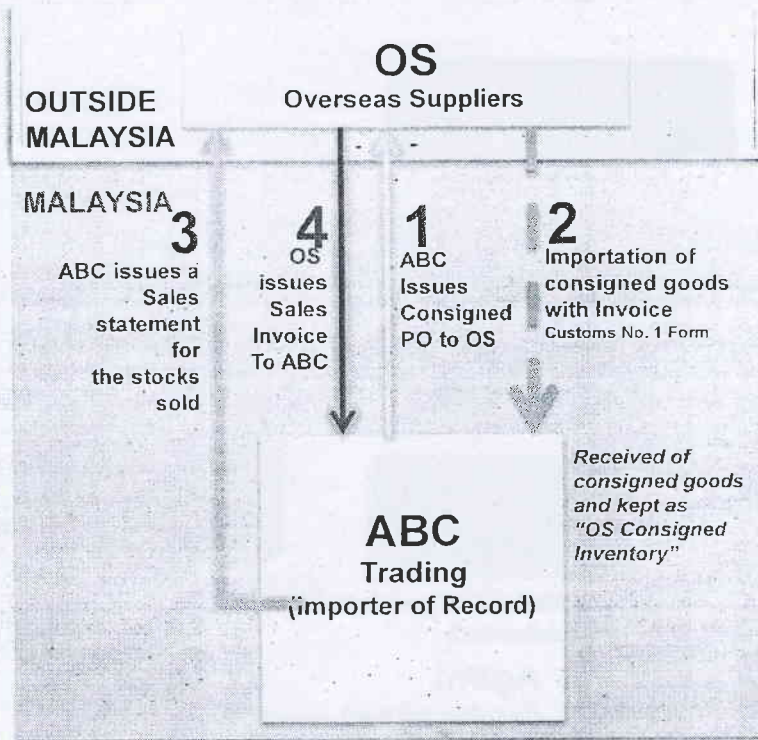




CONSIGNMENT GOODS FROM OVERSEAS SUPPLIER



GST Treatment:

1. ABC issues a CONSIGNED PO to OS
2. GST on importation of consigned goods declared by ABC is subject to GST import. ABC is the IOR.
3. ABC issues a sales statement upon the sales of consigned inventory" to facilitate payment to OS.
4. OS sends a SALES INVOICE to ABC. The payment shall be made by ABC in accordance with the credit term agreed upon.

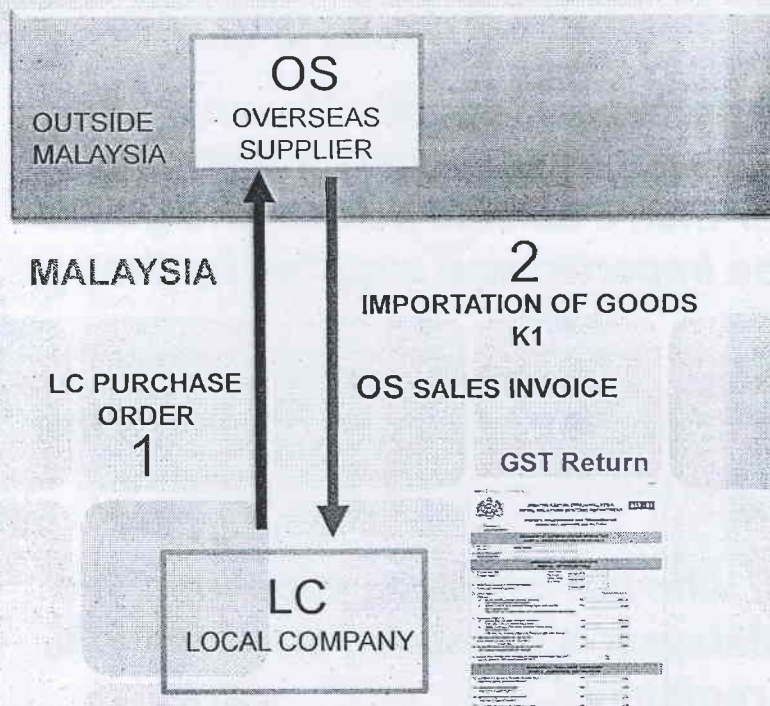
Note: Transaction 3 & 4 are deferred payment process to OS.

Issue;

- a) Is the overseas supplier makes a supply in Malaysia?



CHANGE IN CONSIDERATION



1. What are the GST implications?

- a) If Debit Note received by the importer before the goods is released from the customs control?
- b) If Debit note received by the importer after the goods has been removed from the customs control?
- c) If credit note received by the importer in the above scenarios?

Issue:

Any adjustment in the GST Return



CHANGE IN CONSIDERATION

Before the imported goods removed from customs control

- a) Debit Note – the value should be included for determining customs value.
- b) Credit Note – the value should be taken into consideration for determining customs value.

After the imported goods removed from customs control

- a) Debit Note – the additional value which is related to goods already imported is required to be declared to the customs import station
 - ✓ GST paid is claimable.
- b) Credit Note – Under provision of Customs Act 1967, no review on the value of the imported goods.

