

TECHNICAL

Indirect Taxation

Update on Goods and Services Tax (GST) Guides

The Royal Malaysian Customs (RMC) has recently uploaded the following **Revised** GST Guides. The amendments are highlighted as follows:

GST Guide	Amendments
GST Return (GST-03) Guidelines (revised as at 30 July 2015)	<p>Part B – 5(a)(3) Output Tax “State the actual total value of standard rated supply. You must declare the total value of standard-rated supply (excluding the amount GST) of all taxable supplies including supplies such as...”</p> <p>Part B – 5(b) Total Output Tax (inclusive of Tax Value on Bad Debt Recovered & other adjustments) “State the actual output tax for supply made including deemed supply, bad debt recovered and other adjustment. Output tax involving, other adjustments should also be included....”</p> <p>Part B – 6 (a)(iii) Total Value of Standard Rate and Flat Rate Acquisitions For simplified tax invoice, amount declared only the amount that can be claimed. (RM 30.00 only) should be RM 500.00 or less. If the name and address of the buyer is stated in the simplified tax invoice the total amount of invoice may be declared.</p> <p>Part B – 6(b)(ix) Total Input Tax (Inclusive of Tax Value on Bad Debt Relief & other Adjustments)* For simplified tax invoices, input tax claimable is RM30 or less. If the name and address of the buyer is stated in the simplified tax invoice the total input tax of invoice may be claimed.</p> <p>Part C – 13 Total value of supplies Granted GST Relief This original explanatory note is restated and indicates the mechanism by which the supplies were granted GST relief.</p>
GST Industry Guide – Approved Trader Scheme (revised as at 24 July 2015)	<p>New FAQ 9 confirms that Approved Trader has to submit monthly report, Lampiran B- OPT GST Bil 2B, to the GST Office within 15 days after the end of its taxable period. For those whose annual turnover is more than 25 Million with at least 80% supplies made are zero-rated, Lampiran A1 has to be prepared and kept for the purpose of audit.</p>
GST Specific Guide – Supply (revised as at 13 July 2015)	<p>New paragraphs on Reimbursement [Para 40(f)] and Disbursement [Para 59] are inserted to explain the GST treatment.</p> <p>Additional restriction on Supply to members by Societies and Similar Organisations is inserted in Para 50(a) as follows: “....nominal (the cost of supply made by the society or similar organisations to each of its member in a year does not exceed RM100)...”</p>

GST Guide	Amendments
	<p>Paragraph 64 - New Place of Supply of Services is expanded to include definitions of Fixed Establishment [Para. 64(d)], Business Establishment [Para. 64(e)] and Usual Place of Residence [Para. 64(f)]:</p>
<p>GST Specific Guide – Employee Benefits (revised as at 18 June 2015)</p>	<p>The following is inserted to Paragraph 1 – Introduction</p> <p><i>“....The guide explains the GST treatment for goods and services provided by a GST-registered person to employees as employee benefits. Specifically, it highlights the circumstance to claim the GST incurred on employees benefits and whether GST is to be accounted for when these benefits are given free to employees.”</i></p> <p>The section on Accounting For Output Tax On Employee Benefits was re-written as follows:</p> <ul style="list-style-type: none"> • GST Payable on Supplies of Employee Benefits- (para 12-14) • Consideration (para 15-16). • Goods Given Free to Employees as Stated in the Contract of Employment (para 17) is amended by inserting the following: <p><i>“If the goods are given free to the employees which are not stated in the contract of employment but only stated in company policy such as company’s handbook, they must be specific as example below.”</i></p> • Supply of Goods Under Gift Rule (Para 20) provides a new example (Example 10). <p>The following new FAQ are introduced:</p> <p>13. Lease of service apartment for an expatriate employee</p> <p>23 Reimbursement of accommodation cost from employees, and</p> <p>24 Company deducts the employees’ salary and remits payments to ASB, Tabung Haji, Zakat and Trade Union subscription, etc. No service fee or other charges are imposed. Does the company have to issue tax Invoices for the deductions and charge GST on the amount deducted?</p>

Members may view the Guides on the [Institute website](#) or on the [official website of Malaysia Goods and Services Tax \(GST\)](#).

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concern or comments you may have on the Guides so that we may raise them to the RMC.

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