

GST SEMINAR



Accounting for Tax

Date: 25 March 2014

Venue: Grand Blue Wave Hotel, Shah Alam



ACCOUNTING FOR TAX

- 1 Charging Output Tax
- 2 Entitlement of Input Tax
- 3 Apportionment Rules
- 4 Credit Note & Adjustment
- 5 Debit Note & Adjustment
- 6 Bad Debt & Adjustment
- 7 Filing of GST Return & Payment
- 8 Record Keeping

1

Charging Output Tax

Output Tax

Scope and charge

- GST is charged on
 - the **taxable supply** of goods and services
 - made by a **taxable person**
 - in the course or furtherance of **business**
 - in **Malaysia**
- GST is charged on **imported goods & services**

Output Tax

GST charged on

- **taxable supplies (sales of goods / services)**
- **deemed supplies**
 - **disposal of business assets**
 - **private use of business asset**
 - **imported services**
 - **goods sold in satisfaction of a debt**
 - **gifts costing more than RM 500**

Output Tax

Supplies which may not subject to GST

- **cash donation or grants where a person does not get benefits**
- **compensation or liquidated damages**
- **disbursements, dividends, loan repayments or capital injection**
- **transfer of going concern**
- **contribution to pension, provident or social security fund**
- **supplies by any society or similar organisation**
- **supplies excluded from input tax credit**

Output Tax

What is Tax Invoice?

A tax invoice is a document containing certain information about the supply that has been made and it is similar to a commercial invoice except for some additional information such as details of registered person and supply, GST rate and the amount of GST payable.

Importance of a tax invoice:

- may trigger the time of supply for a transaction.
- primary evidence to support a customer's input tax claim.
- determine when he may claim his input tax.
- determine which supplies made by him should be included in a particular taxable period.

Output Tax

Issuance of Tax Invoice

- Tax invoice shall be issued by every registered person who makes any taxable supply in the course or furtherance of any business in Malaysia
- Tax invoice can be issued to the customer either :
 - ✓ **Hard copy**
 - ✓ **Electronic**
- Must issue within 21 days after supply has taken place (Time of supply)
- Containing prescribed particulars

Tax Exclusive

- Refers to the amount of GST paid as shown in tax invoice with separate GST amount.

Example:

Assume you sell an oven at RM1,000.

$$\begin{aligned}\text{GST} &= \text{Price} \times \text{Rate of Tax} \\ &= \text{RM1,000} \times 6\% \\ &= \text{RM60}\end{aligned}$$

Charge customer RM1,000 + RM60 (GST) = RM1,060 and remit RM60 to Customs

Output Tax

Tax Inclusive

- In retail business, it may be more practical to treat the sum of money received from your customer (consideration) as inclusive of GST.
- The tax invoice should still show the GST as a separate amount, and you can state the GST inclusive prices and indicate with the words 'price inclusive of GST'

Example:

Assume you sell an oven at RM1,000.

$$\begin{aligned}\text{GST} &= \text{Price} \times \text{Tax Fraction} \\ &= \text{RM1,000} \times 6/106 \\ &= \text{RM56.60}\end{aligned}$$

Charge customer RM1,000 and remit RM56.60 to Customs

Output Tax

Tax Fraction

- Tax fraction is the GST amount of the consideration.
- The calculation of the tax fraction is as follows:

$$\text{Tax fraction} = \frac{\text{tax rate}}{100 + \text{tax rate}}$$

- **Example:**

Assuming your consideration is RM100.

$$\begin{aligned} \text{GST} &= \frac{\text{GST rate}}{100\% + \text{GST rate}} \times \text{consideration} \\ &= \frac{6\%}{100\% + 6\%} \times \text{RM100} \\ &= \text{RM5.66} \end{aligned}$$

Types of tax invoice when making taxable supplies

- **full tax invoice**
- **simplified tax invoice**
- **self-billed invoice**

Tax Invoice – Full Tax Invoice

The following particulars are required in the full tax invoice;

- (a) the words “tax invoice” in a **prominent place**;
- (b) the tax invoice in **serial number**;
- (c) the **date of issue** of the tax invoice;
- (d) name of **supplier**, **address** and GST identification number;
- (e) the **customer’s name** (or trading name) and address;
- (f) a **description sufficient to** identify the goods or services supplied
- (g) for each description distinguish the type of supply for standard rate, zero rate and exempt, the **quantity of goods** or the extent of the services and amount payable, excluding GST;
- (h) any discount offered;
- (i) the total amount payable excluding GST, the rate of tax and the total tax chargeable **shown as a separate amount**;
- (j) **total amount payable** including the GST charged; and
- (k) any amounts referred to (i) and (j) must be expressed in **Malaysian currency**.

Example of Full Tax Invoice

TAX INVOICE

KILANG KASUT SEDAP PAKAI SDN.BHD.

Lot 123, Jalan Pengkalan, 31500 Lahat, Perak
(GST ID No : 100001/2015)
Tel : 05-3349876

Invoice No: 0001111

Date : 25 Jun 2015
D/O No : S000345

To : Syarikat Kasut Ali Sdn. Bhd.
No. 27, Jalan Maju Jaya,
31400 Ipoh, Perak

Serial No.	Description	Quantity	Unit Price (RM)	Total (RM)
1.	School Shoes SS1201	200	8.00	1,600.00
2.	School Shoes SS1210	200	10.00	2,000.00
3.	Sport Shoes SP2315	50	25.00	1,250.00
				4,850.00
Discount @ 10%				(485.00)
Total before GST				4,365.00
Add GST @ 6%				261.90
Total Sales				4,626.90

Tax Invoice serial number

Date of Tax Invoice

The words "Tax Invoice" clearly indicated

Total amount payable, excluding GST

Total amount of GST charged

Total amount payable, inclusive of GST

Rate of GST

KILANG KASUT SEDAP PAKAI SDN.BHD.

Tax Invoice - Simplified Tax Invoice

- A tax invoice which exclude certain prescribed particulars in full tax invoice as approved by the Director General due to the nature of the business
- Upon request in writing to DG
- This type of invoice is used by retailers who normally generate large volume of invoices daily to end consumers e.g. supermarkets, restaurants, petrol kiosks and other point of sales outlets.
- Can take the form of an invoice, receipt, voucher or any other similar document, as long as it has all the required information of a simplified tax invoice

Example of Simplified Tax Invoice

Supplier's name,
address and GST
identification number

COMFORT PARKING SDN.BHD.

GF1-03, Kompleks Beli-Belah,
Jalan Kenangan, 41100 Klang,
Selangor.

(GST ID No : 003456/2015)

Tel : 03-33498765

Inv No: A00295

Tax invoice
serial number

Date: 25.6.2015

Date of tax
invoice

Description of goods or services
supplied

Description	Total (RM)
Parking fee – 3 hours @ RM1 per hour	3.18
Rounding Adj.	0.02
TOTAL AMOUNT DUE	*3.20

Total amount
payable
inclusive of GST

** GST @ 6% included in total*

Rate of GST

RM0.18

Total amount of
GST charged

Tax Invoice – Mixed Supplies

- ❖ A supplier may make exempt, zero rated and/or standard rated supplies simultaneously to the same customer.
- ❖ Issues one invoice to document such transactions.
- ❖ The tax invoice issued must clearly distinguish the taxability of the supplies (exempt, zero rated or standard rated) made.
- ❖ Indicate separately the applicable values and the GST rate charged (if any) on each supply.

Example of Full Tax Invoice – Mixed Supplies

LILY SDN.BHD.