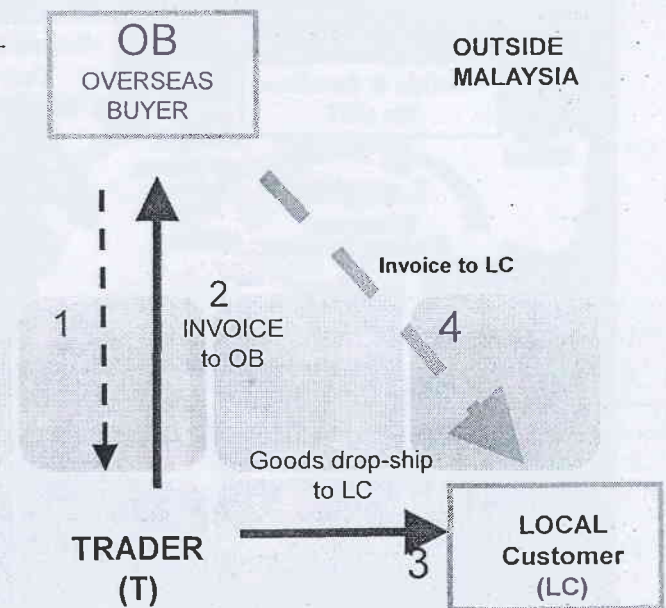


DROP SHIPMENT



Scenario 1:

1. OB ordered goods to T
2. T invoiced OB for dropshipped goods
 - GST charged by T is not claimable by OB;
 - Value to account for GST is based on transaction value;
3. T drop-shipped the goods to LC
 - supply made by OB in Malaysia
4. OB invoiced LC for dropshipped goods
 - No GST



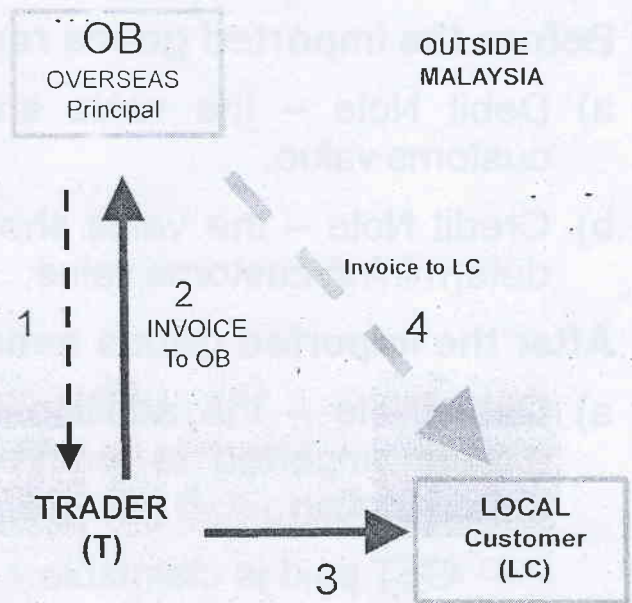


DROP SHIPMENT



Scenario 2:

- OB is liable to register if the value of supplies that he made in Malaysia (dropshipment) exceeds the registration threshold
- OB to appoint an agent to register
- Agent shall be made responsible and accountable for tax liabilities on behalf of the principal
- Agent may not be a registered person for the supply that he made in his own name



[section 65(6)]

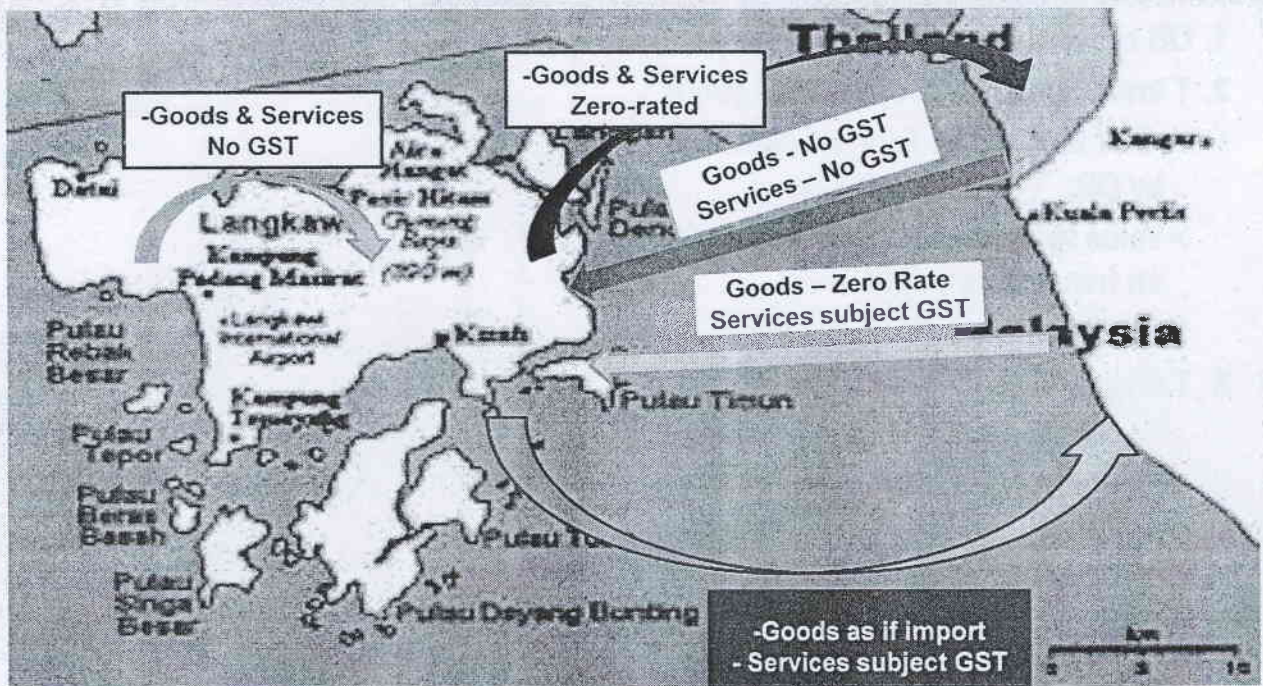
Where a person who does not belong in Malaysia makes taxable supplies in Malaysia and is liable to be registered under section 20 or intends to be registered under section 24, he shall appoint an agent to act on his behalf and such agent, whether or not he is a taxable person, shall be liable for the tax and comply with any other requirements imposed under this Act as if the agent is the person who does not belong in Malaysia.



