

# CUSTOMS AUDITS, GST AUDITS AND INVESTIGATIONS 2017

## SURGING AHEAD IN UNCERTAIN TIMES

Date : 16 & 17 August 2017  
Venue : Renaissance Hotel  
Kuala Lumpur  
Event Code : 17WS/035  
Time : 9.00am - 5.00pm

The Royal Malaysian Customs Department has a comprehensive programme for Customs Audits and GST Audits in the year 2017. Realising the need to enhance compliance to the Customs Act 1967 and the GST Act 2014, and to overcome unscrupulous tax evasion especially in the under declaration of goods, the use of incorrect tariff codes, claiming input tax credit illegally and under-declaring of output tax, Customs has accelerated the pace of Customs Audits by using the Risk Assessment Technique and has identified hundreds of companies for Customs and GST Audits this year. The expectation is that a huge percentage of companies will not be in compliance resulting in reassessment of tax and duty and the payment of heavy fines and penalties.

### PROGRAMME OUTLINE

#### DAY 1

##### A) TYPES OF CUSTOMS AUDITS AND INVESTIGATION

- (i) The Post Importation Audit
- (ii) The Section 14(2) Audit
- (iii) The LMW Audit
- (iv) Customs Investigation
- (v) GST Audit

##### B) THE POST IMPORTATION AUDIT

An Analysis of the WTO Valuation System and transaction value  
What is a Post Importation Audit?

What triggers off a Post Importation Audit?

Notification to the taxpayer

Documents required for the Audit

The Post Importation Audit Proper

Areas covered in the Audit

- The transaction value
- Relationship between buyer and seller
  - Order of application of rules of valuation
- Commissions and brokerage
- Packing costs and charges
- Value of any assists
- Royalties and licence fees
- Cost of transportation and insurance
- Common problems identified by Customs
- Assessment of Import Duty and GST
- The Bill of Demand Appeal

##### C) THE SECTION 14(2) AUDIT (Audit on MIDA/ Treasury exemption)

The MIDA/ Treasury Appeal letter

Conditions for Approval

The Bank Guarantee

Claiming Import Duty Exemption at the time of import

The K1 Form

Endorsement of the clause

Keep proper stock records

Submission of the Lampiran K

Areas covered in the 14(2) Audit

Reassessment of Import Duty

The Bill of Demand

##### D) THE LMW AUDIT

The LMW licencing conditions

Areas covered in the Audit

- Company documents- M&A, Form 24, 44 & 49
- LMW License ( Lesen Menggudang and Lesen Mengilang)
- Display of site plan, elevation plan and layout plan.

Purchases

- Imported goods
  - Raw materials, components]
  - Machinery & equipment ] clause endorsed on K1 Form
  - Other imported goods
- Locally purchased goods
- Inventory and Stock Movement
- Work in Progress
- Suppliers' invoices
- Credit Note/ Debit Note
- Delivery Orders

Sales

- Sales to another LMW (GPB1, Customs No.8 )
- Sales to companies in the Free Industrial Zone (K2)
- Export Sales (K2)
- Sales in the domestic market (K9)
- List of customers (local & overseas)
- Goods returned/ Credit notes/ Replacement
- GBP1 Forms
- Sales Invoices, sales ledger, P&L, B/S
- Sub-contract work
- Disposal/ Sale of scrap, waste, etc

Others

- Submission of M1 & M2 (monthly statements)
- Submission of yearly statement (audited by independent auditor)
- The Bill of Demand

#### DAY 2

##### E) CUSTOMS INVESTIGATION

The Enforcement Division ( Bahagian Penguatkuasaan)

What triggers of an Investigation?

Offences under section 135 and 138 Customs Act 1967

The Investigation officer

The Investigation paper

The Prosecution officer

To prosecute or compound

##### F) THE GST AUDIT

Who are the GST Auditors?

Difference between Customs Auditors and GST Auditors

Powers of GST Auditors

Badges and Authority cards

Types of GST Audits

- The Verification Audit
- The Refund Audit
- The Compliance Audit

The GST Audit

What triggers off a GST Audit?

Steps taken in a GST Audit

Areas covered in the Audit

- a) Purchases, Acquisitions
  - Computation of Input tax
  - Examination of Documents
- b) Supplies
  - Standard- rated supplies
  - Zero-rated supplies
  - Exempt supplies
  - Time of supply
  - Deemed supplies
  - Employee benefits
  - Exported goods/ services etc
  - Bad Debt Relief
  - The GST-03 Return
  - The Bill of Demand

The use of the Best Judgement Provision

The Prescribed Device

The Preliminary Bill of Demand

The Round Table Discussion

The Final Bill of Demand

Appeal to the State Director of Customs

Appeal to the Director-General of Customs

Appeal to the GST Appeal Tribunal

##### G) THE GST INVESTIGATION

What is a GST investigation?

