CBP Import Digantung dibawah butiran 14 *	RM
Total Value of GST Suspended under item 14 *	
16) Jumlah Nilai Perolehan Harta Modal *	RM
Total Value of Capital Goods Acquired *	
17) Pelepasan Hutang Lapuk *	RM
Bad Debt Relief *	
18) Hutang Lapuk Dibayar Balik *	RM
Bad Debt Recovered *	

Borang ini ditetapkan di bawah Peraturan-Peraturan Cukai Barang dan Perkhidmatan 2000 (This form is prescribed under Goods and Services Tax Regulations 2000)

2

Extraction of the Form GST - 03

Page 12



## GST ACCOUNTING SOFTWARE

### Goods And Tax Services Tax Return Form (Cont'd)

No. CBP * <input type="text"/>		
GST No. * <input type="text"/>		
19) Pecahan Nilai Cukai Output mengikut Kod Industri Utama Breakdown Value of Output Tax in accordance with the Major Industries Code		
Kod (Code)	Nilai Cukai Output (Value of Output Tax)	Peratusan (Percentage)
<input type="text"/>	RM <input type="text"/>	<input type="text"/> %
<input type="text"/>	RM <input type="text"/>	<input type="text"/> %
<input type="text"/>	RM <input type="text"/>	<input type="text"/> %
<input type="text"/>	RM <input type="text"/>	<input type="text"/> %
<input type="text"/>	RM <input type="text"/>	<input type="text"/> %
<input type="text"/>	RM <input type="text"/>	<input type="text"/> %
Lain-lain Others	RM <input type="text"/>	<input type="text"/> %
JUMLAH TOTAL	RM <input type="text"/>	100%

Extraction of the Form GST - 03

Page 13



## GST ACCOUNTING SOFTWARE

### Goods And Tax Services Tax Return Form (Cont'd)

BAHAGIAN D : AKUAN PART D : DECLARATION	
Saya, dengan ini mengaku bahawa maklumat dinyatakan dalam borang ini adalah benar, betul dan lengkap. I, hereby declare that the information stated in this form are true, correct and complete.	
20) Nama Orang Diberi Kuasa * Name of Authorized Person *	<input type="text"/>
21) No. Kad Pengenalan Identity Card No.	Baru (New) * <input type="text"/> Lama (Old) <input type="text"/>
22) No. Pasport * Passport No. *	<input type="text"/> Wajib untuk warga negara asing (Mandatory for foreign citizen)
23) Kewarganegaraan Nationality	<input type="text"/>
24) Tarikh Date	HH (DD) - BB (MM) - TTTT (YYYY)
25) Tandatangan * Signature *	<input type="text"/>
UNTUK KEGUNAAN PEJABAT (FOR OFFICE USE ONLY)	
Tarikh Diterima * Received Date *	Tarikh Cop Pos * Postmark Date *
HH (DD) - BB (MM) - TTTT (YYYY)	HH (DD) - BB (MM) - TTTT (YYYY)

Extraction of the Form GST - 03

Page 14



# GST Audit File (GAF)



## GST Audit File Introduction

Requirement laid out in para.20 of the RMC “Guide to Enhance Your Software...”

- Recommended that developers design their software to generate a GST Audit File (GAF)
- GAF intended to be a file containing a standard set of accounting information
- Intention is to allow electronic submission of a detailed breakdown of business transactions



## GST Audit File Requirements

- Pure data file using one of two formats
  - “flat” pipe-delimited file
  - XML file
- NOT a report image file
- Created from either or combination of
  - Transactional data
  - Master file information current at the time of transaction entry
- Must be capable of being produced by a non-specialist
- Should allow data from single or multiple source systems
- Precise formats defined in guidance

## GST Audit File XML File

```
<?xml version="1.0" encoding="utf-8"?>
<GSTAuditFile>
  <Companies>
    <Company>
      <BusinessName>ABC SDN BHD</BusinessName>
      <BusinessRN>654321-V</BusinessRN>
      <GSTNumber>IDGST:10001/2015</GSTNumber>
      <PeriodStart>2015-12-01</PeriodStart>
      <PeriodEnd>2015-12-31</PeriodEnd>
      <GAFCreationDate>2015-12-31</GAFCreationDate>
      <ProductVersion>2015-12-31</ProductVersion>
      <GAFVersion>2015-12-31</GAFVersion>
    </Company>
  </Companies>
  <Purchases>
    <Purchase>
      <SupplierName>MEI MEI SDN BHD</SupplierName>
      <SupplierBRN>123456-G</SupplierBRN>
      <InvoiceDate>2015-12-19</InvoiceDate>
      <InvoiceNumber>SH7997561</InvoiceNumber>
      <ImportDeclarationNo />
      <LineNumber>1</LineNumber>
      <ProductDescription>Purchase of shark fins</ProductDescription>
      <PurchaseValueMYR>200</PurchaseValueMYR>
      <GSTValueMYR>18</GSTValueMYR>
      <TaxCode>TX</TaxCode>
      <FCYCode>XXX</FCYCode>
      <PurchaseFCY>0</PurchaseFCY>
      <GSTFCY>0</GSTFCY>
    </Purchase>
    <Purchase>
      <SupplierName>THAI FISH CRACKERS</SupplierName>
      <SupplierBRN />
      <InvoiceDate>2015-12-17</InvoiceDate>
      <InvoiceNumber>SH7997561</InvoiceNumber>
      <ImportDeclarationNo>81124699</ImportDeclarationNo>
      <LineNumber>1</LineNumber>
      <ProductDescription>Purchase of fish crackers from Thai</ProductDescription>
      <PurchaseValueMYR>100</PurchaseValueMYR>
      <GSTValueMYR>10</GSTValueMYR>
      <TaxCode>IM</TaxCode>
      <FCYCode>USD</FCYCode>
      <PurchaseFCY>485.71</PurchaseFCY>
      <GSTFCY>29.14</GSTFCY>
    </Purchase>
  </Purchases>
</GSTAuditFile>
```