DESIGNATED AREA – LANGKAWI, LABUAN & TIOMAN



GST Treatment for Labuan, Langkawi and Tioman



- ❖ Supply of goods and services between Free Ports are not subject GST except for freight transportation.



Tax Treatments

Supply of goods or services made within or between DA

S.156. (c) no tax shall be charged upon any **importation of goods** or supply of **imported services** into a designated area unless the Minister otherwise directs in an order under section 160.

S.156. (a) tax shall be due and payable upon all goods including any goods under any lease agreement supplied from a designated area to Malaysia to all intents as if the supply were importation into Malaysia



Goods and Services Tax (Zero-Rate Supply) Order 2014

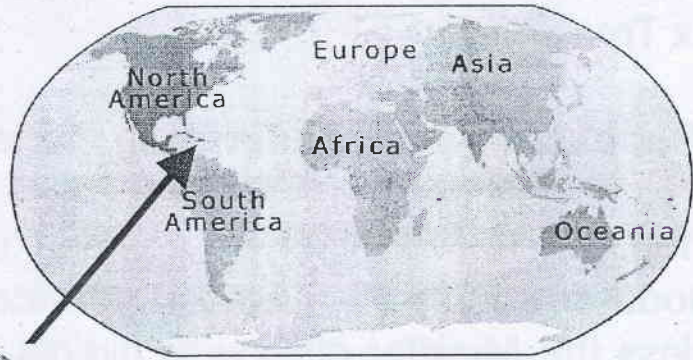
First Schedule

Para 3, Goods supplies to a designated areas from Malaysia other than a designated areas.

Exportation:

- K2
- K8
- K3





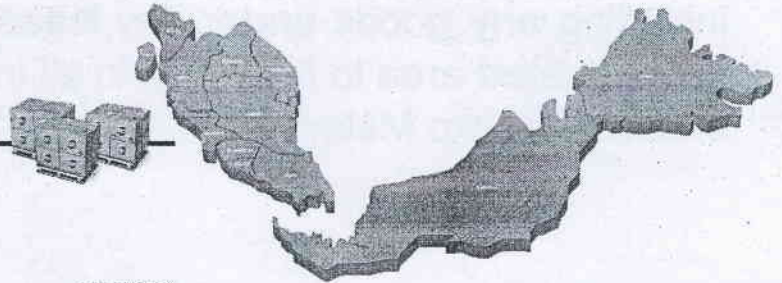
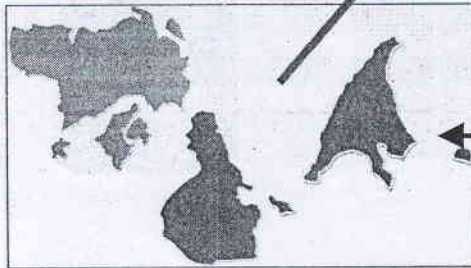
Exportation:

K2



Item 3, first schedule GST(ZR)Order 2014

S.17(1)(b) – goods exported



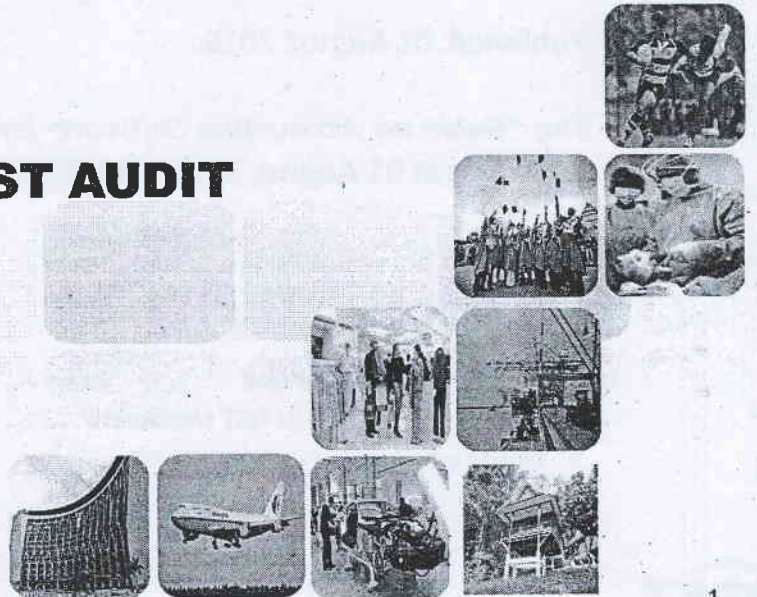
GST DIVISION
ROYAL MALAYSIAN CUSTOMS DEPARTMENT

