

TECHNICAL

Indirect Taxation

Update on Goods and Services Tax (GST) General Guide

Subsequent to our [e-CTIM TECH-IT 15-2016](#), the Royal Malaysian Customs (RMC) has updated the **GST General Guide** on 12 July 2016. The following is a summary of the changes.

No.	Heading	Amendments
1.	Goods written-off	<p>A new paragraph, <b>Para 66</b> was introduced together with a new Appendix 1 as follows:</p> <p><b>"66.</b> Goods may expire or may be damaged and subsequently written-off and destroyed in the course of business. Input tax credit is allowable for these goods and supporting documents need to be furnished to RMCD upon request. If the written-off goods are sold as scrap, it is subject to GST 6% and the company has to issue a tax invoice. For written-off goods which are disposed off other than by sale, GST registered person is required to keep the related documents as proof that the goods has been written-off and disposed. For example, if such goods has been destroyed, then a certificate of destruction has to be signed by the company's chairman or director which is to be kept for audit purpose. Documents that are required to be kept by GST registered person for the written-off goods are as follow:</p> <ul style="list-style-type: none"> <li>(a) audited report / financial statement and management report;</li> <li>(b) audited accounts reporting the written-off goods;</li> <li>(c) evidence that the asset has no commercial value;</li> <li>(d) evidence that the asset is spoiled / unusable / expired;</li> <li>(e) approved letter by relevant body for disposal / destruction (if any) e.g.: Certificate from Ministry of Health Malaysia, Environmental Department or Department of Chemistry Malaysia;</li> <li>(f) destruction certificate signed by company's chairman / director (refer to <b>Appendix 1</b>);</li> <li>(g) other documents as proof the asset has been disposed / destroyed." </li></ul>
2.	Refund for Overpayment or Erroneous Payment	<p>Para 223 of the General Guide (as at 1 July 2016) on the taxpayer's right to refund for overpayment or erroneous payment was removed and replaced with <b>Paragraph 224</b> on RMCD's rights to recover from erroneous refund :</p> <p><b>224</b> "223. Any person who has <b>been</b> overpaid or erroneously <b>been refunded</b> paid any tax, penalty, surcharge, fee or any other money <del>may claim for refund within six (6) years from the time such overpayment or erroneous payment occurred.</del> shall pay the refund erroneously paid upon a demand made by the Director General within six (6) years from the time such overpayment or erroneous payment occurred."</p>

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

You may write to the Institute at [technical@ctim.org.my](mailto:technical@ctim.org.my) or [secretariat@ctim.org.my](mailto:secretariat@ctim.org.my) in respect of any suggestions, concern or comments you may have on the updated GST General Guide so that we may raise them to the RMC.

## APPENDIX 1

### SIJIL PEMUSNAHAN SISA/HAMPAS CERTIFICATE OF SCRAP/WASTE DESTRUCTION

1. Nama dan Alamat Syarikat: .....  
Name and Address of the Company
2. Rujukan Kelulusan: .....  
Approval Reference
3. Nombor GST: .....  
GST Number
4. Perihal Asset Perniagaan Yang Dimusnahkan: .....  
Description of Business Asset Disposed
5. Kuantiti Dimusnahkan: .....  
Quantity Destroyed
6. Nilai Barang/Anggaran Cukai: .....  
Value of goods/Estimated Tax
7. Tempat Pemusnahan: .....  
Place of Destruction
8. Cara Pemusnahan: .....  
Method of Destruction

"Bahawa saya (Nama Pengerusi/Pengarah Syarikat).....  
I hereby (Name of Chairman/Director of the Company)

Jawatan ..... mengaku telah selesai menyelia pemusnahan barang- barang di  
Designation certified that I have witnessed the destruction of the goods in

butiran 4 di atas pada (tarikh) ..... dari jam ..... hingga jam ..... "  
Item 4 above on (date) from until

Tarikh: .....  
Date

.....  
(Tandatangan/Signature)

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