## GST Audit File Pipe Delimited File

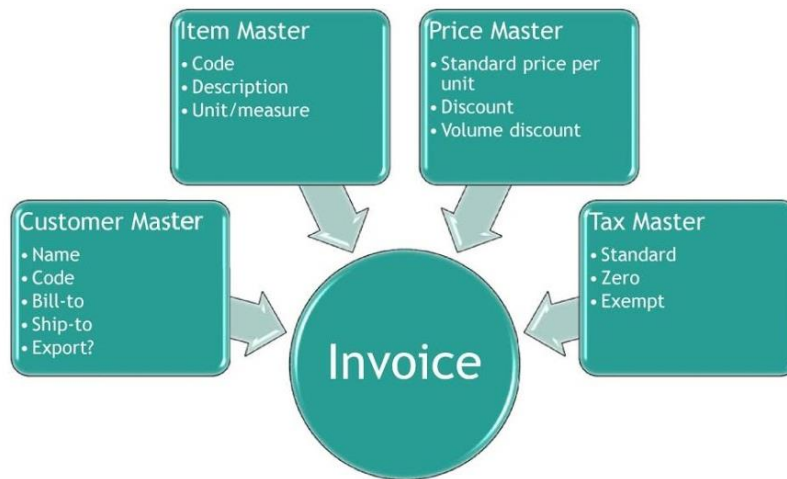
```
C|ABC SDN BHD|654321-V|IDGST-10001/2015|1/12/2015|31/12/2015|18/2/2014|XYB Accountsoft v1.0|GAFv1.0.0|
P|MEI MEI SDN BHD|123456-G|19/12/2015|STV/012324/8|1|Purchase of shark fins|300.00|18.00|TX|XXX|0.00|0.00|
P|THAI FISH CRACKERS|17/12/2015|SH7997561|B11124699|1|Purchase of fish crackers from Thai|1700.00|102.00|IM|USD|485.71|29.14|
P|RUSSIAN TROUT|18/12/2015|J56657139|J110013483|1|Purchase of trout from Russia|1900|0.00|ZP|USD|542.85|0.00|
P|Klinik Nik|H654211-W|26/12/2015|SJ/12/5673|1|Medical claims - Mohd. Ali|60.00|3.60|BL|XXX|0.00|0.00|
S|PQR SDN BHD|867890-B|21/12/2015|2353|1|Rental of residential House|1000.00|0.00|ES|XXX|0.00|0.00|
S|PQR SDN BHD|867890-B|21/12/2015|2353|2|Rental of Office|2000.00|120.00|SR|XXX|0.00|0.00|
S|KOREA SEAFOOD|20/12/2015|2352|1|fish cracker|2000.00|0.00|ZRE|KOREA|USD|571.43|0.00|
S|KOREA SEAFOOD|20/12/2015|2352|2|Trout|2500.00|0.00|ZRE|KOREA|USD|714.28|0.00|
S|KOREA SEAFOOD|20/12/2015|2352|3|Sharkfins|500.00|0.00|ZRE|KOREA|USD|142.86|0.00|
L|1/12/2015|10000|BANK|OPENING BALANCE|10000.00|0.00|0.00|0.00|
L|18/12/2015|10000|BANK|Payment for fish crackers|THAI FISH CRACKERS|TTRef784316|AP|0.00|1802.00|8198.00|
L|19/12/2015|10000|BANK|Payment for trout|RUSSIAN TROUT|9454|TTRef 643271|AP|0.00|1900.00|6298.00|
L|26/12/2015|10000|BANK|Staff medical claims|KLINIK NIK|9455|CHQ54680|AP|0.00|63.60|6234.40|
L|28/12/2015|10000|BANK|Payment for shark fins|MEI MEI SDN BHD|9457|CHQ54678|AP|0.00|318.00|5916.40|
L|30/12/2015|10000|BANK|Receipt for sale of seafood|KOREA SEAFOOD|9456|TTRef 134679|AR|5000.00|0.00|10916.40|
L|30/12/2015|10000|BANK|Receipt for residential House & Office rental|PQR SDN BHD|9310|CHQ123456|AR|3120.00|0.00|14036.40|
L|1/12/2015|11200|TRADE DEBTORS|OPENING BALANCE|9311|0.00|0.00|0.00|
L|20/12/2015|11200|TRADE DEBTORS|Sale of Seafood|KOREA SEAFOOD|INV/ABCPL/2352|AR|5000.00|0.00|5000.00|
L|30/12/2015|11200|TRADE DEBTORS|Receipt for sale of seafood|KOREA SEAFOOD|2352|TTRef 134679|AR|0.00|5000|0.00|
L|1/12/2015|11201|OTHER DEBTORS|OPENING BALANCE|9310|0.00|0.00|0.00|
L|21/12/2015|11201|OTHER DEBTORS|Rental of residential House & Office|PQR SDN BHD|INV/ABCPL/2353|AR|3120.00|0.00|3120.00|
L|30/12/2015|11201|OTHER DEBTORS|Receipt for residential House & Office rental|PQR SDN BHD|2353|CHQ123456|AR|0.00|3120.00|0.00|
L|1/12/2015|21104|GST - OUTPUT TAX|OPENING BALANCE|9311|0.00|0.00|0.00|
L|21/12/2015|21104|GST - OUTPUT TAX|Rental of Office|PQR SDN BHD|INV/ABCPL/2353|AR|0.00|120.00|-120.00|
L|1/12/2015|21190|GST - INPUT TAX|OPENING BALANCE|2353|0.00|0.00|0.00|
L|17/12/2015|21190|GST - INPUT TAX|Purchase of fish crackers from Thai|THAI FISH CRACKERS|SH7997561|AP|102.00|0.00|102.00|
L|19/12/2015|21190|GST - INPUT TAX|Purchase of shark fins|MEI MEI SDN BHD|77661|STV/012324/8|AP|18|0.00|120.00|
L|1/12/2015|21191|GST - DISALLOWED INPUT TAX|OPENING BALANCE|77663|0.00|0.00|0.00|
L|26/12/2015|21191|GST - DISALLOWED INPUT TAX|Medical claims - Mohd. Ali|KLINIK NIK|SJ/12/5673|AP|3.60|0.00|3.60|
L|1/12/2015|33556|TRADE CREDITORS|OPENING BALANCE|0.00|0.00|0.00|
```