TERIMA KASIH

End of Presentation
Royal Malaysian Customs



GST TAX CODES & GST AUDIT FILE



Introduction

ANNOUNCEMENT ON REMOVAL OF GUIDE "ACCOUNTING SOFTWARE ENHANCEMENT TOWARDS GST COMPLIANCE" (REVISED AS AT 01 AUGUST 2016)

- Guide "Accounting Software Enhancement Towards GST Compliance (Revised as at 01 August 2016)" has been removed from our website.
- Will be replaced by previous Guide with some amendments and improvement. Published soon.
- Tax code: "GS" (disregard supply) should NOT be declared in GST-03 return.

We sincerely apologize for the inconvenience caused.



Published: 01 August 2016.

The “*Guide on Accounting Software Enhancement towards GST Compliance*” revised as at 01 August 2016 is withdrawn

Justification & Issue

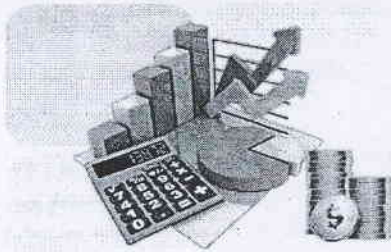
- Cost transfer to taxpayer
- Lacking understand of GST treatment
- Wrong info



- Guidance to accounting software developers on the functionalities that should be setup for developing or enhancing their accounting software towards Goods & Services Tax (GST) compliance.
- All the information and recommendation as prescribed in this guide such as tax code for purchase & supply, mapping of GST tax codes with GST03 return, and GST reports in form of GAF is to ensure better GST compliance for businesses.



- 1 **RMCD TAX CODES**
- 2 **MAPPING OF RMCD TAX CODES WITH GST-03**
- 3 **GAF FILE**



**GST TAX CODES ARE DIVIDED
INTO 2 CATEGORIES**

PURCHASE TAX CODES

SUPPLY TAX CODES

GST PURCHASES TAX CODES

TAX CODE - PURCHASE

Tax Code	Tax Rate	Description
TX	6%	Purchases with GST incurred at 6% and directly attributable to taxable supplies.
TX-CG	6%	Purchase with GST incurred for capital goods acquisition.
TX-ES	6%	Purchase with GST incurred directly attributable to non-incidentally exempt supplies. (Note: Replace TX-N43)
TX-IES	6%	Purchase with GST incurred directly attributable to incidental exempt supplies. (Note: Replace TX-E43)
TX-RE	6%	Purchase with GST incurred that is not directly attributable to taxable or exempt supplies. (Applicable for partially exempt trader/mixed supplier only)
IM	6%	Import of goods with GST incurred. (By referring Customs Form No. 1 (K1), and/or other reference documents)
IS	0%	Imports of goods under Approved Trader Scheme (ATS) whereas the payment of GST chargeable is suspended on the goods imported.

TAX CODE - PURCHASE

BL	6%	Purchases with GST incurred but not claimable (Disallowance of Input Tax) (e.g. medical expenses for staff).
NR	0%	Purchase from non GST-registered supplier with no GST incurred.
ZP	0%	Purchase from GST-registered supplier with no GST incurred.
EP	0%	Purchases exempted from GST. (e.g. purchase of residential property or financial services).
OP	0%	Purchase transactions which is out of the scope of GST legislation (e.g. purchase of goods overseas).
RP	0%	Relief Purchase under GST legislations. (e.g: purchase of RON 95 petrol & Diesel)
GP	0%	Purchase transactions which disregarded under GST legislation (e.g. purchase within GST group registration).
AJP	6%	Any adjustment made to Input Tax (e.g: Bad Debt Relief & other input tax adjustment).

GST SUPPLY TAX CODES

TAX CODE - SUPPLY

Tax Code	Tax Rate	Description
SR	6%	Standard-rated supplies with GST charged.
ZRL	0%	Local supply of goods or services which are subject to zero rated supplies.
ZRE	0%	Exportation of goods or services which are subject to zero rated supplies. (By referring Customs Form No. 2 (K2), and/or other reference documents)
DS	6%	Deemed supplies (e.g. transfer or disposal of business assets without consideration).
ES	0%	Exempt supplies under GST legislations.

