

TECHNICAL

Indirect Taxation

RMC ISSUED AMENDMENTS TO DIRECTOR GENERAL (DG)'S DECISION

The Royal Malaysian Customs (RMC) has recently uploaded the Amendments to the DG's Decision on [Claiming Bad Debt Relief](#), [Voluntary Registration for Pre Commencement of Business](#), [Individual Supply Commercial Property](#) and [Disbursement and Reimbursement](#).

The amendments are as follows:

DG'S Decision	Amendments
<p>Item 3, 1-2014</p> <p>Claiming bad debt relief</p>	<p>Decision (ii) was substituted as follows <i>(wef 23/10/2015)</i>:</p> <p>(ii) The bad debt relief must be claimed immediately after the expires of sixth months from the date of supply</p> <p>(ii) The bad debt relief may be claimed if –</p> <p>(a) Requirements under s.58 GSTA and Part X of GST Regulations 2014 are fulfilled; and</p> <p>(b) The supply is made by a GST registered person to another GST registered person; and</p> <p>(iii) The bad debt relief shall be claimed immediately in the taxable period after the expiry of the sixth month from the date of supply</p> <p>Decision (iii) renumbered as (iv) <i>(wef 28/10/2015)</i></p> <p>New Decision (v) was inserted as follows: <i>(wef 28/10/2015)</i></p> <p>(v) A GST registered person who has made the input tax claims but fails to pay his supplier within six months from the date of supply shall account for output tax immediately after the expiry of the sixth month (s.38(9) GSTA)</p> <p>Decision (iv) renumbered as (vi) and restated. <i>(wef 28/10/2015)</i></p>
<p>Item 5, 2-2014</p> <p>Voluntary Registration for pre commencement of business</p>	<p>Decision (ii) was substituted as follows <i>(wef 28/10/2015)</i></p> <p>(ii) The total taxable supply is expected to exceed the threshold within 12 months from the date of application.</p> <p>(ii) The first taxable supply is made within 12 months from the date of applications.</p>
<p>Item 6, 4-2014</p> <p>Individual supply commercial property</p> <p>Whether an individual has to charge GST when making a supply of his</p>	<p>Decision (iii) was substituted as follows <i>(wef 28/10/2015)</i>:</p> <p>(iii) Any individual owning commercial property at any one time –</p> <p>a) make a supply of two commercial properties or commercial land not exceeding 1 acre would be treated as not carrying out business even if the sale is more than RM500,000 in a 12 months period</p>

commercial property?	<p>b) would also be treated as not carrying out business if there is no intention of making a supply;</p> <p>c) make a supply of rental services on such property is liable to be registered when the turnover for such supply exceeded the threshold amount of RM500,000.</p> <p>(iii) Any individual who is not a GST registered person is treated as carrying out a business if he at any one time owns –</p> <p>(a) more than 2 commercial properties;</p> <p>(b) more than one acre of commercial land; OR</p> <p>(c) commercial property or commercial land worth more than 2 million ringgit at market price;</p> <p>(iv) Any individual mentioned in paragraph (iii) is liable to be registered as a GST registered person if –</p> <p>(a) he has the intention to supply any of his commercial properties or commercial land; AND</p> <p>(b) the total value of such supply exceeds the prescribed threshold in 12 months periods.</p> <p>(v) 'at any one time' mentioned in paragraph (iii) means at any point of time in his lifetime commencing after the effective date.</p> <p>(vi) Any individual is treated as carrying out a business and making a supply of taxable service if:</p> <p>(a) he is supplying any lease, tenancy, easement, licence to occupy or rent; AND</p> <p>(b) his annual turnover for such supply has exceeded the prescribed threshold in the period of 12 months.</p>
<p><u>Item 6, 5-2015</u></p> <p>Disbursement and reimbursement</p> <p>What is the GST treatment for disbursement and reimbursement?</p>	<p>Decision (3) was amended as follows (<i>wef 28/10/2015</i>):</p> <p>In general, the criteria for disbursement and reimbursement for GST purpose are as follows-</p> <p>(3) In general, to determine whether it is a disbursement and reimbursement for GST purpose, registered person must fulfilled all the following criteria -</p>

Members may forward to the Institute any comments or concerns relating to the above in the template provided [\[DG's Decision Amendments No.5-2015\]](#) via email (technical@ctim.org.my).

Members may view the Amendments to the DG's Decision on the [Institute website](#) or the official website of [Royal Malaysian Customs Department](#).

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