## GST Audit File

- RMC has precisely defined the
  - Format / File specification
  - Data elements/types
  - Record elements
  - Record formats
- Plainly visible on the examples shown
- Simple scripting will generate these files ...
- ... if the required data has been captured

## GST Audit File

### The Data - Working Example



## GST REGISTRATION AND CLASSIFICATION





## REGISTRATION & OVERVIEW OF ZERO-RATED SUPPLIES

Page 23



### Core Concepts - Taxable Supply

- Supply
- In Malaysia
- In business
- For consideration
- By a registered person
- Not “zero-rated” or “exempt”



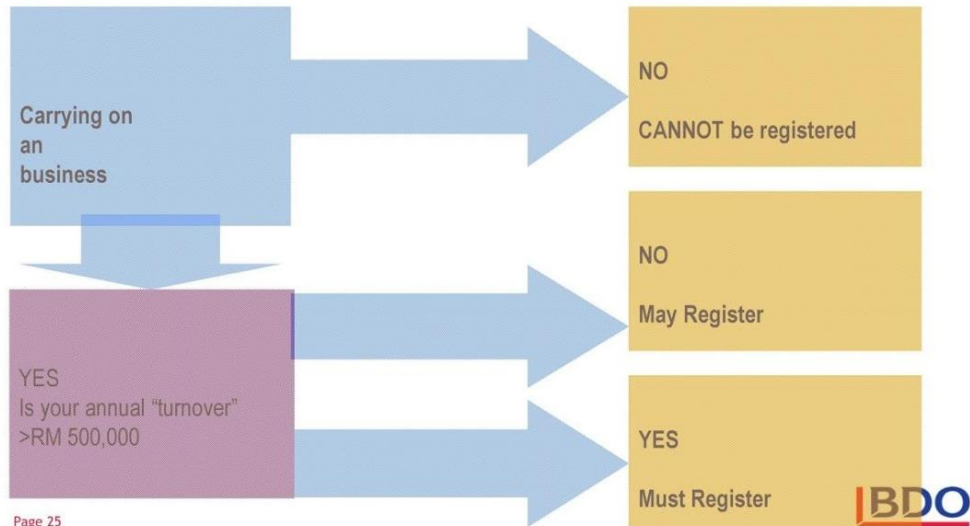
Page 24





## GST - Registration

- Clause 27- who is required to register



Page 25



## Who May be Registered

- Anyone carrying on an business
- or
- Intending to carry on an business



Page 26



## Registration

- Who is required to be registered?
- Entities
  - Carrying on a business
  - Annual turnover exceeds registration turnover threshold
- Annual turnover:
  - current annual turnover (i.e. actual and likely supplies in the current month and the previous 11 months)
  - projected annual turnover (i.e. actual and likely supplies in the current month and the next 11 months)

## Turnover

- Value of all supplies, other than
  - Exempt supplies
  - Supplies for no consideration
  - Not made in connection with a business
  - Supplies not in Malaysia
  - Sale of business assets
  - Supplies of imported services



## GST - Registration

- When

- 28 days of becoming required to do so
- When aware turnover exceeds threshold
- Penalty for failing to register (RM 30,000 plus 2 years jail or both)



## GST GROUPS, BRANCHES, and etc.

## GST Groups

### Approval and membership requirements:

- Companies
- Partnerships, individuals, trusts - Not in Malaysia!



## GST Grouping

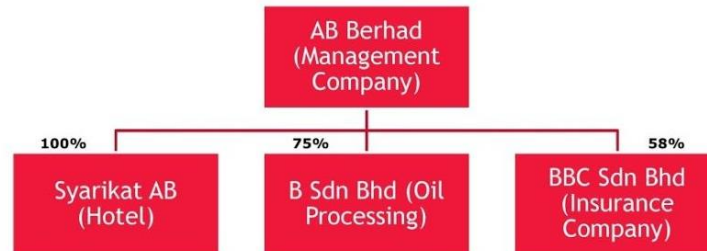
Companies can be members of the same GST group if one company has at least a 50% stake in another company

### “50% stake” if

- Controls at least 50% of voting power;
- Entitled to at least 50% of dividends; and
- Entitled to receive at least 50% of distributed capital
- Holding more than 50% of the shares (MALAYSIA)

## Group Registration

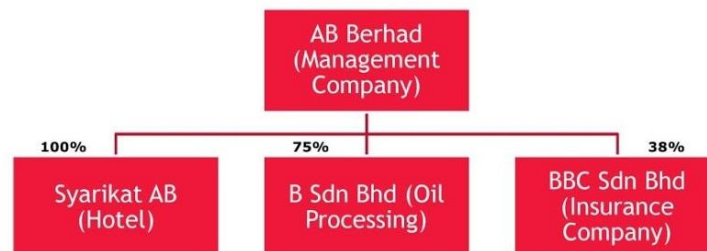
### Example 1



The above group of companies are eligible to register as a group under GST even though they carry out diversified business activities

## Group Registration

### Example 2



BBC Sdn Bhd is not eligible to be a group member for GST registration purposes

## Benefits of Grouping

- GST payable, entitlement to input tax credits, adjustments accounted for by the representative member
- Representative member submits GST return on behalf of members of the GST group
- Intra group transactions effectively ignored
- Can benefit recovery of GST e.g. incidental exempt supplies?