TAX CODE - SUPPLY

OS	0%	Out-of-scope supplies under GST legislations.
IES	0%	Incidental exempt supplies under GST legislations. (Note: Replace ES43)
RS	0%	Relief supplies under GST legislations.
GS	0%	Disregarded supplies under GST legislations.
ZDA	0%	Exportation of goods from Malaysia to Designated Area (Pulau Langkawi, Labuan, & Pulau Tioman) which are subject to zero rated supplies. (By referring Customs Form No. 2 (K2), and/or other reference documents)
AJS	6%	Any adjustment made to Output Tax (e.g :Longer period adjustment, Bad Debt recover, outstanding invoice more than 6 months & other output tax adjustments).



TAX CODES COMMON FAQ

CAN WE USE OTHER TAX CODES BESIDES THE TAX CODES GIVEN BY CUSTOMS?

The tax codes listed are recommendations to allow proper classifications of typical purchase and sales scenarios encountered by GST-registered businesses for the purpose of GST.



TAX CODES COMMON FAQ

Additional Tax Codes - Purchase

Tax Code	Tax Rate	Description
TX-FRS	2%	Purchase under Flat Rate Scheme
TX-NC	6%	GST incurred and choose not to claim the input tax
TX-ER	6%	Input tax allowed on the acquisition of goods or services by local authority or statutory body.
IM-CG	6%	Import of goods with GST incurred for a capital goods acquisition
IM-RE	6%	Import of goods with GST incurred that is not directly attributable to taxable or exempt supplies (Residual input tax).



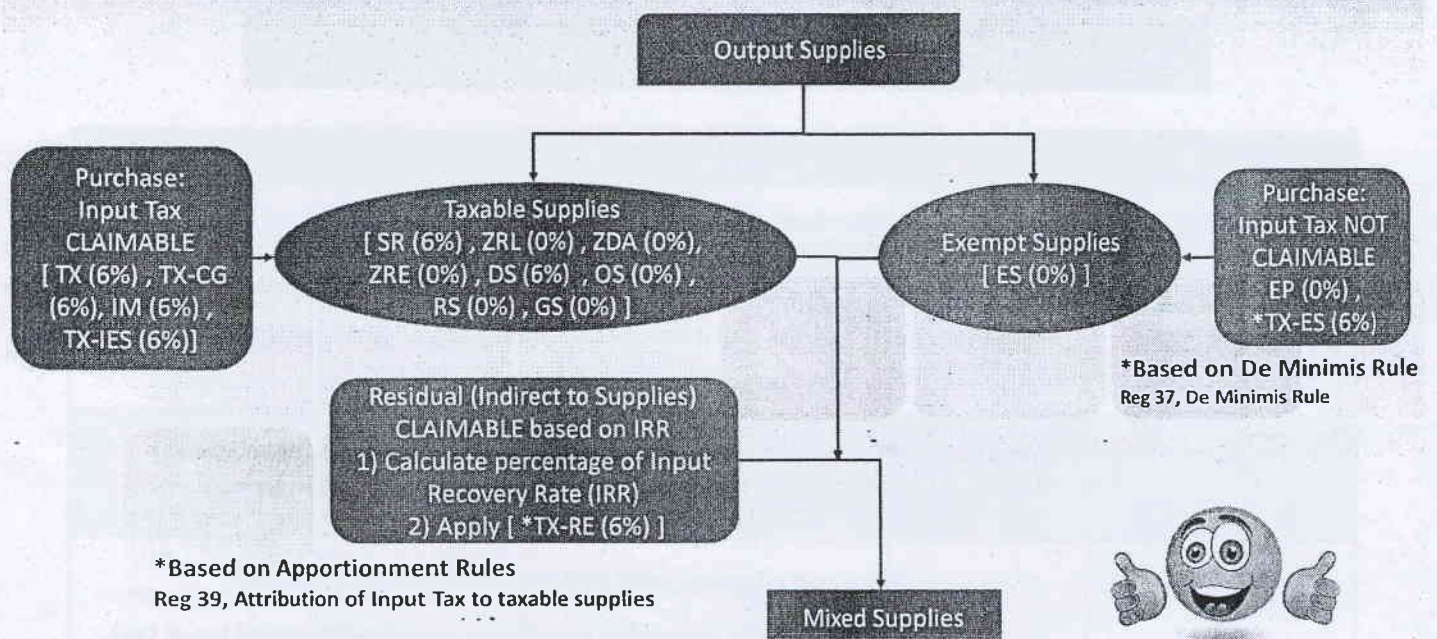
TAX CODES COMMON FAQ

Additional Tax Codes - Supply

Tax Code	Tax Rate	Description
SR-MS	6%	Standard-rated supplies under Margin Scheme
SR-JS	0%	Standard-rated supplies under Jeweller Scheme
ES-GU	0%	Exempt supplies of land for general use (Land used for burial, playground or religious building).
OS-ER	0%	Out-of-scope supplies for Enforcement and Regulatory functions.
OS-OV	0%	Out-of-scope supplies between overseas country with other overseas country.
OS-OVN	0%	Supplies made outside Malaysia which would not taxable if made in Malaysia.
OS-OVT	0%	Supplies made outside Malaysia which would be taxable if made in Malaysia.
NS	0%	Matters to be treated as neither a supply of goods nor a supply of services, and no GST chargeable.



TAX CODES ATTRIBUTABLE FOR SUPPLY AND PURCHASE





It is an offences if I not comply with the apportionment method??