Lot 123, Jalan Meru, 43210 Klang, Selangor
(GST ID No : 100001/2015)
Tel : 03-33498765

Supplier's name, address
and GST identification
number

Tax Invoice
serial number

Tax Invoice No : 0001111

Date : 25 Jun 2015
D/O No : S000345

Date of Tax
Invoice

Customer's
name &
address

To : Ali Mini Mart Sdn. Bhd.
No. 27, Jalan Maju Jaya,
31510 Ipoh.

TAX INVOICE

The words "Tax
Invoice" clearly
indicated

Description of goods
or services supplied

Indicator for
standard rated
supply

Indicator for zero
rated supply

Quantity of goods or
extent of the services
supplied

No.	Description	Qty	Unit Price (RM)	GST Amount (RM)	Total (RM)
1.	* School Shoes SS1	200	8.00	64.00	1600.00
2.	* School Shoes SS2	200	10.00	80.00	2000.00
3.	# Cooking Oil CO1	50	25.00	0.00	1250.00
					4850.00
Add GST (6%)					216.00
Total Sales					5066.00

Total Charge
made, excluding
GST

Total charge
made, including
GST

Rate of GST

Total amount of
GST charged

Note: * - GST @ 6%
- GST @ 0%

.....
LILYSDN. BHD.

Example of Simplified Tax Invoice – Mixed Supplies

AGRO SHOPPING CENTRE SDN BHD

Supplier's name,
address and GST
identification
number

DESA PINGGIRAN PUTRA, SG. MERAB
TEL: 03 – 8896XXXX FAX: 03 – 896XXXX GST Reg. No :
.....

Date: 30/7/2015 15:35:45

Tax invoice
serial
number

Date of Tax
Invoice

Tax Invoice No: V001619

Indicator for
standard
rated supply

Description
of goods or
services
supplied

IKAN BILIS CRACKER [PACK]	1	3.90	3.90	S
010611				

PRINGLES SC 182G [PCS]	1	6.90	6.90	S
001002				

SUGAR	2	1.45	2.90	Z
123235				

Indicator for
zero rated
supply

Rate of GST

Item Count	4
Total Sales Inclusive GST @ 6%	13.70
Rounding Adjustment	0.00
Cash	14.00
Balance	0.30

Total amount
payable
including GST

GST analysis	Goods	Tax
S = 6%	10.19	0.61
Z = 0%	2.90	0.00

Total amount of
GST charged

Print : 30/7/2015
Salesperson : Amin

Tax Invoice - Self - billed Invoice

- Recipient is allowed to issue self-billed invoice for supply in his possession if
 - ✓ the value at the time of supply is not known by the supplier;
 - ✓ the recipient and the supplier are both registered persons;
 - ✓ both agree in writing; and
 - ✓ both agree that no tax invoice will be issued by the supplier.

Tax Invoice - Self - billed Invoice

The following particulars are required in the self-billed invoice;

- a. the supplier's and recipient's names, addresses & identification numbers;
- b. the words "self-billed invoice" in a prominent place;
- c. the invoice serial number;
- d. the date of issue of the invoice;
- e. the **reference number of Director General's approval**;
- f. a description sufficient to identify the goods or services supplied
- g. for each description distinguish the type of supply for standard rate, zero rate and exempt, the quantity of goods or the extent of the services and amount payable, excluding GST;
- h. any discount offered;
- i. the total amount payable excluding GST, the rate of tax and the total tax chargeable to be shown separately;
- j. total amount payable including the GST charged; and
- k. any amounts referred to (i) and (j) must be expressed in Malaysian currency.

Tax Invoice - Self - billed Invoice

KILANG TEMBAKAU SELANGOR SDN BHD

The words "Self-Billed Invoice" clearly indicated

SELF-BILLED INVOICE

Approval No.:

RMCD approval number

Supplier

SYARIKAT DAUN TEMBAKAU SDN BHD

No. 27, Jalan Persiaran,
51100 Kota Baru, Kelantan.

(GST ID No: 100900/2015)

Invoice No: 0001113

Invoice serial number

Recipient

KILANG TEMBAKAU SELANGOR SDN BHD

Lot 123, Jalan Meru, 43210 Klang, Selangor.
Tel:03-33498765

(GST ID No: 100003/2015)

Date : 25 Jun 2015

D/O No: S000345

Rate of GST

Serial No.	Description	Tax Rate (%)	Quantity	Unit Price (RM)	Total (RM)
1.	Daun Tembakau Gred C	6.00	200	8.00	1,600.00
2.	Daun Tembakau Gred B	6.00	200	10.00	2,000.00
3.	Daun Tembakau Gred A	6.00	50	25.00	1,250.00
Amount Excluding Tax					4,850.00
Add Total GST Amount 6%					291.00
Total Sales					5,141.00

Description of goods or services supplied

Total amount payable excluding GST

Quantity of goods or extent of the services supplied

Total amount of GST charged

Total amount payable inclusive of GST

* The GST shown is your output tax due to the Government.

KILANG TEMBAKAU SELANGOR SDN.BHD.

Tax Invoice – Foreign Currency

Invoice in a Foreign Currency:

If the amount of the supply stated in a tax invoice is in foreign currency, the following particulars in the tax invoice have to be converted into Ringgit Malaysia (RM) for GST purposes:

- a. The amount payable before GST;
- b. The total GST chargeable; and
- c. The total amount payable (including GST).

The foreign currency is converted into Ringgit Malaysia by using the open market rate of exchange prevailing in Malaysia at the time when the supply takes place.

Tax Invoice – Foreign Currency

KENZOU ELECTRONIC BHD

Kenzou Electronic Bhd
Lot 169, Jalan Pasar, 32100 Ipoh, Perak
(GST ID No:)
Tel: 03-33161900

Invoice No : 0002121
Date : 3.11.2015
D/O No : D100011

Tax Invoice
serial number

TAX INVOICE

To: Kenzo Sdn Bhd
No. 24, Jalan Silibin
32100 Ipoh, Perak.

The words "Tax Invoice"
clearly indicated

Price in
foreign
currency

Price in
Ringgit

No.	Description	Qty	Unit Price (USD)	Total (USD)	Total (RM) @ 3.50
1.	LCD TV 42" T004S	20	1,000.00	20,000.00	70,000.00
2.	Blue-Ray Player BD001	20	500.00	10,000.00	35,000.00
3.	Home Theatre HT010	10	300.00	3,000.00	10,500.00
Total Sales				33,000.00	115,500.00
Add GST @ 6%				1,980.00	6,930.00
Total Amount Due				34,980.00	122,430.00

Description of
goods or
services supplied

Total amount
payable
excluding
GST

Total amount
payable
including GST

Total tax
chargeable

.....
KENZOU ELECTRONIC BHD

Tax Invoice – Pro forma Invoice

- A pro forma invoice is not regarded as a tax invoice.
- You can only claim input tax in your GST return if you have a proper tax invoice.
- Your supplier should give you a proper tax invoice for claiming input tax.