## Downside of Grouping

- Joint & several liability
- Can have a negative impact on recovery of GST
- Complications in allocation of GST liability and recovery
- Can impact on turnover thresholds
- Timing of collation of information

## GST groups - Administration

- Application for additional members, new representative member
- Revocation of approval on application by representative member or by RMCD
- **MUST** apply within 21 days of change
- Reviewable decision

### IMPORTANT

- Eligibility must exist for the full period in which joining or formation occurs
- Generally can only backdate to extent that still within tax period of joining or formation

## GST BRANCHES



## GST Branches

- Register division as separate branch
- Wholly taxable supplies
- Independent accounting system
- Distinct activities or location
- Not part of GST group
- Operates as separate GST entity
- Legal responsibility with parent
- Inter branches transactions - GST
- Separate returns
- RMCD approval



## THANK YOU

This presentation has been written in general terms and should be seen as broad guidance only. The presentation cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO Tax Services Sdn Bhd to discuss these matters in the context of your particular circumstances. BDO Tax Services Sdn Bhd, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

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# Malaysian Book Publishers Association: - Training on 25 Jun 2014

Page 1



## AGENDA

- Discussion topic based on the following:-
  - a) Export;
  - b) Import;
  - c) Reverse Charge;
  - d) Transactional Issues; and
  - e) Offences & Penalties
- Discussion on GST impact and business issues

Page 2



# Malaysian Book Publishers Association: - Export Sales

Page 3



## EXPORT SALES

Background



Page 4



## EXPORT SALES

### Legislation & Guide on GST



## EXPORT SALES

### Legislation & Guide on GST - Zero-rated supply

- A zero-rated supply is any supply of goods if the goods are exported.
- An exporter can zero rate his supply at the time when the goods are exported. Goods are deemed to be exported when:
  - i. They have been cleared by proper officer of customs at the last customs station on their route outside of Malaysia;
  - ii. They have been loaded onto a vessel or an aircraft which is about to depart from a port or place in Malaysia; or
  - iii. They have been cleared by proper officer of customs at an inland clearance depot or station on their route out of Malaysia through a customs port or airport.

## EXPORT SALES

### Legislation & Guide on GST - Documentations

- Documents that have to be kept are as follows:
  - 1) Export declaration (K2)
  - 2) Sales invoices
  - 3) Bill of lading
  - 4) Shipping note
  - 5) Insurance note
  - 6) Payment document, such as documentary credit, debit advice, bank statement etc.
  - 7) Debit and credit note
  - 8) Tally sheet from Port Authority
  - 9) Short ship/short landed certificate
  - 10) Other documents related to export

## EXPORT SALES

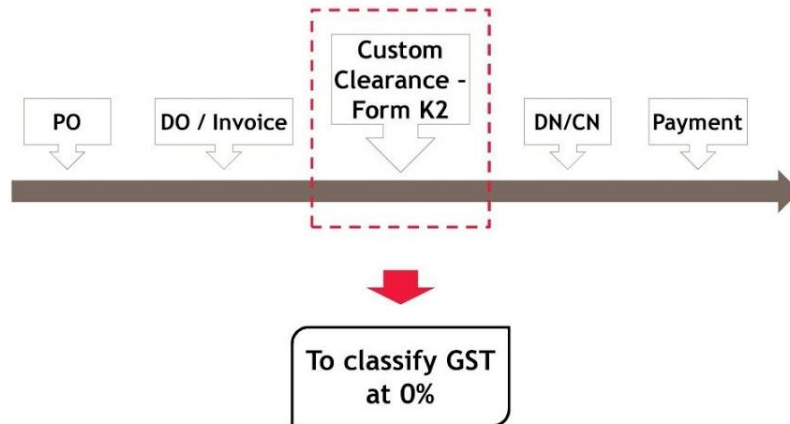
### GST Impact & Business Issues

Export products from Malaysia  
that are zero-rated - 0%

GST liability could crystallise  
if no supporting documents

## EXPORT SALES

### Timeline and documents flow



## EXPORT SALES

### Tax code

GST	Tax Code	Tax Rate	Description	Basic Tax Point / time of supply	GST return form (GST -03)
Supply - Export Sales	ZRE	0%	Export goods.	Form K2	Part C, Item 11

(Note: The above Tax Code is recommended in Customs Guideline - Guide to enhance your accounting software to be GST Compliant.)

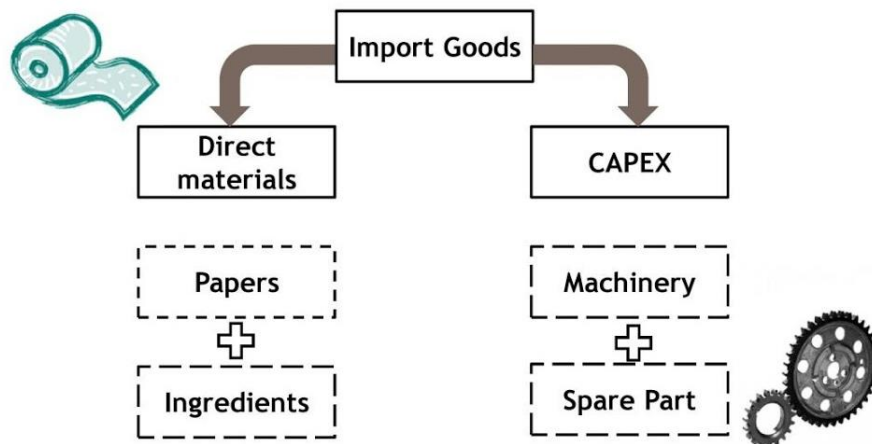
# Malaysian Book Publishers Association: - Importation of Goods

