

TECHNICAL

Direct Tax

GUIDELINES ON INCOME TAX DEDUCTION ON GOODS AND SERVICES TAX (GST) TRAINING COSTS

Further to our [e-CTIM TECH-DT 88/2014](#) dated 18 December 2014 on the Income Tax (Deduction for Cost Relating to Training for Employees for the Implementation of Goods and Services Tax) Rules 2014 [P.U.(A) 334/2014], the Ministry of Finance (MOF) has issued [Guidelines on Income Tax Deduction on GST Training Costs](#).

The following is a summary of the contents of the Guidelines.

Paragraph 2, Purpose of Guidelines

- To inform the company/employer of the procedures for verification of training programmes that is allowed a deduction under Income Tax Act 1967.
- To ensure that the GST training is conducted in Malaysia and wholly for the purpose of implementing GST in accordance to the Goods and Services Tax Act 2014 and the contents are relating to accounting or Information & Communication Technology (ICT).

Paragraph 3, Qualifying Conditions

The training must be organised by:

- CTIM, MATA, MIA or professional body listed in Appendix B of the Guidelines,
- academic institutions, accountancy firms and trade and industry associations approved by the Royal Malaysian Customs Department (RMCD),
- employers (on internal training programmes conducted by qualified trainers).

In addition, at least 80% of the course content is related to GST from the ICT or accountancy perspective. The list of training modules is attached in Appendix A.

The deduction of training expenditure is not available where a claim from the Human Resource Development Fund on the training expenditure has been made.

Paragraph 4, Application Procedures

For the purpose of verification of training programme by the RMCD, all applications duly completed and with relevant supporting documents must be submitted to the Director of GST Division, RMCD Headquarters or State Director of RMCD **not later than 29 February 2016**.

A [checklist of documents to be submitted for verification of GST training/course](#) has also been provided by the RMCD at the GST Portal. Members may view the full Guidelines and the checklist on the [Institute website](#) or the official website of [the Malaysia Goods and Services Tax \(GST\) Portal](#).

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