



## *Progress on GST Implementation & The Future Focus of RMCD*

**Dato' Sri Khazali Haji Ahmad**  
**Director General**  
**Royal Malaysian Customs Department**

# STATISTIC ON COMPLIANCE



# GST REGISTRATION

AS AT 23<sup>TH</sup> MAY 2016



BIL	STATE	TOTAL
1.	WP KL	84,199
2.	SELANGOR	77,061
3.	JOHOR	53,312
4.	PULAU PINANG	29,427
5.	PERAK	28,345
6.	SARAWAK	27,366
7.	SABAH	22,379
8.	KLIA	21,171
9.	PAHANG	14,466
10.	KEDAH	14,065
11.	NEGERI SEMBILAN	12,726
12.	MELAKA	11,139
13.	KELANTAN	7,600
14.	TERENGGANU	6,962
15.	PERLIS	1,664
16.	LABUAN	833
	<b>JUMLAH</b>	<b>412,715</b>

Manufacturing	Number of Registrants	Total Registrants
Medium	3,212	48,781
Small	40,570	
Micro	4,999	
Non-Manufacturing	Number of Registrants	Total Registrants
Medium	59,248	340,417
Small	247,838	
Micro	33,331	
<b>Total SME</b>		<b>389,198</b>

**Notes:**

**MANUFACTURING SECTOR**

- a) Medium: Sales turnover RM15mil to <RM50mil
- b) Small: Sales turnover RM300K to <RM15mil
- c) Micro: Sales turnover <RM300K

**SERVICES AND OTHER SECTORS**

- a) Medium: Sales turnover RM3mil to <RM20mil
- b) Small: Sales turnover RM300K to <RM3mil
- c) Micro: Sales turnover <RM300K



# NUMBER REGISTRANTS

AS AT 23<sup>TH</sup> MAY 2016



## NUMBER OF REGISTRANTS BY ENTITY

NO	TYPES OF ENTITY	TOTAL
1.	Company	229,319
2.	Sole Proprietor	107,894
3.	Partnership	58,691
4.	Professional	6,884
5.	Individual	4,062
6.	Association	2,146
7.	Limited Liability Partnership	1,748
8.	Other Entity	1,294
9.	Statutory Body	395
10.	Local Authority	202
11.	Public Authority	80
	<b>TOTAL</b>	<b>412,715</b>

## REGISTRANTS BY SECTOR

NO	SECTOR	TOTAL
1.	WHOLESALE, RETAIL TRADE; REPAIR MOTOR VEHICLES & MOTORCYCLES	144,154
2.	CONSTRUCTION	73,703
3.	MANUFACTURING	51,353
4.	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	25,835
5.	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	19,195
6.	ACCOMMODATION AND FOOD SERVICE ACTIVITIES	17,643
7.	TRANSPORTATION AND STORAGE	14,955
8.	INFORMATION AND COMMUNICATION	12,441
9.	AGRICULTURE, FORESTRY AND FISHING	12,304
10.	REAL ESTATE ACTIVITIES	11,051
11.	OTHER SERVICE ACTIVITIES	7,783
12.	FINANCIAL AND INSURANCE/TAKAFUL ACTIVITIES	5,110
13.	HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	3,574
14.	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION	2,877
15.	MINING AND QUARRYING	2,742
16.	EDUCATION	2,540
17.	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2,020
18.	ARTS, ENTERTAINMENT AND RECREATION	2,003
19.	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	1,227
20.	ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS; ETC.	158
21.	ACTIVITIES OF EXTRATERRITORIAL ORGANIZATIONS AND BODIES	48
	<b>TOTAL</b>	<b>412,715</b>



# GST RETURN



AS AT 22<sup>TH</sup> MAY 2016

TAXABLE PERIOD	SUPPOSED TO RECEIVE	RECEIVED		NOT RECEIVED	
	TOTAL	TOTAL	PERCENTAGE	TOTAL	PERCENTAGE
APRIL	72,714	72,352	99.50	362	0.50
MAY	71,740	71,404	99.53	336	0.47
JUNE	58,016	57,747	99.54	269	0.46
*APRIL - JUNE	282,114	276,368	97.96	5,746	2.04
JULY	73,373	72,762	99.17	611	0.83
AUGUST	72,382	71,810	99.21	572	0.79
SEPTEMBER	58,010	57,678	99.43	332	0.57
*JULY – SEPT	287,841	278,715	96.83	9,126	3.17
OKTOBER	74,081	73,090	98.66	991	1.34
NOVEMBER	73,037	72,090	98.70	947	1.30
DISEMBER	58,172	57,454	98.77	718	1.23
*OKT - DIS	291,370	269,424	92.47	21,946	7.53
JANUARI 2016	74,956	72,759	97.07	2,197	2.93
FEBRUARI 2016	73,991	71,637	96.82	2,354	3.18
MAC 2016	58,427	56,603	96.88	1,824	3.12
*JAN-MAC 2016	297,552	259,126	87.09	38,426	12.91
APRIL 2016	75,931	9,103	11.99	66,828	88.01