Page 11



## IMPORTATION OF GOODS

Background



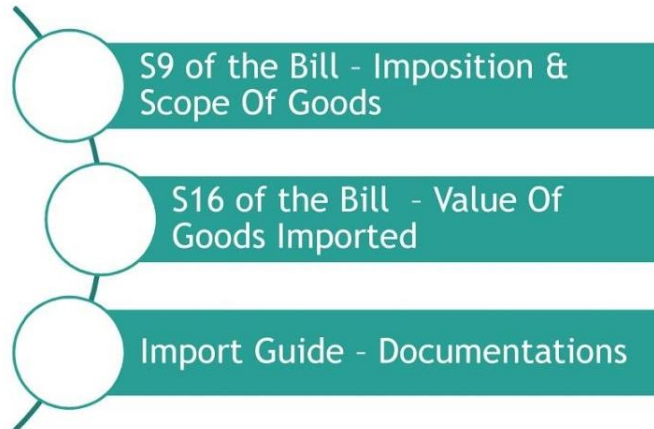
Page 12





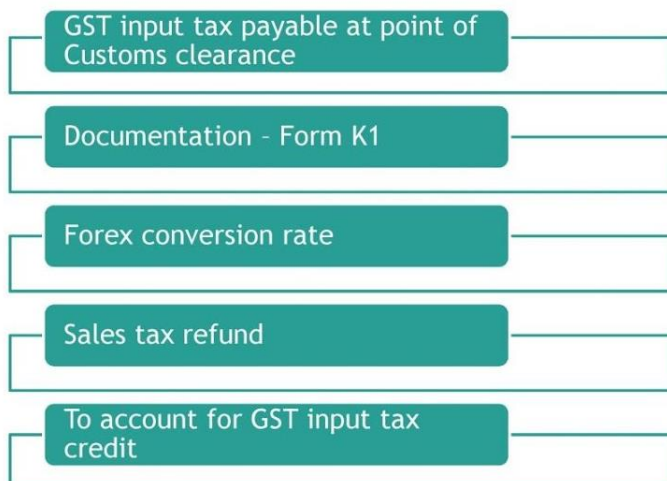
## IMPORTATION OF GOODS

### Legislation & Guide on GST



## IMPORTATION OF GOODS

### GST Impact & Business Issues



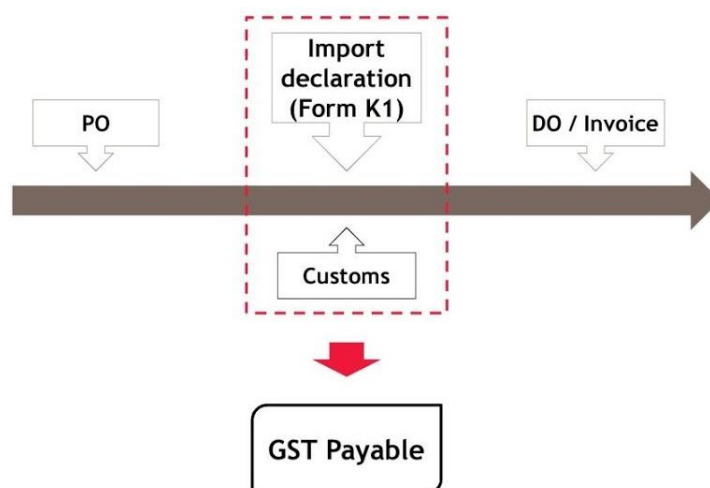
## IMPORTATION OF GOODS

### Legislation & Guide on GST - Documentations

- Documents that have to be kept are as follows:
  - 1) Import declaration (K1)
  - 2) Commercial invoice
  - 3) Bill of lading
  - 4) Shipping note
  - 5) Insurance note
  - 6) Payment document, such as documentary credit, debit advice, bank statement etc.
  - 7) Sales invoices
  - 8) Debit and credit note
  - 9) Tally sheet from Port Authority
  - 10) Short ship/short landed certificate
  - 11) Other documents related to import

## IMPORTATION OF GOODS

### Timeline & Documents Flow



## IMPORTATION OF GOODS

Value Of Goods Imported



- GST payable with the duty at the time of entry
- Goods not released by Customs until payment

## IMPORTATION OF GOODS

Value Of Goods Imported

Descriptions	RM
Transaction value / goods	50,000.00
Insurance and freight	2,000.00
Import duty (assuming 10%)	5,200.00
Value of import	57,200.00
GST payable (RM57,200.00 x 6%)	3,432.00

## IMPORTATION OF GOODS

### Deferred Payment GST On Imports

#### Can defer GST payable on imports?

- Requirements
  - Registered
  - Monthly return
  - Bank guarantee
  - Approval by RMCD
  - No outstanding tax debts
  - Registered electronically
  - ATS or warehousing scheme
  - Advantages of deferral?

## IMPORTATION OF GOODS

### Non-taxable Importations

- No GST payable on 'non-taxable importations'
- Non-taxable importations include:
  - 1) Certain goods listed in the Customs Tariff Act (e.g. inwards duty free purchases, warranty repair goods);
  - 2) Certain containers
- Importation of money

## IMPORTATION OF GOODS

### Tax code

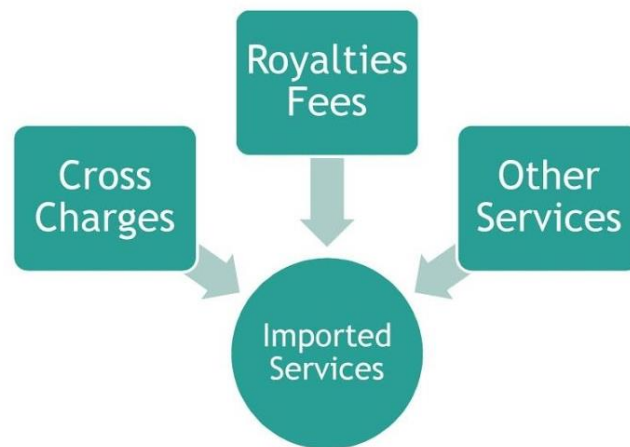
<i>GST</i>	<i>Tax Code</i>	<i>Tax Rate</i>	<i>Description</i>	<i>Basic Tax Point / time of supply</i>
Purchase	IM	6%	Import of goods with GST incurred	Clearance of Customs -K1

