
TECHNICAL

Indirect Taxation

NOTIFICATION OF PENALTY DUE TO FAILURE / LATE PAYMENT OF GOODS AND SERVICES TAX (GST)

Following the amendment to [Section 41 of the GST Act 2014](#), (as amended by [Finance Act 2015](#)), the Royal Malaysian Customs Department (RMCD) has made an [announcement](#) on the manner that the penalty due to failure or late payment of GST will be imposed. This provision came into operation on 1 January 2016 and the imposition of penalties will start for the taxable period for which tax payments are due and payable on **31 January 2016**.

The rates of penalty will be based on the number of days the tax due is not paid as per the table below:

NUMBER OF DAYS TAX DUE IS NOT PAID	RATES OF PENALTY (%)
1 - 30	5
1 - 60	15
1 - 90	25
> 90	25 (maximum)

Note: The rate of penalty will be imposed on the original amount of tax due and payable. It shall begin after the last day when the tax is due.

Members may view the announcement on the [Institute website](#) or on the [official website of Malaysia 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 [Announcement](#) so that we may raise them to the RMC.

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