The Enforcement Division

The GST Fraud / Commercial Crime Section

What triggers off a GST Investigation?

Pointers on how to handle a GST Investigation

How to avoid a GST Investigation.

### SPEAKER'S PROFILE

#### THOMAS SELVA DOSS

Thomas has served in the Royal Malaysian Customs Department as a Senior Officer for 15 years and was trained in Customs Audits and Investigations at the Malaysian Customs Academy. He is a trainer on GST for the Federation of Malaysian Manufacturer's members and also a trainer on Indirect Taxes and GST for MIA, MICPA, CPA Australia, CTIM and FMM. To-date he has conducted nearly 250 seminars and in-house training on indirect tax and GST for numerous multi-national companies.

Thomas is a Customs and GST Specialist and has handled more than 1,000 customs cases in the past. He is also a Customs and GST Consultant to numerous corporate clients in Malaysia and Singapore. He is also a Customs and GST Advisor to many tax and audit firms in Malaysia and was appointed as lecturer on Indirect Tax and GST for the Bachelor of Taxation Programme at Universiti Tun Abdul Razak.

## CUSTOMS AUDITS, GST AUDITS AND INVESTIGATIONS 2017 SURGING AHEAD IN UNCERTAIN TIMES

### \*Registration Fees


- |  |           |
|--|-----------|
| <input type="checkbox"/> CTIM/ACCA Member    | RM848.00  |
| <input type="checkbox"/> Member's Firm Staff | RM1060.00 |
| <input type="checkbox"/> Non-Member          | RM1272.00 |

\* The above registration fees are inclusive of 6% GST

- \* Seats are limited and based on first-come, first-served basis
- \* Registration of participants will be confirmed upon registration, receipt of full payment or an acceptable employers guarantee and settlement of previous outstanding dues.
- \* All outstanding payment must be received on or prior to the date of the event for participants to be allowed to attend. The institute reserves the right to cancel the registration if no payment is received prior to or on the date of the event.
- \* Walk-in participant registration and attendance is subject to availability of seats and full payment.
- \* Certificate of attendance will only be released upon participant signing the attendance register before 10.30am, full attendance and after completion of the event.

### Enquiries

 Tel: 03-2162 8989  
Fax: 03-2161 3207  
03-2162 8990  
Email: cpd@ctim.org.my

 B-13-1, Block B, Level 13, Unit 1,  
Megan Avenue II,  
No 12, Jalan Yap Kwan Seng,  
50450 Kuala Lumpur

### Contact Person:

*For Klang Valley events:*  
Ms Yus (ext 121 / yusfariza@ctim.org.my)  
Ms Jaslina (ext 131 / jaslina@ctim.org.my)  
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Mr Jason (ext 108/ jason@ctim.org.my)  
Ms Ramya (ext 119 / ramya@ctim.org.my)  
*General enquiries:*  
Ms Ally (ext 123 / ally@ctim.org.my)

### Participant's Contact Details

Full Name : _____	Company : _____
I/C Number : _____	Designation : _____
CTIM/ACCA Membership No : _____	Tel : _____
Company Address : _____	Fax : _____
_____	Email : _____
<input type="checkbox"/> Vegetarian	Mobile : _____

### Payment Method

- Online Payment via JomPAY



**Bill Code:** 21790  
**Ref-1:** Event Code  
**Ref-2:** Mobile Number

JomPAY online at Internet and Mobile Banking with your Current, Savings or Credit Card account

- MASTER / VISA Credit Card

For amount of RM \_\_\_\_\_

Card No

□□□□-□□□□-□□□□-□□□□

Expiry Date

Authorised Signature

(month/year)

Cardholder's Name ( as per credit card )

- Cash for Amount of RM \_\_\_\_\_

- Cheque No. \_\_\_\_\_

For Amount of RM \_\_\_\_\_

\*All cheque should be made payable to "CTIM-CPE"

### Replacements

Please note registrations for the event are not interchangeable but replacements are acceptable. Please notify us at least three days prior to the event if you intend to send a replacement. CPD points will be allocated to the designated attendee. If the replacement is not a Member but a Member's Firm Staff or Non-Member, the appropriate fees will apply.

### Cancellations

The Chartered Tax Institute of Malaysia must receive cancellations in writing five working days prior to the event. Refund amount is subject to deduction of administration and finance charges. No refund will be given for cancellations received within less than five working days of the event.

### Confirmation of Registration

The confirmation letter will be emailed 5 days before the commencement of the event upon receipt of full payment. In the event you do not receive the confirmation letter 5 days before the event, please contact us immediately.

### Disclaimer

The Organiser reserves the right to change the speaker, date, venue or to cancel the event if the number of participants is less than 20. A minimum of 3 days notice will be given.

### Recording

Video / Sound recording is strictly prohibited.