

TECHNICAL

Indirect Taxation

RMC ISSUED DIRECTOR GENERAL (DG)'S DECISION [NO.3-2015](#), [NO.4-2015](#) AND [NO.5-2015](#)

The Royal Malaysian Customs (RMC) has recently uploaded the DG's Decision [No.3-2015](#), [No.4-2015](#) and [No.5-2015](#). The GST policies decided relate to the following areas:

DG's Decision No.3-2015	
No.	Issues
1	Application for Self Billed Invoice.
2	Issuance of tax invoice at the beginning of GST implementation. a. Whether existing stock of invoices can be stamped with the word '<i>tax invoice</i>' and used by a registered person until the stock last? b. Whether a full handwritten tax invoice can be issued by a registered person?
3	Period for issuing tax invoice. When does a supplier need to issue a tax invoice?

DG's Decision No.4-2015	
No.	Issues
1	Local company (LC) purchased goods from overseas supplier (OS) and later sold the goods to local buyer (LB) and issue an invoice (local invoice). The LC requests the overseas supplier to deliver the goods direct to his local buyer (LB). Whether the supply made by LC to LB is subject to GST?
2	Local company (LC) purchased goods from a local manufacturer (LM) and request LM to export the goods to his overseas buyer (OB). Whether the supply made by LM to LC qualify for a zero rate?
3	Local company (LC) sell goods to overseas buyer (OB1) and OB1 request the goods to be delivered to his local agent (LA) in PCA and subsequently the goods are exported out by LA to OB1's customers in other countries (OB2). Whether the supply made by LC to OB1 can qualify for a zero rate?
4	Local supplier (LS) sell goods to overseas buyer (OB) and the OB request the goods to be delivered to the third party (TP) in the Free Commercial Zone (FCZ) for value added activity or consolidation. The TP refers to any agent appointed by the

<u>DG's Decision No.4-2015</u>	
No.	Issues
	OB. Whether the supply made by LS to OB qualify for a zero rate?
5	Local supplier (LS) sell goods to overseas buyer (OB) and the OB request the goods to be delivered to the third party (TP) in the licensed warehouse (LW) for value added activity or consolidation. The third party refers to any agent appointed by the overseas buyer. Whether the supply made by LS to OB qualify for a zero rate?
6	What is the GST treatment for goods manufactured locally which is supplied or sold by a local supplier to an overseas buyer but the goods are in the possession of the supplier and subsequently released for export in stages as instructed by the overseas buyer?
7	What is the GST treatment on non-recurring expenditure (NRE) [such as purchase of moulds, dies, tooling, jigs, fixtures and related equipment used specifically for overseas buyer (OB) in the contract manufacturer's (CM) premises] and other manufacturing expenditure connected to manufacture goods to be exported overseas?

<u>DG's Decision No.5-2015</u>	
No.	Issues
1	Whether local car manufacturers can use CJP1 form to claim special refund for cars held on hand on 31/3/2015. <i>[Section 190 of GSTA]</i>
2	Who can claim special refund of the full amount of sales tax paid in respect of imported CBU (Complete Build up) cars held on hand on 31/3/2015? <i>[Section 190 & 191 of GSTA]</i>
3	Special refund on stock of raw materials or components to be used for making a taxable supply held on hand on 31/3/2015 for which sales tax has been paid before 01/04/2015. <i>[Section 190 of GSTA]</i>
4	Whether a payment made by an overseas manufacturer/supplier for a warranty claim on provision of services paid by a distributor to a dealer who provide replacement of spare parts / car servicing under warranty at no charge to a customers is subject to GST. <i>[Section 188(3) of GSTA]</i>
5	Whether a registered person is allowed not to account for tax on gift of goods worth more than RM500 when the input tax on such goods is not claimed. <i>[Subparagraph 5(2) First Schedule of GSTA]</i>
6	GST treatment for disbursement and reimbursement
7	Who can be considered as making a supply of transportation services? <i>[Item 4,</i>

DG's Decision No.5-2015	
No.	Issues
	<i>Second Schedule of GST (Zero-Rated Supply) Order 2014]</i>

Members may forward to the Institute any comments or concerns relating to the above in the template provided [[DG's Decisions No.3-2015](#), [DG's Decision No.4-2015](#) and [DG's Decision No.5-2015](#) via email (technical@ctim.org.my).

Members may view the DG's Decisions on the [Institute website](#) or the official website of [Malaysia Goods and Services Tax \(GST\) Portal](#).

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