2

Entitlement of Input Tax

Entitlement To Claim Input Tax

Entitled to claim input tax if he is making a taxable supply and satisfies the following:

- **input tax has been incurred;**
- **input tax is allowable;**
- **he is a taxable person;**
- **goods or services acquired for business; and**
- **made in Malaysia**

Allowable Input Tax

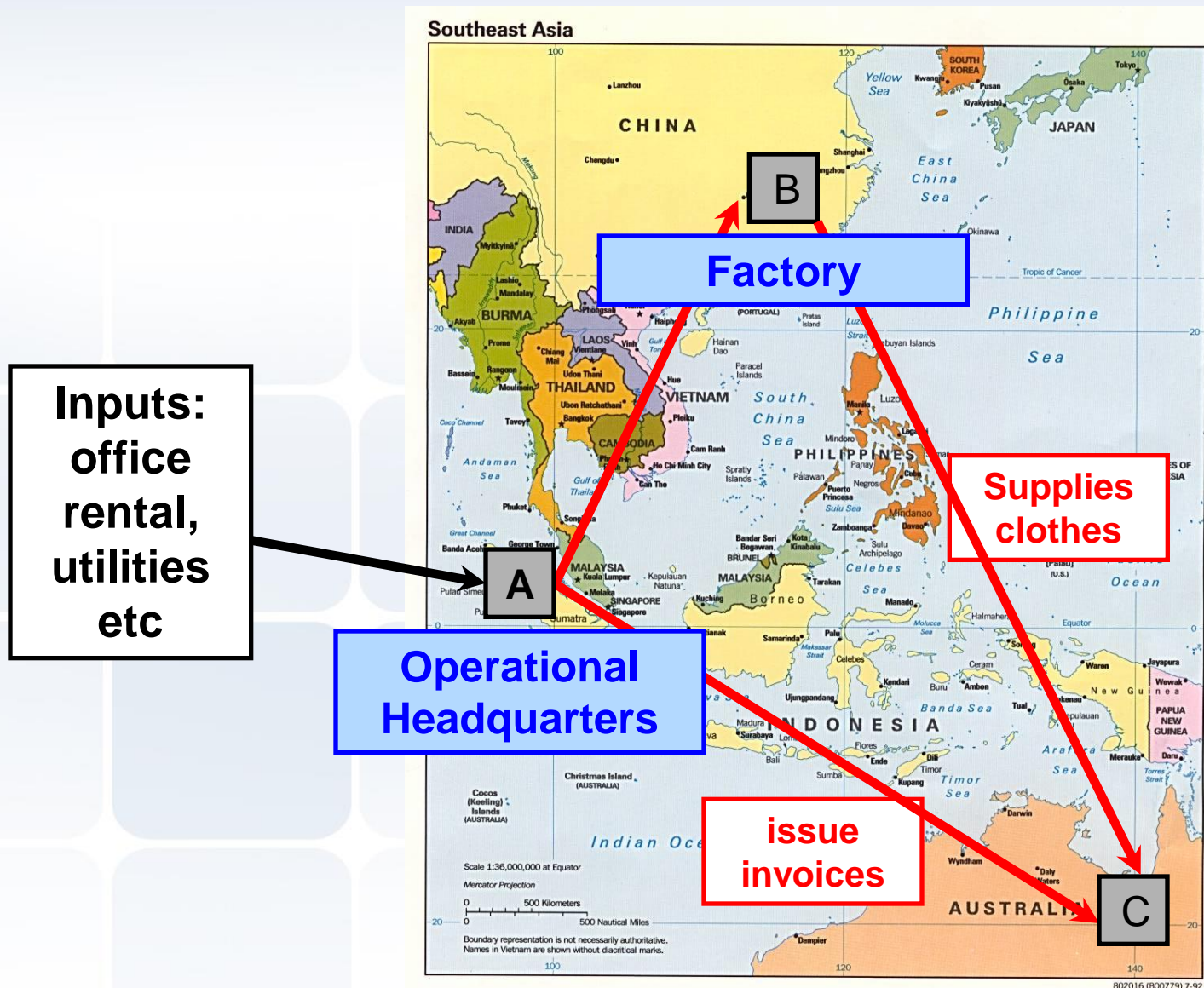
Supplies

➤ **taxable supplies**

- **standard rated or zero rated supplies**
- **disregarded supplies (supplies within group, supplies made in warehouse, supplies between venture operator and venturers and supplies between toll manufacturer and overseas principal)**

➤ **supplies made outside Malaysia which would be taxable supplies if made in Malaysia**

Supplies Made Outside Malaysia



Allowable Input Tax

Incidental exempt financial supplies:

- deposit of money
- exchange of currency
- holding of bonds or other debt securities
- transfer of ownership of securities
- provision of loans, advance or credit to employees or connected persons
- assignment of provision of trade receivables
- holding or transfer of trust unit
- hedging of interest, commodity, utility or freight risk

Incidental Exempt Financial Supplies

Special tax treatment does not apply to:

- **commercial or investment bank or money broker**
- **development financial institutions or money lenders**
- **Insurance/takaful company**
- **stock or futures brokers**
- **pawn broker or hire purchase companies**
- **Credit, charge or debit card companies**
- **investment or unit trust or venture capital company**

Non Allowable Input Tax

Blocked input tax

- The supply or importation of a passenger motor car
- The hiring of a passenger motor car



Blocked Input Tax

Club subscription fee

- any joining fee, subscription fee, membership fee, transfer fee or other consideration charged by any club, association, society or organization established principally for recreational or sporting purposes or by the transferor of the membership or such club, association, society or organization



Blocked Input Tax

medical and personal accident insurance



Hong Leong
Personal Accident Plan
Getting Protection from
Life's Unpredictability

Blocked Input Tax

Medical expenses

- any medical or dental expenses to any person employed by a taxable person but exclude expenses incurred under the provisions of the Employees' Social Security Act 1969 and the Workmen's Compensation Act 1952 to any workman employed by him where such expenses is obligatory under the Act or any other collective agreement under the Industrial Relations Act 1967



Blocked Input Tax

Family benefits

- any benefits (including hospitality of any kind) provided by the taxable person for the benefit of any person who is the wife, husband, child or relative of any person employed by the taxable person for the purposes of any business carried on or to be carried on by the taxable person



Blocked Input Tax

Entertainment expenses

Spouse
or family
members



Potential
clients



Employees



Existing
Clients

Criteria To Claim Input Tax

Must hold valid document:

- **tax invoice**
- **tax invoice issued by approved person for Flat Rate Scheme**
- **Customs No 1 for imported goods**
- **Customs No 9 for goods removed from bonded warehouse**
- **document to show claimant pays imported services**

Criteria To Claim Input Tax

- For the purpose of claiming ITC :
 - ✓ simplified tax invoice can be used to claim input tax.
 - ✓ But an approved tax invoice without the name and address of the recipient, the allowed input tax amount claimable is RM30 or less.
 - ✓ Therefore, request for a tax invoice with name and address of the recipient to enable claim the full input tax if more than RM30.