## Where any taxable person:



**Fail to  
Register**

**Fail to Furnish  
Return**

**Furnish  
Incomplete  
Return**

### **AUTO-ASSESSMENT**

**Sec 43 GSTA 2014: Power to Assess**

**DG may assess to the best of his judgement the amount of tax due and payable from the taxable person**

AS AT 25<sup>TH</sup> MAY 2016

MONTH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
<b>Application</b>	17	62	82	103	161	1,963	<b>2,388</b>
<b>Approved</b>	14	44	70	84	117	915	<b>1,244</b>
<b>Rejected</b>	3	18	12	18	30	500	<b>581</b>
<b>Review</b>	0	0	0	1	14	548	<b>563</b>
<b>Percentage</b> (Approved + Rejected)	100%	100%	100%	99.03%	91.30%	72.08%	<b>76.42%</b>

**DUE DATE FOR SPECIAL REFUND SUBMISSION : 30 SEPTEMBER 2015**



# TOURIST REFUND SCHEME



AS AT 25<sup>TH</sup> MAY 2016



Refund Location	No. of Tourist Refunds	Total Claim Amount
KLIA 2 AIRSIDE	98,391	6,908,975.25
KLIA C1 SATELLITE TERMINAL	55,722	4,343,126.76
KLIA CP TERMINAL	49,332	3,323,307.56
KOTA KINABALU T1 INTL AIRPORT	11,873	722,044.20
KUCHING INTL AIRPORT	397	27,286.13
non-cash	170,220	43,989,246.01
PENANG INTL AIRPORT	55,429	3,132,008.52
SENAI INTL AIRPORT	230	16,142.45
SUBANG INTL AIRPORT	321	22,146.44
<b>TOTAL</b>	<b>441,915</b>	<b>62,484,283.32</b>





# REFUND

FILLING PERIOD  (DAYS)	APRIL		MAY		JUNE		JULY		AUGUST		SEPTEMBER		OCTOBER		NOVEMBER		DECEMBER	
	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)
<14	3,313	17.84	4,703	28.38	9,736	21.62	5,243	51.68	15,428	59.42	29,016	71.22	8,152	58.99	11,158	69.01	33,138	66.59
15 - 30	6,148	33.11	6,697	40.41	24,322	54.00	4,656	45.89	7,317	28.18	4,148	10.18	3,407	24.65	2,852.21	17.64	5,937	11.93
>31	9,107	49.05	5,174	31.22	10,980	24.38	246	2.42	3,219	12.40	7,578	18.60	2,261	16.36	2,158.56	13.35	10,689	21.48
Total	18,568	100.00	16,574	100	45,038	100	10,145	100.00	25,964	100.00	40,742	100.00	13,820	100.00	16,169	100.00	49,764	100.00

The reduction in percentage is due to:

- inflated refund claims
- under reporting sales
- fictitious traders
- domestic sales disguised as exports by using fake export documents

# PERADUAN JOM MINTA RESIT

Launched – 31<sup>st</sup> March 2016

Period – 1<sup>st</sup> April 2016 to 30<sup>th</sup> November 2016

## Purpose

- Encourage consumers to request for receipt
- Encourage retailers to use cash register or point of sales system.
- Encourage compliance



# IMPLEMENTATION OF GST

- It was a great success despite many challenges.
- Pleasant surprise - no major issues

## **Najib: GST is Malaysia's economic saviour**

January 8, 2016

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**GST revenue will cover losses due to low oil prices, keep national deficit at 3.1 per cent and allow BR1M to continue.**

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Critical factor for the successful  
implementation of GST