*(Note: The above Tax Code are recommended in Customs Guideline - Guide to enhance your accounting software to be GST Compliant.)*

## Malaysian Book Publishers Association: - Import Services

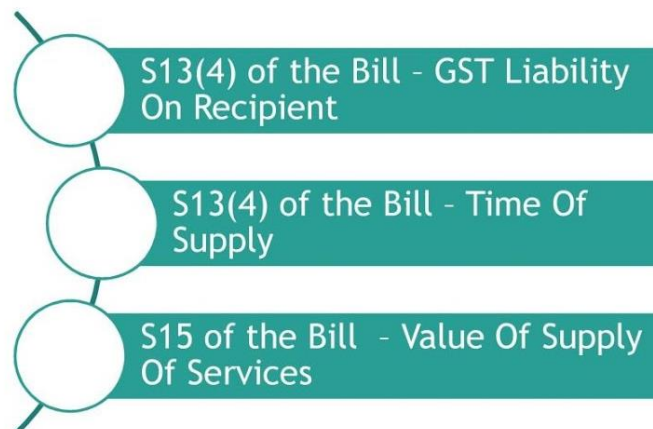
## IMPORT SERVICES

### Background



## IMPORT SERVICES

### Legislation & Guide on GST



## IMPORT SERVICES

### GST Impact & Business Issues

GST liability on recipient

Reverse charge

Price inclusive

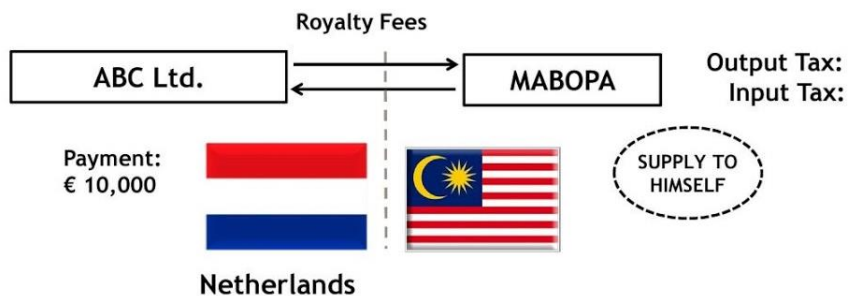
Retain documents

Page 25



## IMPORT SERVICES

### Reverse Charge Mechanism



- Imported Services: Royalty fees by ABC Ltd.
- Recipient: MABOPA
- MABOPA needs to account in GST-03 the input and output tax
- Time of Supply: When payment is made
- Value of Supply: Payment received

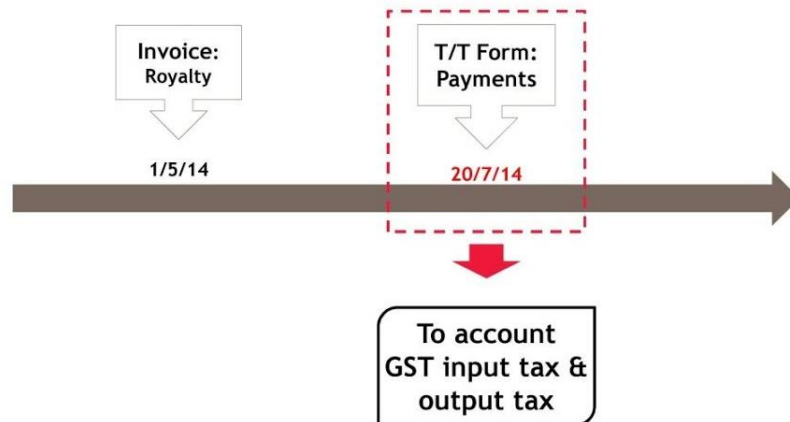
Page 26





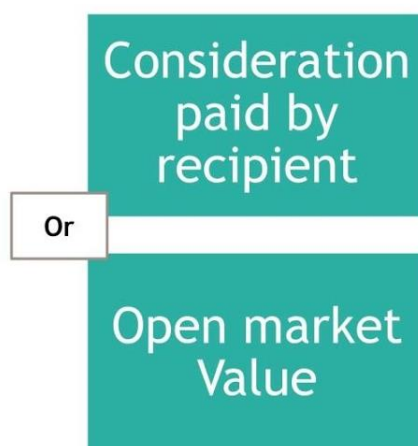
## IMPORT SERVICES

### Timeline & Documents Flow



## IMPORT SERVICES

### Value Of Supply Of Services



## IMPORT SERVICES

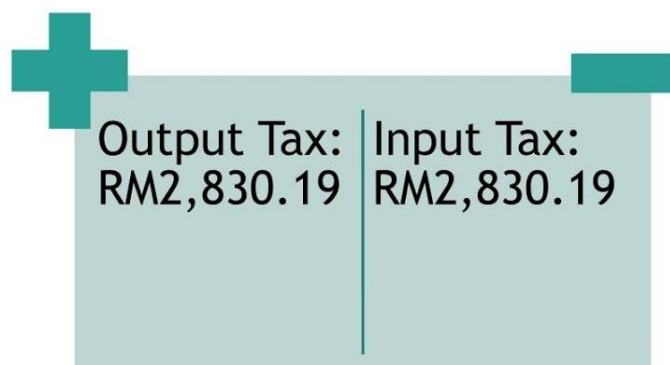
### Value Of Supply Of Services

Descriptions	RM
Royalty fees paid on 20/7/14	50,000.00
Account for GST* on 20/7/14 (RM50,000.00 x 6/106)	2,830.19
Net amount	47,169.81

