

TECHNICAL

Indirect Taxation

Update on Goods and Services Tax (GST) Guide on Duty Free Shop (DFS)

The Royal Malaysian Customs Department (RMCD) has uploaded on 6 June 2017 a new [GST Guide on Duty Free Shop \(dated 1 January 2017\)](#) to replace the old [GST Guide on DFS \(revised as at 14 January 2016\)](#). The following are the changes:

General Operations of The Industry

The last sentence of **Paragraph 5**, was reworded as follows:

“.....Foreign tourists as well as eligible local tourists are able to purchase goods ~~free of duty relief and from~~ GST at any DFS ~~situated after immigration checkpoint at airport and port only.~~”

GST Treatment on Goods Supplied by A DFS Operator

Paragraph 17, was revised as follows:

“Goods approved to be supplied by a DFS operator is ~~after the immigration checkpoint situated at the airport or port are~~ given relief ~~as stipulated~~ under Item 3, ~~Second Schedule~~ of the Goods and Services Tax [Relief] ~~[Amendment][No.2]~~ Order 2014 ~~2016~~.”

Frequently Asked Questions – The Treatment of GST on goods supplied in DFS

FAQ No.5, was revised as follows:

“Q5. Are goods sold in DFS located at seaport or airport subject to GST?”

A5. ~~Only~~ goods sold in DFS ~~located at airports and seaports are free of duty and~~ ~~situated after the immigration checkpoint at airport and seaport are given relief from GST~~ as stipulated in Item 3, Second Schedule of the Goods and Services Tax [Relief] ~~[Amendment][No.2]~~ Order 2014 ~~2016~~.”

FAQ No.8, was revised as follows:

“Q8. What is the GST treatment on goods sold in DFS located at border like Bukit Kayu Hitam, Kedah?”

A8. All goods sold at DFS located at border are ~~free of GST. However, if such goods are brought into Malaysia, GST would be imposed at the checkpoint by the Customs~~ ~~subjected to GST at standard rated.~~”

Members may view the updated GST Guide on Duty Free Shop 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 or secretariat@ctim.org.my in respect of any suggestions, concern or comments you may have on the updated [GST Guide on Duty Free Shop](#) so that we may raise them to the RMCD.

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