# THE SUCCESS OF GST

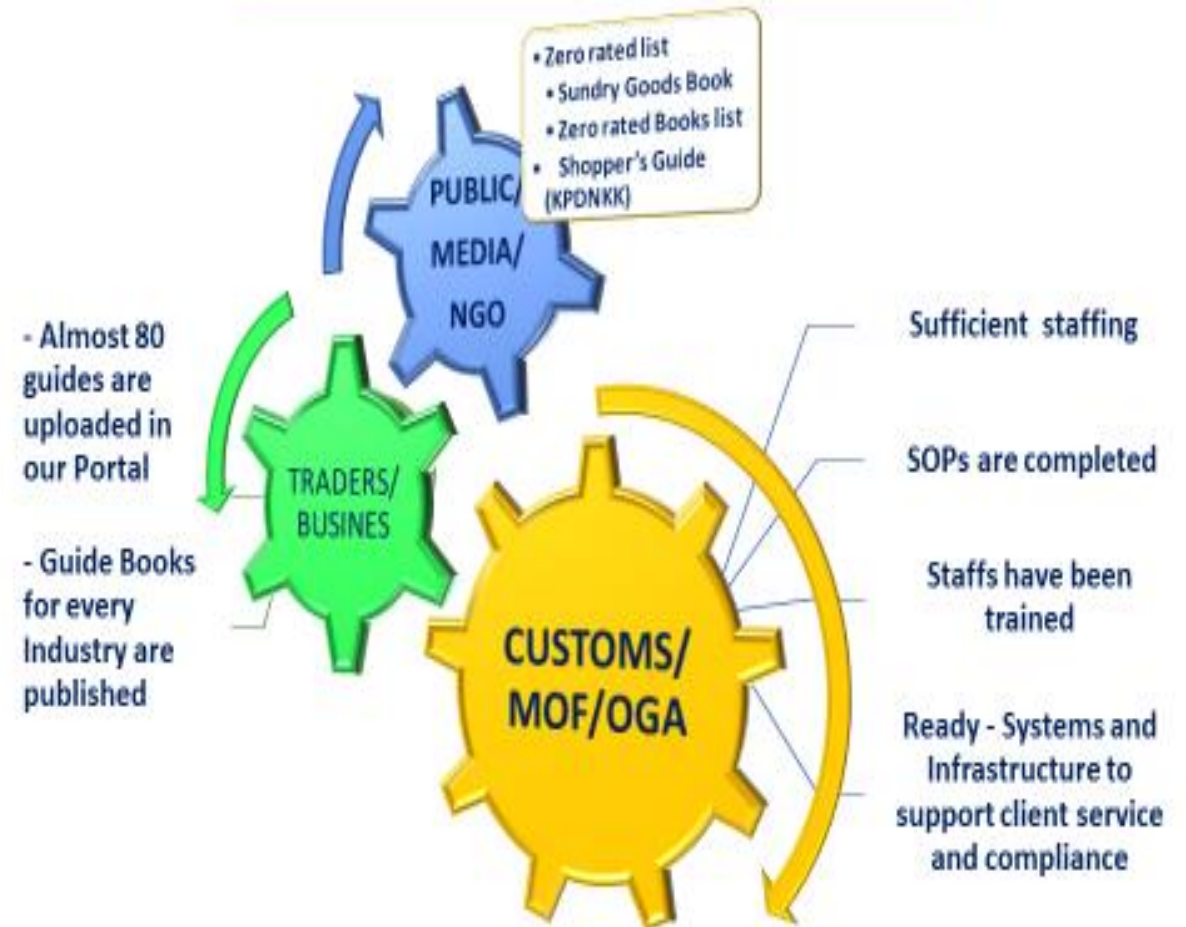
## HAND-HOLDING PROGRAMME FOR GST REGISTERED PERSONS



- "Changes" from SST to GST
- In-depth training on GST requirements
- Cash Flow Impact on business
- Facilities under GST
- Application for various facilities
- Online training for GST Return Filing
- Price Impact/Changes
- System requirements & GST accounting software and tax codes



## INFORMED COMPLIANCE VS ENFORCED COMPLIANCE





# EFFORTS TAKEN IN IMPLEMENTING GST

## HELP DESK / CALL CENTRE



On the day of GST introduction and throughout the months, questions from businesses and public were expected to be so much that everyone has to attend to the queries

Effective communication and close cooperation with stakeholders



## TECHNICAL PANEL UNIT



## AWARENESS PROGRAMME

General public are basically given awareness through outreach programme and also through electronic and print media. The awareness programme also includes appointing GST advocates and ambassadors, public acceptance and persuasion programme which is carried out to train NGOs both public and private.