Penalty for INCORRECT RETURN

• Section 88 any person who-

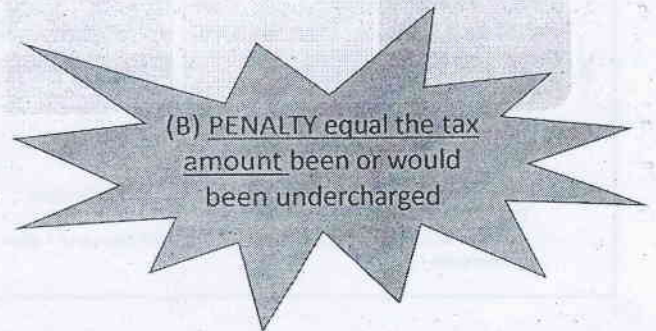
(b) Understates any output tax or overstates any input tax in a return; or

(c) Gives any incorrect information in relation to any matter affecting his own liability to tax or the liability to tax of any other person,

Commits an offence and shall, on conviction, be liable-



AND



27



MAPPING OF RMCD TAX CODES WITH GST-03



PL (A) 19



JABATAN KASTAM DIRAJA MALAYSIA
ROYAL MALAYSIAN CUSTOMS DEPARTMENT

GST-03

PENYATA CUKAI BARANG DAN PERKHIDMATAN
GOODS AND SERVICES TAX RETURN





SUMMARY MAPPING OF TAX CODES TO GST-03

BAHAGIAN B : BUTIRAN PENYATA PART B : DETAILS OF RETURN

3) Tempoh Bercukai *
Taxable Period *

Tarikh Mula
Start Date

HH (DD) - BB (MM) - TTTT (YYYY)

Tarikh Akhir
End Date

HH (DD) - BB (MM) - TTTT (YYYY)

4) Tarikh Akhir Serahan Penyata dan Bayaran *
Return and Payment Due Date *

HH (DD) - BB (MM) - TTTT (YYYY)

5) Cukai Output
Output Tax

Amaun (Amount)

a) Jumlah Nilai Pembekalan Berkadar Standard *
Total Value of Standard Rated Supply *

RM

SR (6%) + DS (6%) [*value excluding tax]

b) Jumlah Cukai Output (Termasuk Nilai Cukai ke atas Hutang Lapuk Dibayar Balik dan Pelarasan lain) *
Total Output Tax (Inclusive of Tax Value on Bad Debt Recovered & other Adjustments) *

RM

SR (6%) + DS (6%) + AJS (6%)



SUMMARY MAPPING OF TAX CODES TO GST-03

No. CBP *
GST No. *

6) Cukai Input / Input Tax

Amaun (Amount)

a) Jumlah Nilai Perolehan Berkadar Standard dan Berkadar Rata *
Total Value of Standard Rate and Flat Rate Acquisitions *

RM

[*value excluding tax]
TX (6%) + IM (6%) + TX-IES (6%) + TX-CG (6%) + TX-RE (6%)

b) Jumlah Cukai Input (Termasuk Nilai Cukai ke atas Pelepasan Hutang Lapuk dan Pelarasan lain) *
Total Input Tax (Inclusive of Tax Value on Bad Debt Relief & other Adjustments) *

RM

TX (6%) + IM (6%) + TX-IES (6%) + TX-CG (6%) + TX-RE (6%) + AJP (6%)

7) Amaun CBP Kena Dibayar (Butiran 5b - Butiran 6b) *
GST Amount Payable (Item 5b - Item 6b) *

RM

ATAU / OR

8) Amaun CBP Boleh Dituntut (Butiran 6b - Butiran 5b) *
GST Amount Claimable (Item 6b - Item 5b) *

RM

9) Adakah anda memilih untuk membawa ke hadapan pembayaran balik CBP?
Do you choose to carry forward refund for GST?

Ya
Yes

Tidak
No



**BAHAGIAN C : MAKLUMAT TAMBAHAN
PART C : ADDITIONAL INFORMATION**

Amaun (Amount)

10) Jumlah Nilai Pembekalan Tempatan Berkadar Sifar * <i>Total Value of Local Zero-Rated Supplies *</i>	RM	ZRL (Local) (0%) + ZDA (0%)
11) Jumlah Nilai Pembekalan Eksport * <i>Total Value of Export Supplies *</i>	RM	ZRE (Export) (0%)
12) Jumlah Nilai Pembekalan Dikecualikan * <i>Total Value of Exempt Supplies *</i>	RM	IES (0%) +ES (0%)
13) Jumlah Nilai Pembekalan Diberi Pelepasan CBP * <i>Total Value of Supplies Granted GST Relief *</i>	RM	RS (0%)
14) Jumlah Nilai Pengimportan Barang Dibawah Skim Pedagang Dijuluskan * <i>Total Value of Goods Imported Under Approved Trader Scheme *</i>	RM	IS (*value excluding tax)
15) Jumlah Nilai CBP Import Digantung dibawah butiran 14 * <i>Total Value of GST Suspended under item 14 *</i>	RM	IS x 6% (value of tax) [*auto calculate]
16) Jumlah Nilai Perolehan Harta Modal * <i>Total Value of Capital Goods Acquired *</i>	RM	TX-CG (value excluding tax) (6%)
17) Jumlah Nilai Pelepasan Hutang Lapuk Termasuk Cukai * <i>Total Value of Bad Debt Relief Inclusive Tax *</i>	RM	AJP (value including tax) (6%)
18) Jumlah Nilai Hutang Lapuk Dibayar Balik Termasuk Cukai * <i>Total Value of Bad Debt Recovered Inclusive Tax *</i>	RM	AJS (value including tax) (6%)



