

TECHNICAL

Indirect Taxation

Price Control and Anti-Profiteering (Mechanism to Determine Unreasonably High Profit for Goods) Regulations 2016 – P.U.(A)349/2016

The [Price Control and Anti-Profiteering \(Mechanism to Determine Unreasonably High Profit\) \(Net Profit Margin\) Regulations 2014 \[P.U.\(A\)347/2014\]](#) (hereinafter referred to as 2014 Regulations) were introduced on 26 December 2014 with a view to regulate the anticipated price increase subsequent to the imposition of Goods and Services Tax (GST). The scope of the 2014 Regulations covers prices of goods and services from 2 January 2015 to 30 June 2016.

The current Regulations [P.U.(A)349/2016] (hereinafter referred to as 2016 Regulations) were gazetted on 22 December 2016. Regulation 4 stipulates that the profit is determined as unreasonably high if the percentage of mark-up / margin of any goods sold or offered for sale in a particular financial year or calendar year **exceeds** the percentage of mark-up / margin of the goods sold or offered for sale on the first day of that particular financial year or calendar year, as calculated in accordance with the formulae specified in Regulations 5 / 6 respectively.

Unlike the 2014 Regulations, the 2016 Regulations do not relate to the GST and the basis for determining unreasonably high profit changed from net profit margin to percentage mark-up or percentage of margin. The scope of regulation is also confined to the sale of **food, beverages and household goods**, leaving out the sale of services and other goods. These regulations come into operation from 1 January 2017 onwards.

Members may read the Regulations in full at the official website of the [Attorney-General's Chambers](#).

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