# ANTI-GST PROTEST

23 March 2015



# FIRST DAY BLOES



## APOLOGY LETTER



**7-Eleven Malaysia Sdn. Bhd.** (120962-P)  
Level 3A, Podium Block, Plaza Berjaya  
No. 12, Jalan Imbi  
55100 Kuala Lumpur, Malaysia

Tel : +60-3-2142 1136  
Fax : +60-3-2142 1139  
Website: [www.7Eleven.com.my](http://www.7Eleven.com.my)  
[www.slurpee.com.my](http://www.slurpee.com.my)

### Media Statement

1<sup>st</sup> April 2015

On behalf of 7-Eleven Malaysia Holdings Berhad we would like to issue an apology to all consumers who were affected by the GST pricing error for selected items sold at 7-Eleven Malaysia stores earlier today, 1<sup>st</sup> April 2015, which occurred due to a technical system error in our point-of-sale system. This particularly impacted on some newspaper products which we sell as these incurred a minor increase on the correct price which should not have been charged as newspapers do not attract any GST.

As soon as the system error was discovered we immediately took action to withdraw these products from sale so that our customers would not be inconvenienced further. However we understand that the incident would have caused frustration for our customers and for that we sincerely apologise.





# WAY FORWARD



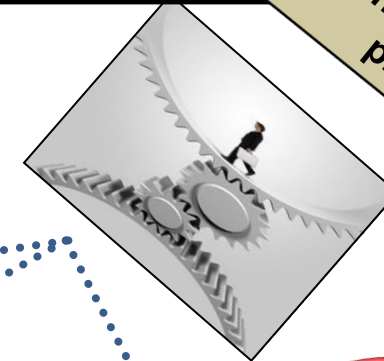
# Embed The Critical Issues In The Business Process – Get the GST Reporting Right



Top Management



Business operations & processes



Services

Sales

Procurement

Human Resource

Accounts

Supply chain management

Capability Building & Enhancement



GST Reporting

ROYAL MALAYSIAN CUSTOMS DEPARTMENT  
PERSEKUTUAN CUKAI BARU DAN PERSEKUTUAN  
KEDAI DAN PERSEKUTUAN PERSEKUTUAN

**Nota Pengira (Import/Export Return)**

1) Sila isikan borang ini dengan HURUF BESAR dan menggunakan pen tulis kekal bertekstur hitam.  
2) Borang ini hendaklah diisi oleh Pemilik Perniagaan atau Pegawai Cukai Berlesen dan Persekutuan (CBP).  
3) Borang ini hendaklah diisi dalam Bahasa Melayu atau Bahasa Inggeris.  
4) Borang ini hendaklah diisi dalam Bahasa Melayu atau Bahasa Inggeris.  
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10) Borang ini hendaklah diisi dalam Bahasa Melayu atau Bahasa Inggeris.

**Penilaian**

**Amendement**

**BAHAGIAN A: BUTIRAN CUKAI BERSEKUTUAN**

1) No. CBP: 123456-A  
2) Nama Perniagaan: SAMPLE TRADING (M) SDN. BHD.  
3) Tarikh Bersekutuan: 15.01.2014  
4) Tarikh Akhir Bersekutuan: 15.01.2014  
5) Tarikh Bersekutuan: 15.01.2014  
6) Tarikh Bersekutuan: 15.01.2014  
7) Tarikh Bersekutuan: 15.01.2014  
8) Tarikh Bersekutuan: 15.01.2014  
9) Tarikh Bersekutuan: 15.01.2014  
10) Tarikh Bersekutuan: 15.01.2014

**BAHAGIAN B: BUTIRAN PERSEKUTUAN**

1) Nama Perniagaan: SAMPLE TRADING (M) SDN. BHD.  
2) Nama Perniagaan: SAMPLE TRADING (M) SDN. BHD.  
3) Nama Perniagaan: SAMPLE TRADING (M) SDN. BHD.  
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9) Nama Perniagaan: SAMPLE TRADING (M) SDN. BHD.  
10) Nama Perniagaan: SAMPLE TRADING (M) SDN. BHD.