*Note \*: Price inclusive method adopted based on our understanding from Customs.*

## IMPORT SERVICES

### Accounting For Supply Of Imported Services



## IMPORT SERVICES

### Tax code

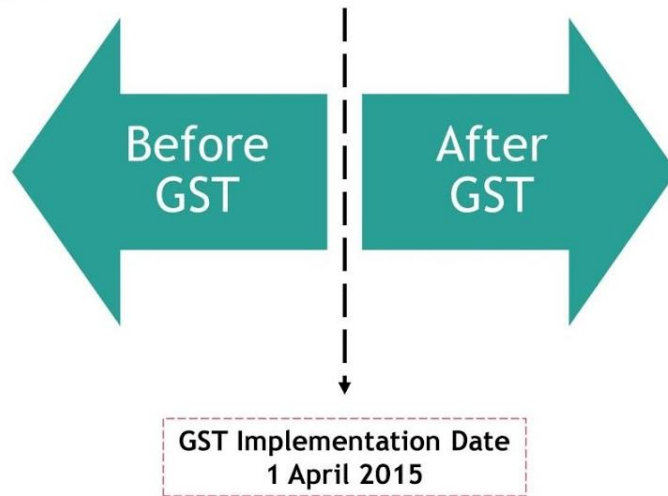
<i>GST</i>	<i>Tax Code</i>	<i>Tax Rate</i>	<i>Description</i>	<i>Basic Tax Point / time of supply</i>
Purchase	TX	6%	Purchases with GST incurred at 6% and directly attributable to taxable supplies.	Payment to vendor
Supply	DS	6%	Deemed supplies (e.g. transfer of disposal of business assets without consideration.)	Payment to vendor

*(Note: The above Tax Code are recommended in Customs Guideline - Guide to enhance your accounting software to be GST Compliant.)*

## Malaysian Book Publishers Association: - Transitional Issues

## TRANSITIONAL ISSUES

### Background



## TRANSITIONAL ISSUES

### GST Impact & Business Issues

- Progressive or Periodic Supplies; for that amount after 1 April 2015; commercial building
- Non Reviewable Contracts; ZERO RATED till 1 April 2020
- Reviewable Contracts;
- Rights granted for life; paid prior to 1 April 2015 -> ZERO RATED
- Construction; permanently affixed prior to 1 April 2015 excluded; certified
- Coin machines; first renewal one week 1 April 2015 not subject to GST
- Warranty; purchased prior to 1 April 2015 -> excluded
- Retention Payments; subject to GST even if it relates to pre 1 April 2015
- Unredeemed Vouchers - subject to tax

## TRANSITIONAL ISSUES

### Long Term Transactional Contracts

#### A bit of history....

- Contracts in place before GST (not only leases)
- Zero rated from 1 April 2015 until a “review opportunity”
- Transitional relief ends on 1 April 2020
- For supplies from 1 April 2020
  - Recipient election to bear GST liability, or
  - Supplier liable - consideration may have changed - agreement/arbitration
- Cases - Australia
  - Westley Nominees v Coles Supermarkets
  - DB Reef v Commissioner of Taxation

## Malaysian Book Publishers Association: - Offences & Penalties

## OFFENCES & PENALTIES

### Offences Under GST Act

- All offences are bailable offences.
  - ✓ Strict liability offences- examples
    - S36(6) - Duty to keep records
    - S41(6) - Fails to furnish return,
    - S94 - Incorrect return, understate output tax, gives incorrect information which affects tax liability
    - S97(3) - Non registered person issues invoice showing tax
    - S102 - Offence for which no penalty is expressly provided

## OFFENCES & PENALTIES

### Offences Under GST Act

- ✓ Registrable offences
  - S95 - Intent to evade tax, fraud
  - S97 - Acquires or deals with goods having reasonable cause to believe that tax has been / will be evaded

## OFFENCES & PENALTIES

### Compoundable Offences

No	SECTION
1	Sec.25 Notify cessation liability
2	Sec.28 Person who cease to be partner to notify
3	Sec.31 Personal rep to notify
4	Sec.33 Fail to issue tax invoice
5	Sec.41 Furnishing of return
6	Sec.42 Furnish declaration
7	Sec.67 Supplies span rate
8	Sec.70 Joint Venture

## OFFENCES & PENALTIES

### Compoundable Offences

No	SECTION
7	Sec.67 Supplies span rate
8	Sec.70 Joint Venture
9	Sec.71 Warehousing scheme
10	Sec.75 Flat Rate Scheme
11	Sec.94 Incorrect Return
12	Sec.95 Evasion, Fraud
13	Sec 96 Improperly obtain refund
14	Sec.97 offence relate to goods
15	Sec.102 General Penalty



## OFFENCES & PENALTIES

### No Compoundable Offences

NO	SECTION	PROVISIONS OF THE LAW
1	Section 6	Recognition of office
2.	Section 8	Confidentiality of information
3.	Section 98	Penalty for obstructing, etc. officer of GST
4.	Section 100	Penalty for offences by authorised and unauthorised person

## OFFENCES & PENALTIES

### Failure To Issue Tax Invoice (Sec 33)

Issue tax invoice which does not contain any of prescribed particulars

Penalty:-

- Fine RM30,000 or to a imprisonment for a term not exceeding 2 years or both

### Issuance Of Tax Invoice

[illegible]