SUMMARY MAPPING OF TAX CODES TO GST-03

No. CBP *
GST No.*

19) Pecahan Nilai Cukai Output mengikut Kod Industri Utama
Breakdown Value of Output Tax in accordance with the Major Industries Code

Kod MSIC (MSIC Code)	Nilai Cukai Output (Value of Output Tax)	Peratusan (Percentage)
1234	RM SR (6%) + DS (6%) + AJS (6%)	30 %
5678	RM SR (6%) + DS (6%) + AJS (6%)	25 %
9012	RM SR (6%) + DS (6%) + AJS (6%)	20 %
3456	RM SR (6%) + DS (6%) + AJS (6%)	10 %
7890	RM SR (6%) + DS (6%) + AJS (6%)	10 %
Lain-lain Others	RM SR (6%) + DS (6%) + AJS (6%)	5 %
JUMLAH TOTAL	RM Total output Tax in 5(b)	100%



SUMMARY MAPPING OF TAX CODES TO GST-03

ITEM	NOTE
Field 5a	SR (6%) + DS (6%) [*value excluding tax]
Field 5b	SR (6%) + DS (6%) + AJS (6%)
Field 6a	TX (6%) + IM (6%) + TX-IES (6%) + TX-CG (6%) + TX-RE (6%) [*value excluding tax]
Field 6b	TX (6%) + IM (6%) + TX-IES (6%) + TX-CG (6%) + TX-RE (6%) + AJP (6%)
Field 7	
Field 8	
Field 10	ZRL (Local) (0%) + ZDA (0%)
Field 11	ZRE (Export) (0%)
Field 12	IES (0%) +ES (0%)
Field 13	RS (0%)
Field 14	IS (value excluding tax)
Field 15	IS x 6% (value of tax) [auto calculate]
Field 16	TX-CG (value excluding tax) (6%)
Field 17	AJP (value including tax) (6%)
Field 18	AJS (value including tax) (6%)

GAF File

GST AUDIT FILE

Record Type	Element #	Element Name	Data Type	Comments
C	1	Record Identifier	AN	Must be a single character corresponding to record type. Must be 'C'
C	2	Company Name	AN	The name of the company for which this file is reporting on.
C	3	Company BRN	AN	Business registration number for company
C	4	Company GST number	AN	Company's GST Number
C	5	Period Start	DATE	Filing Period Start Date Must be in format dd/MM/yyyy example: '01/12/2014'
C	6	Period End	DATE	Filing Period End Date Must be in format dd/MM/yyyy example: '31/12/2014'
C	7	File Creation Date	DATE	This should be the date the GAF file is created. Format dd/MM/yyyy example: '31/12/2014'
C	8	Product Version	AN	Accounting software name and version Example: XYB Accountsoft v.2.0
C	9	GAF Version	AN	GST Audit File (GAF) version number

25

GST AUDIT FILE

Record Type	Element #	Element Name	Data Type	Comments
P	1	Record Identifier	AN	Must be a single character corresponding to record type. Must be 'P'
P	2	Supplier Name	AN	Name for supplier.
P	3	Supplier BRN	AN	BRN for company from which purchase was made.
P	4	Invoice Date	DATE	Invoice Date Format dd/MM/yyyy
P	5	Invoice No	AN	Invoice Number
P	6	Import Declaration Number	AN	Import Declaration Number. (e.g. Customs Form No. 1 reference no. and etc).
P	7	Line Number	AN	Number of Invoice Line
P	8	Product Description	AN	Description for what was purchased
P	9	Purchase Value (in MYR)	C	Value of purchase excluding GST in Malaysia Ringgit.
P	10	Purchase Value GST Amount	C	Value of GST in Malaysia Ringgit.
P	11	Tax Code	AN	Tax code for lookup in tables. Please refer to Appendix 2 Example: TX
P	12	Foreign Currency Code	AN	ISO's currency codes (3-letter alphabetical code) of foreign Currency. Example: USD
P	13	Purchase Foreign Currency Amount	C	Value of purchase excluding GST in Foreign Currency (If applicable).
P	14	Purchase Currency Purchase Amount GST	C	Value of GST in Foreign Currency (If applicable)