Criteria To Claim Input Tax

- **tax invoice in the name of taxable person**
 - **not in the name of third party such as employees or directors**
- **tax invoice is lost**
 - **get certified copy**
- **no matching of input to output**
 - **can claim input tax if holds valid document**

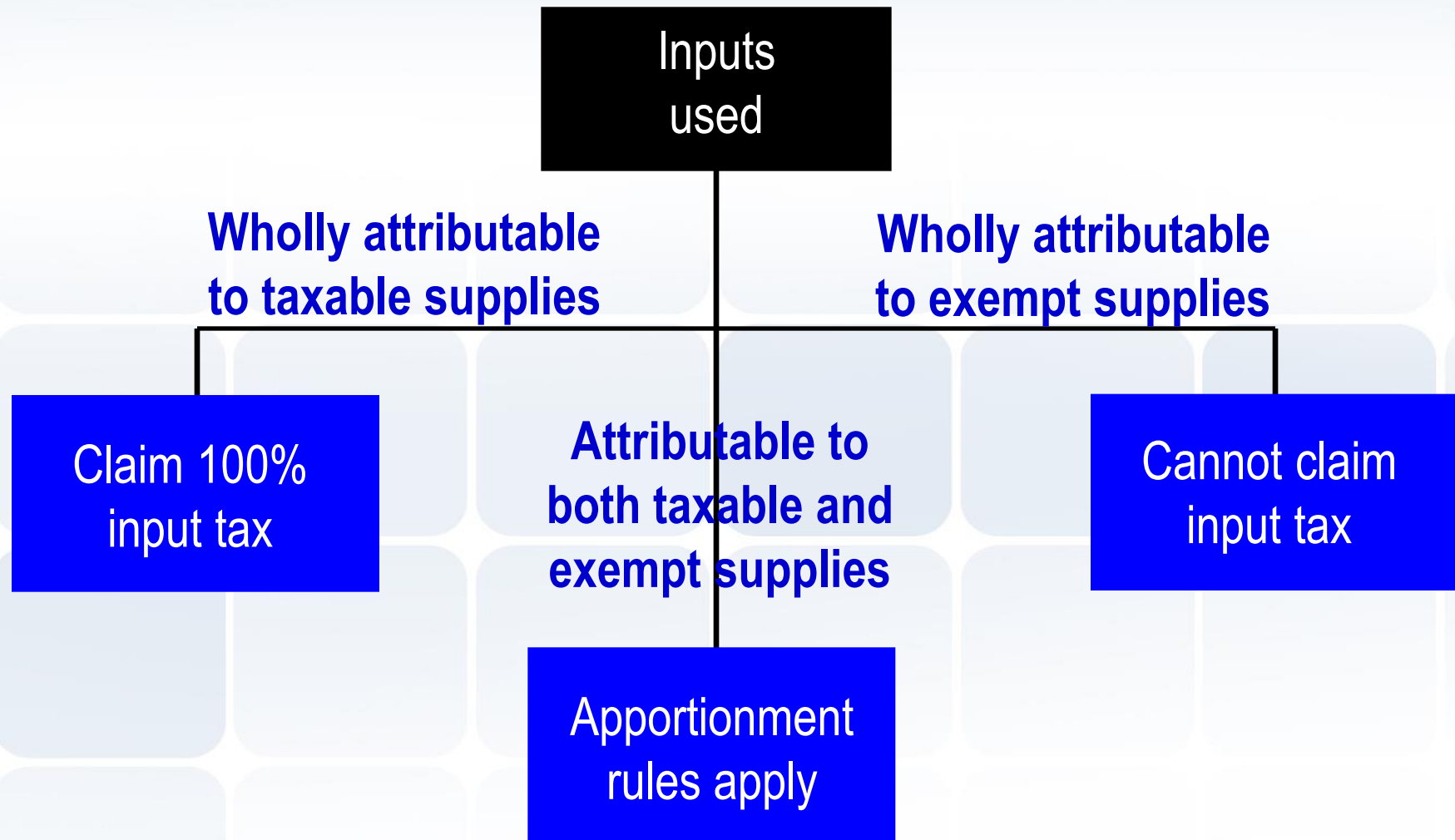
3

Apportionment Rules

Apportionment Rules

- **No apportionment if can attribute wholly**
 - **full input tax if wholly attributable to taxable supplies**
 - **no input tax if wholly attributable to exempt supplies**
- **Apportionment rules**
 - **applicable when goods and services are used for both taxable and non-taxable**

Apportionment Rules



Apportionment Rules

DIRECT ATTRIBUTE



INDIRECT ATTRIBUTE - Apportionment



Apportionment Rules

Mechanism for input tax apportionment

- Turnover-based method as a standard method for apportioning any residual input

$$\text{Taxable portion} = \frac{\text{Value of taxable supplies}}{\text{Value of all supplies}}$$

- round up or down to the nearest two decimal places

$$\text{Input tax claimable} = \text{Taxable portion} \times \text{Residual input tax}$$

Apportionment Rules

Supplies excluded from standard method

- disposal of capital goods
- incidental exempt financial supplies
- deemed taxable supplies made to himself
- supplies of imported services

Apportionment Rules

Example:

Taxable supplies = RM300,000

Exempt supplies = RM250,000

Residual input tax = RM8,000

$$\begin{aligned}\text{Taxable portion} &= \frac{\text{RM300,000}}{\text{RM300,000} + \text{RM250,000}} \\ &= 54.5454\% \\ &= 54.55\% \text{ (2 decimal places)}\end{aligned}$$

$$\begin{aligned}\text{Input tax claimable} &= 54.55\% \times \text{RM8,000} \\ &= \text{RM4,364}\end{aligned}$$

Apportionment Rules

Standard method

- **must reflect correct proportion to which the inputs are put to use**
- **if does not reflect correct proportion, use alternative methods**
 - **floor space method**
 - **transaction based method**
 - **input base method**
 - **cost centre accounting method**
 - **employee time method**
- **use of alternative methods requires prior approval**

Apportionment Rules

Example:

A finance company Arbus Sdn Bhd. deals in taxable leasing and exempt personal loans services. The value and number of transaction of taxable and exempt supplies are as follows:

Activities	No. of Transactions	%	Value (RM)	%
Leasing agreements entered into	75	60	750,000	42.9
Personal loans entered into	50	40	1,000,000	57.1
TOTAL	125	100	1,750,000	100

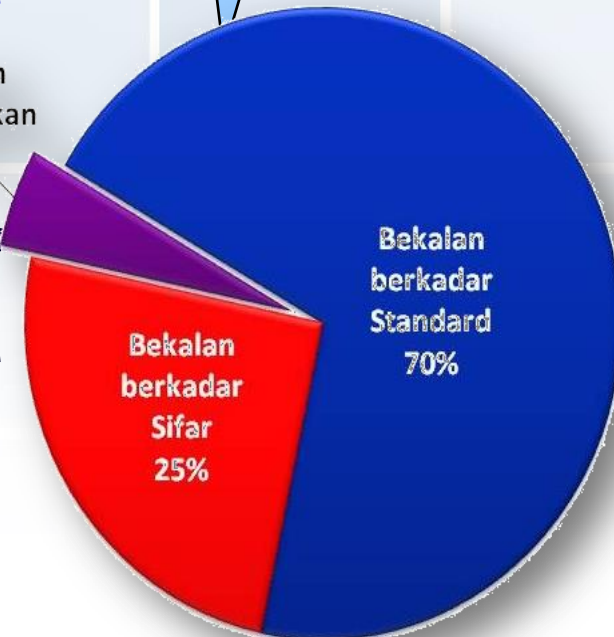
Apportionment Rules

De Minimis Limit

- Exempt input tax can be recovered in full if the total value is less than a prescribed amount
- Prescribed amount of *de minimis* limit
 - ✓ total value of the exempt supplies does not exceed
 - an average of RM5,000 per month and
 - not exceeding 5% of the total value of total supplies (all taxable and exempt supplies) made in that period

Applicable if
registered
person has
exempt supply

Bekalan
dikecualikan
5%



Example 1:

A manufacturing company provides transport to its workers and charges the employees on the services given.

Activity	Taxable	Exempt	%
Value (RM)	150,000	4,000	2.6

Full recovery of input tax

De Minimis Limit

Example 2 :

A manufacturing company provides bus transportation to its workers and charges them.

