

**DECISION BY DIRECTOR GENERAL, ROYAL MALAYSIAN CUSTOMS**

| NO | ISSUES                                                                                                       | DECISION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Claiming input tax on electricity and water expenses invoiced/billed under the owner of the property's name. | <p>(i) As specified in regulation 38 GSTR 2014 (Goods and Services Tax Regulations), a registered person can only claim input tax credit (ITC) incurred by him if he holds tax invoice in his name.</p> <p>(ii) In the case of a rented property where the electricity or water invoices/bills are in the name of the property owner, the tenant who is a GST registered person is not allowed to use such invoices/bills for claiming the ITC unless the name in the invoices/bills has been changed into his name.</p> <p>(iii) <b>However a GST registered person (tenant) is allowed to claim ITC using electricity and water invoices/bills which in the name of the property owner until <u>31/3/2016</u> subject to the following conditions -</b></p> <p>(aa) The property owner is not a GST registered person;</p> <p>(bb) There must be a tenancy agreement signed by the property owner and the tenant;</p> |

| NO | ISSUES | DECISION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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|    |        | <p>(cc) There must be a clause in the tenancy agreement or a written declaration signed by both the tenant and property owner in a separate document stating that <i>“the input tax on the electricity and water invoices/bills can only be claimed by the tenant. However if the property owner becomes GST registered person, the tenant is not allowed to claim the input tax using such invoices/bills.”</i></p> <p>(dd) The tenant must keep records of the input tax claimed for the electricity and water invoices/bills under the name of the landlord; <b>and</b></p> <p>(ee) The tenant shall stop claiming ITC using electricity and water invoices/bills under the name of the property owner once the property owner becomes a GST registered person. In this case the normal GST rules apply where the landlord will have to issue a tax invoice and charge GST to the tenant. The tenant can use the tax invoice for claiming the ITC.</p> |