26

GST AUDIT FILE

Record Type	Element #	Element Name	Data Type	Comments
S	1	Record Identifier	AN	Must be a single character corresponding to record type. Must be 'S'
S	2	Customer Name	AN	Name of customer.
S	3	Customer BRN	AN	BRN for supplier.
S	4	Invoice Date	DATE	Invoice Date Format: dd/MM/yyyy
S	5	Invoice No	AN	Invoice Number
S	6	Line Number	AN	Number of Invoice Line
S	7	Product Description	AN	Description for what was sold
S	8	Sales Value (in MYR)	C	Value of supply excluding GST in Malaysia Ringgit
S	9	Sales Value GST Amount	C	Value of GST in Malaysia Ringgit
S	10	Tax Code	AN	Tax code for lookup in tables. Please refer to Appendix 2 Example: SR
S	11	Country	AN	Destination of goods being exported. Example: KOREA
S	12	Foreign Currency Code	AN	ISO's currency codes (3-letter alphabetical code) of foreign Currency. Example: USD
S	13	Sales Foreign Currency Amount	C	Value of supply excluding GST in Foreign Currency (If applicable)
S	14	Sales Currency Sales Amount GST	C	Value of GST in Foreign Currency (If applicable)

27

GST AUDIT FILE

Record Type	Element #	Element Name	Data Type	Comments
L	1	Record Identifier	AN	Must be a single character corresponding to record type. Must be 'L'
L	2	Transaction Date	DATE	Format: dd/MM/yyyy
L	3	Account ID	AN	General Ledger Code for individual account
L	4	Account Name	AN	Name of individual General Ledger account
L	5	Transaction Description	AN	Transaction Description
L	6	Name	AN	Name of entity involved (if applicable)
L	7	Transaction ID	AN	A unique number that can group related double entries together
L	8	Source Document ID	AN	Source document number to which line relates (For example, cheque number, invoice number, credit note number, trust receipt number)
L	9	Source Type	AN	Refers to type of transaction such as AR. Refers to the type of transaction such as AR, AP, Inventory, Sales, Purchases, Cash Disbursement, Cash Receipt, General Journal etc.
L	10	Debit	C	Debit Amount
L	11	Credit	C	Credit amount
L	12	Balance	C	Balance Amount

28

GST AUDIT FILE

Record Type	Element #	Element Name	Data Type	Comments
F	1	Record Identifier	AN	Must be a single character corresponding to record type. Must be 'F'
F	2	Purchase Count	N	Number of P records
F	3	Purchase Amount Sum	C	Sum of all purchases
F	4	Purchase GST Amount GST	C	Sum of all GST on purchases
F	5	Supply Count	N	Number of S records
F	6	Supply Amount Sum	C	Sum of all supplies
F	7	Supply GST Amount Sum	C	Sum of GST on all supplies
F	8	Ledger Count	N	Number of L records
F	9	Debit Sum	C	Sum of all debits on all L records
F	10	Credit Sum	C	Sum of all credits on all L records
F	11	Balance Sum	C	Sum of all Ledger record closing balances. Example: two "L" records with balances 30 and 70, the balance sum amount on the F record is 100

29

GST AUDIT FILE

GAF (GST Audit File) – Bar Delimited File –

C|gst1|GST-BRN#-2014-10-02| GST#1234567890|01/02/2014|28/02/2014|22/09/2014|Version 2.1.2m|DappleWorks|

P|AP-INPUT|AP-Input-BRN#|01/02/2014|PInv0000018|||Service-Input-TX|1500.00|90.00|TX|XXX|0.00|0.00|

S|AR-OUTPUT|AR-OUTPUT|01/02/2014|I0000004|||Service-Output-SR|3000.00|180.00|SR||XXX|0.00|0.00|

L|01/02/2014|110000|Accounts Receivable|||100036|I0000004|AR|3180.00|0.00|3180.00|
 L|02/02/2014|110000|Accounts Receivable|||100039|CR0000001|AR|0.00|1060.00|2120.00|
 L|01/02/2014|210000|Accounts Payable|||100037|PInv0000018|AP|0.00|1590.00|-1590.00|
 L|02/02/2014|210000|Accounts Payable|||100040|DB0000001|AP|530.00|0.00|-1060.00|
 L|01/02/2014|221200|Goods and Services Tax Payable|||100037|PInv0000018|AP|90.00|0.00|90.00|
 L|02/02/2014|221200|Goods and Services Tax Payable|||100040|DB0000001|AP|0.00|30.00|60.00|

L|01/02/2014|221300|Goods and Services Tax Collected|||100036|I0000004|AR|0.00|180.00|-180.00|
 L|02/02/2014|221300|Goods and Services Tax Collected|||100039|CR0000001|AR|60.00|0.00|-120.00|
 L|01/02/2014|420000|Services Revenue|||100036|I0000004|AR|0.00|3000.00|-3000.00|
 L|02/02/2014|420000|Services Revenue|||100039|CR0000001|AR|1000.00|0.00|-2000.00|
 L|01/02/2014|501000|Cost Of Sales|||100037|PInv0000018|AP|1500.00|0.00|1500.00|
 L|02/02/2014|501000|Cost Of Sales|||100040|DB0000001|AP|0.00|500.00|1000.00|

F|1|1500.00|90.00|1|3000.00|180.00|12|6360.00|6360.00|0.00|

30

NEW GST AUDIT FILE

- Registrant needs to provide more information on their transactions

ADDITIONAL INFO

Purchase Section – P:

- Supplier GST Number
- Posting Date

Supply Section – S:

- Customer GST No
- Export Declaration Number

General Ledger Section – L:

- Entity Name - Name of entity involved (if applicable)

THANK YOU