Activity	Taxable	Exempt	%
Value (RM)	500,000	10,000	2.0

Full recovery of input tax are not allowed, have to apply apportionment rule on ITC

Residual Input Tax	Taxable Supplies	Exempted Supplies	ITC Claimable	Total Input Tax
RM500	RM500,000	RM10,000	98%	RM490.00

4

Credit Note

Credit Note

Issuance of Credit Notes

- **Credit notes are issued by a supplier when the price for a supply is reduced after a tax invoice was issued, e.g. reduction in price because of lower quality and credit note issued**
- **Shall make declaration in the GST return (return amendment) in the taxable period in which the credit note was issued**

Adjustments – Credit note

Adjustments due to credit note issued

- **Supplier**, already accounted for output tax, **reduces output tax** in the return for the taxable period in which the credit note was issued
- **Buyer**, already claimed input tax, **reduces input tax** in the return for the taxable period in which he received the credit note

Credit Note

Example :

Goods sold on 20/7/15 by company A to company B, amount RM 1,000 excluding GST 6%.
Goods returned on 10/8/15 to company A, amount RM208. Credit note issued on 25/8/15 by company A.

Company A (Seller)

Jul 2015 (Return)

Output tax : $\text{RM}1000 \times 6\% = \text{RM}60$

Aug 2015 (Adjustment)

Decrease Output tax : $\text{RM}208 \times 6/106 = \text{RM}11.77$

Company B (Buyer)

Jul 2015 (Return)

Input tax – $\text{RM}1000 \times 6\% = \text{RM}60$

Aug 15 (Adjustment)

Decrease Input tax – $\text{RM}208 \times 6/106 = \text{RM } 11.77$

**Monthly taxable period*

OUTPUT
TAX



INPUT TAX



**Adjust by
declaring
the related
output &
input in
form GST -
03**

Credit Note

The name, address & GST identification number of the supplier

KENSTONE (M) SDN BHD
(COMPANY NO: 222111 U)
15 JALAN CEPAT, KAWASAN PERINDUSTRIAN TAMPOI,
80350 JOHOR BAHRU, JOHOR, MALAYSIA.
TEL: 07-2323444 FAX: 07-2332442

The words "Credit Note" clearly indicated

The name & address of the person to whom the goods or services are supplied

To
Ali Maju contractor Sdn Bhd
20 Jalan Maju, Taman Maju Jaya,
Kulai Jaya,
Johor.

The serial number & date of issue

CN NO: 12542
DATE : 17.12.15
GST NO: 12128888

The number & date of the original tax invoice

Your return ref. no.	Account no.	Tax Invoice no.	Date of Invoice:
DO No. 5455	1010117879454	65473	12.1.2010

Description of the goods or services

ITEM	DESCRIPTION	QUANTITY	UNIT PRICE (RM)	VALUE
No.1	Tiles	120 pcs	5.00	600.00
Total				600.00
GST 6%				36.00
Total				636.00

The quantity & amount for each supply

The total amount excluding tax

The rate & amount of tax

The reasons for its issue

Reason for return:
Damaged goods

5

Debit Note

Debit Note

Issuance of Debit Notes

- Debit notes are issued by a supplier when the price for a supply is increased after a tax invoice was issued, e.g. wholesaler wrongly charged retailer a lower price
- Shall make declaration in the GST return (return amendment) in the taxable period in which the debit note was issued.

Adjustments – Debit note

Adjustments due to debit note issued

- **supplier** has to **increase output tax** in the return for the taxable period in which the debit note was issued
- **buyer** has to **increase input tax** in the return for the taxable period in which he received the debit note

Debit Note

On 20/10/15, ABC Ent. issued a tax invoice to Maju Sdn.Bhd for RM 10,600 inclusive GST 6%

In October taxable period for that particular transaction:

- ABC Ent. accounts output tax of RM600 [i.e. $RM10,600 \times (6/106)$]
- Maju Sdn.Bhd claimed an input tax of RM600 [i.e. $RM10,600 \times (6/106)$]

On 10/11/15, ABC Ent. raised a debit note for the amount of RM 1,060 inclusive GST 6%.

In November taxable period,

- ABC Ent. has to make an adjustment by increasing the output tax by RM60 [i.e. $RM1,060 \times (6/106)$]
- Maju Sdn.Bhd has to make an adjustment by increasing the input tax by RM60 [i.e. $RM1,060 \times (6/106)$]

Debit Note

The name, address & GST identification number of the supplier

KENSTONE (M) SDN BHD
(COMPANY NO: 222111 U)
15 JALAN CEPAT, KAWASAN PERINDUSTRIAN TAMPOI,
80350 JOHOR BAHRU, JOHOR, MALAYSIA.
TEL: 07-2323444 FAX: 07-2332442

The words "Debit Note" clearly indicated

The name & address of the person to whom the goods or services are supplied

To
Ali Maju contractor Sdn Bhd
20 Jalan Maju, Taman Maju Jaya,
Kulai Jaya,
Johor.

The serial number & date of issue

DN NO: 1540

DATE: 17.12.15

GST NO: 12128888

The number & date of the original tax invoice

Your ref. no.	Account no.	Tax Invoice No.	Date of invoice:
DO No. 5455	1010117879454	124345	15.1.2010

Description of the goods or services

ITEM	DESCRIPTION	QUANTITY	UNIT PRICE (RM)	VALUE (RM)
No.2	Sale Value for Tiles code no. A5 as per invoice no: 124345 dated 15.1.2010	1000pcs	5.00	500.00
	Revised sale value			5000.00
	Difference			4500.00
Total				4500.00
GST 6%				270.00
Charge to be paid				4770.00

The quantity & amount for each supply

The total amount excluding tax

The rate & amount of tax

The reasons for its issue

Reason :
The sale price for item no.2 worth RM 5,000 for RM500 by mistake.