## OFFENCES & PENALTIES

### Duty To Keep Records (Sec 36)

- Taxable person shall keep full and true record
  - ✓ manual or electronically readable form
  - ✓ seven years from the latest date to which the record relates
  - ✓ In national or English language
  - ✓ In Malaysia except otherwise approved by DG
- Punishment:-
  - ✓ liable to a fine not exceeding RM50,000 or to imprisonment or a term not exceeding 3 years or both

## OFFENCES & PENALTIES

### Fail To Furnish Return (Sec 41)

- A taxable person to furnish the return not later than the last and pay the tax due and payable not later than the last day on which he is required to furnished the return .
- Punishment for failure to furnish return
  - ✓ a fine not exceeding RM50,000 or imprisonment not exceeding 3 years or to both

## OFFENCES & PENALTIES

### Fail Ro Pay Tax (Sec 45)

- A taxable person to pay the tax due and payable not later than the last day on which he is required to furnished the return .
- Penalty for failure to pay tax
  - 5% within 30 days.
  - 10% > 30 to 60 days

additional 3% for every subsequent 30 days or part thereof  
subject to of maximum 25%.

## OFFENCES & PENALTIES

### Penalty For Incorrect Return (Sec 94)

#### Any person who :

- a) makes an incorrect return by omitting from the return any information
- b) understates any output tax or overstates any input tax in a return
- c) gives any incorrect information in relation to any matter affecting his own liability of any other person

## OFFENCES & PENALTIES

### Penalty For Incorrect Return (Sec 94)

#### • Punishment:-

- fine not exceeding RM50,000 or imprisonment not exceeding 3 years or both; and
- penalty equal to the amount tax which has been undercharged or would have been so undercharge if the return or information had been accepted as correct.

## OFFENCES & PENALTIES

### Penalty For Evasion Of Tax, Fraud (Sec 95)

Any person with intention to evade or assist any other person to evade tax

- (a) Omits from a return any information in relation to any matter affecting the amount of other person's chargeability to tax
- (b) Make any false statement or entry in any return
- (c) Gives any false answer whether in writing or otherwise to any question asked or request for information made
- (d) Prepares or maintains or authorizes the preparation or maintenance of any false books of account, false invoices or other false records, or falsifies or authorizes the falsification of any books of accounts, invoices or records.
- (e) Makes, uses or authorizes the use of any fraud, art or contrivance

## OFFENCES & PENALTIES

### Penalty For Evasion Of Tax, Fraud (Sec 95)

#### • Punishment:

- ✓ - for the first offence, fine not less than ten times and not more than twenty times the amount of tax or to imprisonment for a term not exceeding 5 years or to both;
- ✓ - for a second or subsequent offence, fine not less than twenty times and not more than forty times the amount of tax or to imprisonment for a term not exceeding 7 years or to both;

## OFFENCES & PENALTIES

### Penalty For Evasion Of Tax, Fraud (Sec 95)

- **Presumption**

- ✓ In any prosecution under section 95, any evasion of tax be deemed to be with the knowledge of the accused unless the contrary be proved by the accused.



## OFFENCES & PENALTIES

### Penalty For Improperly Obtaining Refund (Sec 96)

- Any person who causes or attempts to cause the refund to any person by the Director General of any amount in excess of the amount properly so refundable to him .
- Punishment
  - ✓ Fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or to both
  - ✓ To pay a penalty of 3 times the amount refunded in excess of the amount properly so refunded



## OFFENCES & PENALTIES

### Penalty For Offences In Relation To Goods, Invoice & Receipts (Sec 97)

Acquires possession of or deals with any goods, or accept the supply of any services with knowledge that the tax on the supply has been evaded.

- Invoked deeming provision under sec 97(2) .
  - ✓ The accused deemed to have knowledge that tax on the supply has been evaded unless contrary be proved by the accused.
- Punishment:-
  - ✓ (a) Fine not exceeding RM30,000 or to imprisonment for a term not exceeding 2 years or to both
  - ✓ (b) to a penalty of 2 times the amount of the tax

## OFFENCES & PENALTIES

### Penalty For Offences In Relation To Goods, Invoice & Receipts (Sec 97)

- Sec. 97(3) Any person other than a registered person who issues an invoices or a receipt showing an amount as being tax.
- Punishment:-
  - ✓ (a) Fine not exceeding RM30,000 or to imprisonment for a term not exceeding 3 years or to both
  - ✓ (b) Penalty of 2 times of the amount of the tax



## OFFENCES & PENALTIES

### Penalty For Offence By Authorised & Unauthorised Person (Sec 100)

- Any person who ---
  - (a) A person appointed for due administration of GST Act or any assistant employed in connection with the assessment and collection
    - ✓ i) withholds for his own use or otherwise any portion of the amount of tax or penalties collected;
    - ✓ ii) not in good faith, assessment or tax or penalties demands from any person an amount in excess of the authorized
    - ✓ iii) submits any false return, statement, report orally or otherwise, of the amount of tax or penalties collected or received by him; or.

## OFFENCES & PENALTIES

### Penalty For Offence By Authorised & Unauthorised Person (Sec 100)

- ✓ iv) defrauds any person, embezzles any money or otherwise uses his position
- (b)Not authorised under GST Act to do so collects or attempts to collect any tax or penalty.
- Punishment
  - ✓ Fine not exceeding RM50,000 or to imprisonment for a term not exceeding 3 years or to both

## OFFENCES & PENALTIES

### Attempts & Abetments (Sec 101)

- Punishable with the punishment provided for such offence
- Punishment
  - ✓ Fine not exceeding RM30,000 or imprisonment for a term not exceeding 2 years or to both

## OFFENCES & PENALTIES

### General Penalty (Sec 102)

- Any person who commits an offence under this Act which no penalty expressly provided
- Punishment
  - ✓ Fine not exceeding RM30,000 or imprisonment for a term not exceeding 2 years or to both

## OFFENCES & PENALTIES

### Conclusion

- Refund within the timeframe
- Penalties commensurate with offences



# THANK YOU