**Amalan (Amount)**

1) Jumlah Cukai Output: 3,425.00  
2) Jumlah Cukai Output: 3,425.00  
3) Jumlah Cukai Output: 3,425.00  
4) Jumlah Cukai Output: 3,425.00  
5) Jumlah Cukai Output: 3,425.00  
6) Jumlah Cukai Output: 3,425.00  
7) Jumlah Cukai Output: 3,425.00  
8) Jumlah Cukai Output: 3,425.00  
9) Jumlah Cukai Output: 3,425.00  
10) Jumlah Cukai Output: 3,425.00



# EVOLVEMENT OF GST LAWS

**Taxpayer**

**Tax Authority**  
**(Legislations & DG's**  
**decisions)**

**Interpretation**

**Tribunal**

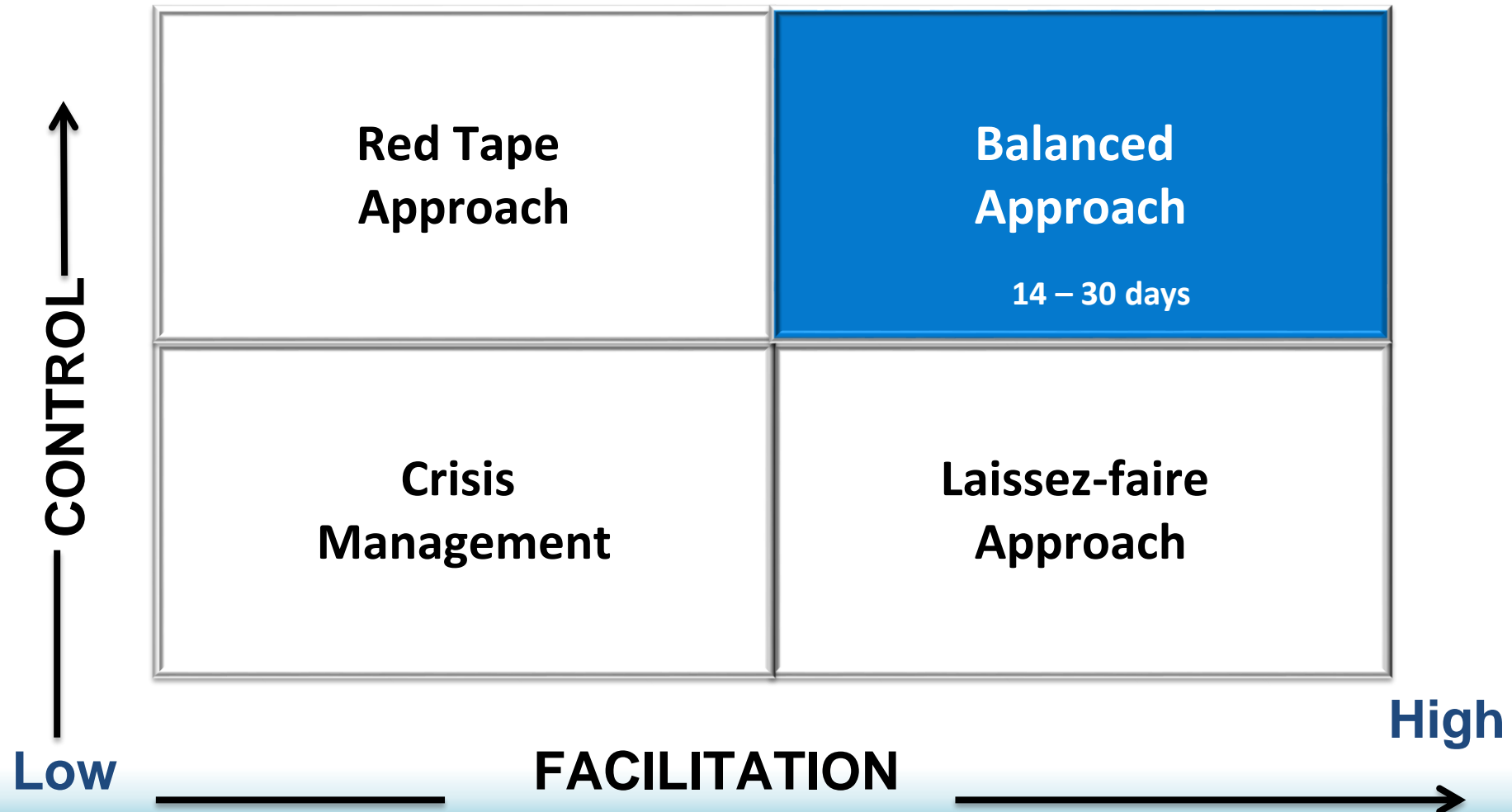
**Courts**



# OUR APPROACH IN DEALING WITH REFUND PROCESS

High

## *Facilitation Control Matrix for Refunds*





Q & A  
SESSION