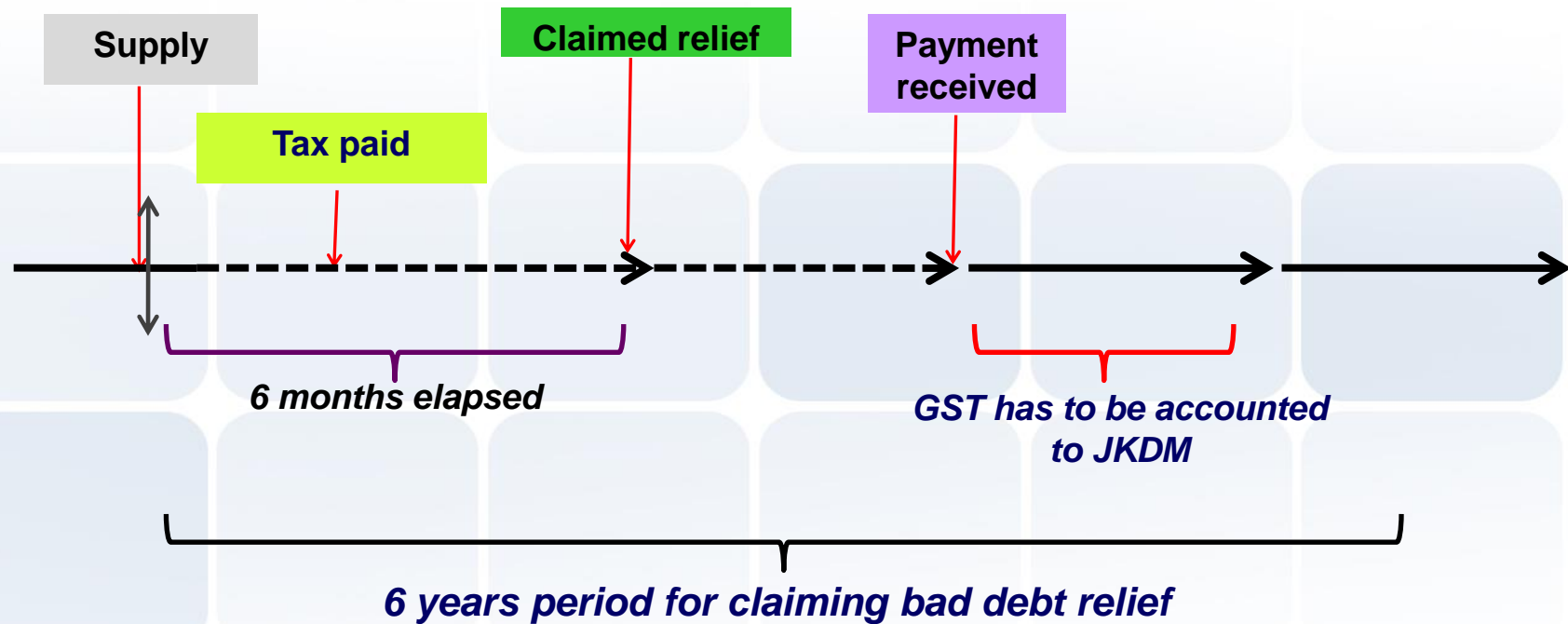
Approved By:
Faizulhuda Hashim

6

Bad Debt

Bad Debt

Concept:



Bad Debt Relief

- **Bad Debt Relief**

- ✓ entitle to relief on bad debts if the taxable person has not received any payment or part of payment in respect of the taxable supplies

- **Conditions to apply relief**

- ✓ GST has been paid
- ✓ has not received any payment or part payment 6 months from the date of supply or the debtor has become insolvent before the period of 6 months has elapsed
- ✓ sufficient efforts have been made to recover the debt

- **Shall make adjustment in the GST return for bad debt relief claim**

Bad Debt Relief

Adjustments due to bad debts

- supplier is entitled to bad debts relief
- supplier claims as input tax in the return for the taxable period in which the bad debts are given relief
- input tax amount to be claimed is computed as follows:

$$\text{input tax} = \frac{A1}{B} \times C$$

where

A1 is the payment not received in respect of the taxable supply

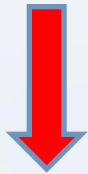
B is the consideration for the taxable supply

C is the tax due and payable on the taxable supply

- buyer account as output tax in the return for the taxable period in which the bad debts are given relief

Bad Debt Relief

Example:




**GST – 03 : RM3,000
(output)**



Invoice

10 July 2015
RM53,000 (inclusive
GST RM3,000)



Payment

5 September 2015
RM42,400

Balance of RM10,600 unpaid
after 6 months from date of
invoice



input tax claimable =

Supplier transaction



$$\frac{\text{RM10,600}}{\text{RM53,000}} \times \text{RM3,000} = \text{RM600}$$

Bad Debt Relief

If buyer who is a taxable person fails to pay his supplier the consideration (wholly / part) on the supply after the period of six months :-

- **Need to account for GST on the outstanding amount owed to the supplier, if already claim the input tax**
- **Deemed to be his output tax (RM600 in the previous example)**
- **Account the output tax in the taxable period after the period of six months in his GST Return**
- **If he had ceased to be a registered person and had claim the input tax, account the tax in GST-04 form**

[illegible]

→ **GST-04 is a declaration form for payment of tax by the non-registered person**

Bad Debt Recovery

Adjustments due to **payment received** in respect of bad debts

- customer makes payment in respect of bad debts (*relief has been claimed by supplier*)
- supplier accounts as his deemed output tax in the return for the taxable period in which the payment is made
- output tax amount to account

$$\text{output tax} = \frac{A2}{B} \times C$$

where

A2 is the payment received in respect of the taxable supply

B is the consideration for the taxable supply

C is the tax due and payable on the taxable supply

- customer account as input tax in the return for the taxable period in which the payment is made

Bad Debt Recovery

SUPPLIER

Based on the earlier example:

On 5 March 2016, the customer pays RM8,000. The balance of RM2,600 is still unpaid.

$$\begin{aligned}\text{output tax to be accounted} &= \frac{\text{RM8,000}}{\text{RM53,000}} \times \text{RM3,000} \\ &= \text{RM452.83}\end{aligned}$$

Bad Debt Recovery

Customer

Allowed to claim the RM452.83:-

- **If he is a Registered person – claim as input tax in GST Return (GST-03)**
- **If he ceased to be a registered person – claimed input tax by amending GST-03**



Filing of GST Return & Payment

Taxable Period

- Regular interval period where a taxable person accounts and pays GST to the government
- To determine at the time when the GST registration is approved
 - ✓ **quarterly basis**
 - for businesses with annual turnover not exceeding RM5 million
 - ✓ **monthly basis**
 - for businesses with annual turnover exceeding RM5 million
- A taxable person may apply in writing to Director General for other taxable period

Filing of GST Returns & Payment

Last day for filing return

- Not later than the last day of the month following after the end of the taxable period
- Late filing return commits an offence and be liable to a fine not exceeding fifty thousand ringgit or to imprisonment not exceeding 3 years or to both

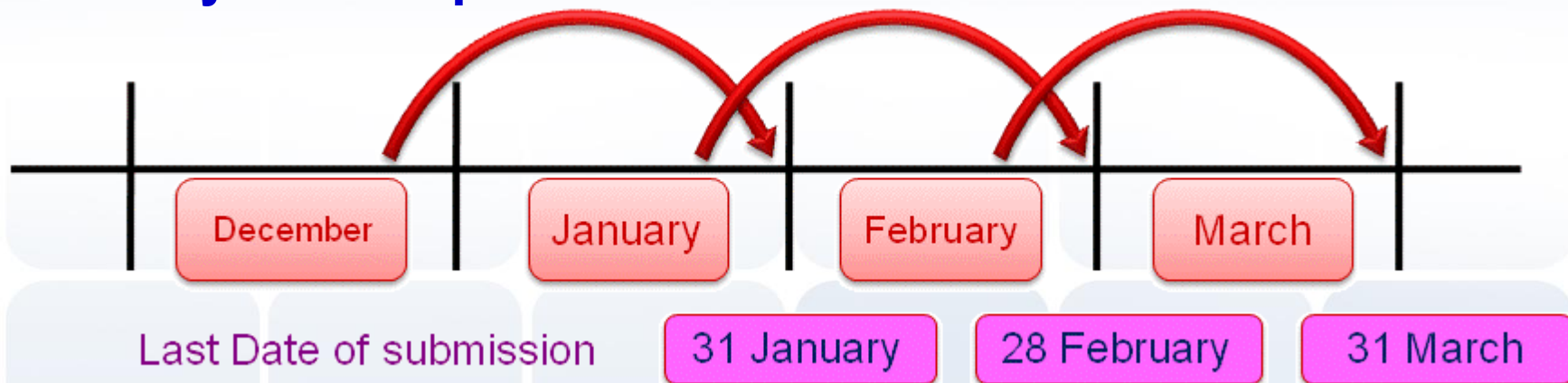
Last day to pay tax

- Not later than the last day on which he is required to furnish the return

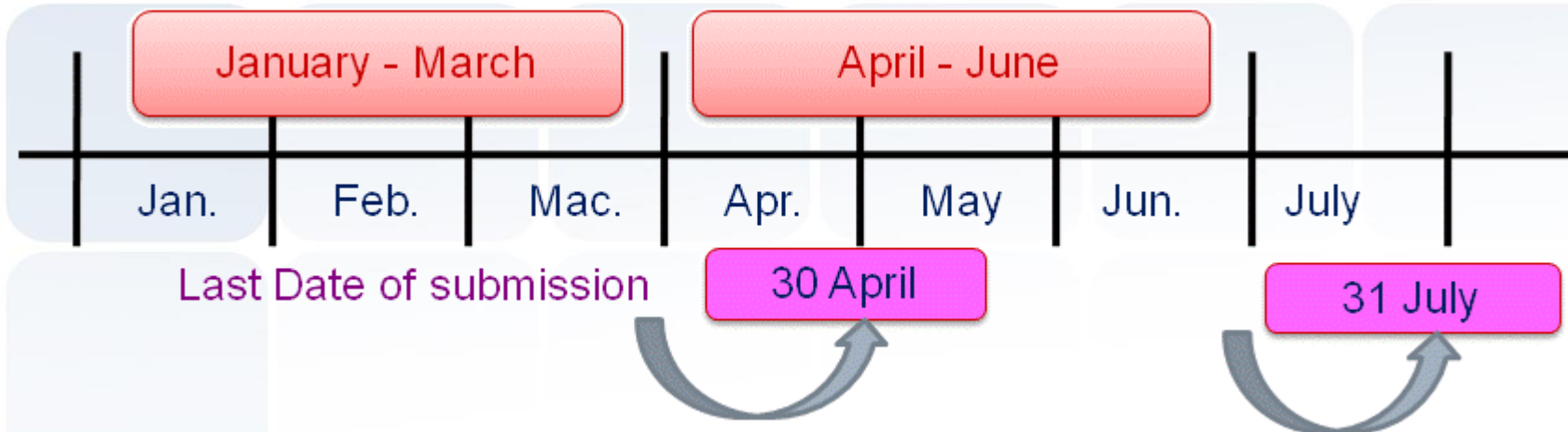
Filing of GST Returns & Payment

When to submit GST Return and pay tax

➤ **monthly taxable period**

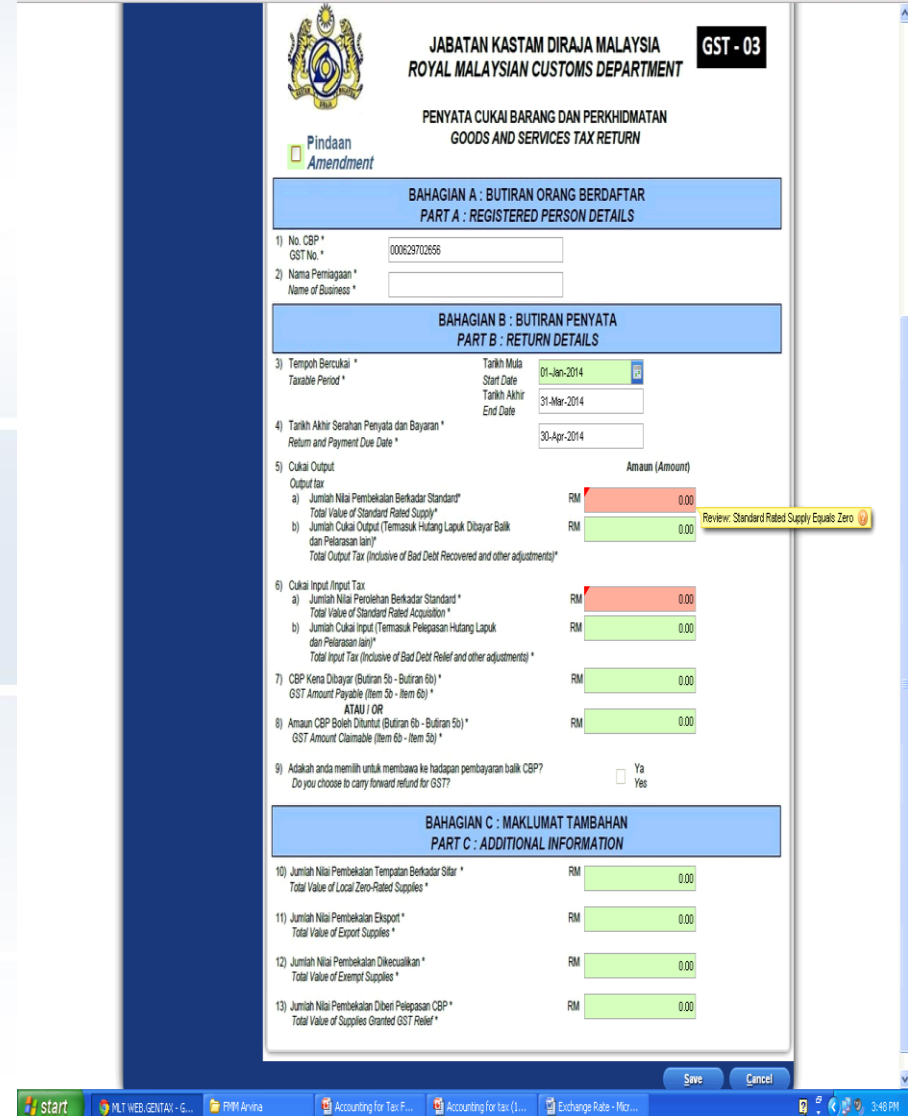


➤ **quarterly taxable period**



Filing of GST Returns & Payment

- GST returns (GST-03) and payments must be submitted not later than the last day of the month following the end of the taxable period
- Electronic filing is encouraged



JABATAN KASTAM DIRAJA MALAYSIA
ROYAL MALAYSIAN CUSTOMS DEPARTMENT **GST - 03**

Penyataan Cukai Barang dan Perkhidmatan
GOODS AND SERVICES TAX RETURN

Pindaan / Amendment

BAHAGIAN A : BUTIRAN ORANG BERDAFTAR
PART A : REGISTERED PERSON DETAILS

1) No. CBP *
GST No. * 000629702656

2) Nama Perniagaan *
Name of Business *

BAHAGIAN B : BUTIRAN PENYATA
PART B : RETURN DETAILS

3) Tempoh Bercukai *
Taxable Period * Tarikh Mula / Start Date: 01-Jan-2014, Tarikh Akhir / End Date: 31-Mar-2014

4) Tarikh Akhir Serahan Penyata dan Bayaran *
Return and Payment Due Date * 30-Apr-2014

5) Cukai Output / Output Tax

	Amaun (Amount)
a) Jumlah Nilai Pembekalan Berkadaster Standard* Total Value of Standard Rated Supply*	RM 0.00
b) Jumlah Cukai Output (Termasuk Hutang Lapuk Dibayar Balik dan Pelepasan lain)* Total Output Tax (Inclusive of Bad Debt Recovered and other adjustments)*	RM 0.00

6) Cukai Input / Input Tax

	Amaun (Amount)
a) Jumlah Nilai Perolehan Berkadaster Standard* Total Value of Standard Rated Acquisition*	RM 0.00
b) Jumlah Cukai Input (Termasuk Pelepasan Hutang Lapuk dan Pelepasan lain)* Total Input Tax (Inclusive of Bad Debt Relief and other adjustments)*	RM 0.00

7) CBP Kena Dibayar (Butiran 5b - Butiran 6b) *
GST Amount Payable (Item 5b - Item 6b) * RM 0.00

ATAU / OR

8) Amaun CBP Boleh Didatangkan (Butiran 6b - Butiran 5b) *
GST Amount Claimable (Item 6b - Item 5b) * RM 0.00

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

BAHAGIAN C : MAKLUMAT TAMBAHAN
PART C : ADDITIONAL INFORMATION

10) Jumlah Nilai Pembekalan Tempatan Berkadaster Sifar *
Total Value of Local Zero-Rated Supplies * RM 0.00

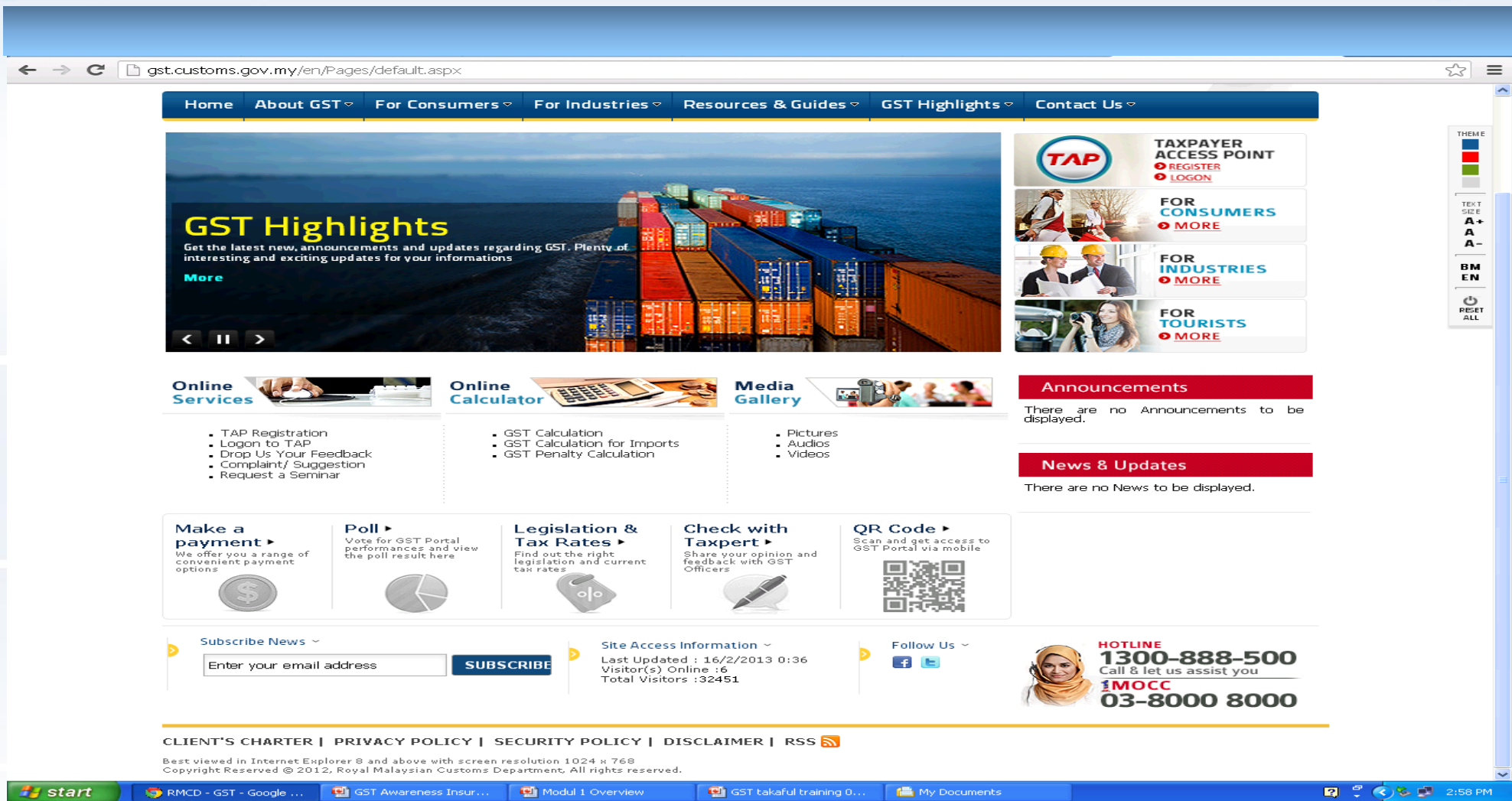
11) Jumlah Nilai Pembekalan Eksport *
Total Value of Export Supplies * RM 0.00

12) Jumlah Nilai Pembekalan Dikecualikan *
Total Value of Exempt Supplies * RM 0.00

13) Jumlah Nilai Pembekalan Diberi Pelepasan CBP *
Total Value of Supplies Granted GST Relief * RM 0.00

Start | MLT WEB: GENTAY - G... | RIM Ariva | Accounting for Tax F... | Accounting for tax (L... | Exchange Rate - M... | 3:48 PM

Filing of GST Returns & Payment



The screenshot shows the GST Portal website (gst.customs.gov.my) with a navigation bar and various service sections.

Navigation Bar: Home, About GST, For Consumers, For Industries, Resources & Guides, GST Highlights, Contact Us.

GST Highlights: Get the latest new, announcements and updates regarding GST. Plenty of interesting and exciting updates for your informations. [More](#)

TAXPAYER ACCESS POINT: [REGISTER](#), [LOGON](#)

FOR CONSUMERS: [MORE](#)

FOR INDUSTRIES: [MORE](#)

FOR TOURISTS: [MORE](#)

Online Services:

- TAP Registration
- Logon to TAP
- Drop Us Your Feedback
- Complaint/ Suggestion
- Request a Seminar

Online Calculator:

- GST Calculation
- GST Calculation for Imports
- GST Penalty Calculation

Media Gallery:

- Pictures
- Audios
- Videos

Announcements: There are no Announcements to be displayed.

News & Updates: There are no News to be displayed.

Make a payment: We offer you a range of convenient payment options.

Poll: Vote for GST Portal performances and view the poll result here.

Legislation & Tax Rates: Find out the right legislation and current tax rates.

Check with Taxpert: Share your opinion and feedback with GST Officers.

QR Code: Scan and get access to GST Portal via mobile.

Subscribe News: Enter your email address [SUBSCRIBE](#)

Site Access Information: Last Updated : 16/2/2013 0:36
Visitor(s) Online : 6
Total Visitors : 32451

Follow Us: [f](#) [t](#)



HOTLINE: 1300-888-500
Call & let us assist you
1MOCC
03-8000 8000

CLIENT'S CHARTER | PRIVACY POLICY | SECURITY POLICY | DISCLAIMER | RSS


Best viewed in Internet Explorer 8 and above with screen resolution 1024 x 768
Copyright Reserved © 2012, Royal Malaysian Customs Department. All rights reserved.

Taskbar: start, RMCD - GST - Google ..., GST Awareness Insur..., Modul 1 Overview, GST takaful training 0..., My Documents, 2:58 PM

Filing of GST Returns & Payment

Official Website
MALAYSIA GOODS & SERVICES TAX (GST)
Royal Malaysian Customs Department



TAXPAYER ACCESS POINT
A BETTER TAX SYSTEM

Menu

- Home
- Back

MLT

Data: nurmil
RunDate: 31-Dec-2012

Navigation

- Home

Not everything gets taxed, basic necessities are still free of GST

Mandatory

Common Questions

- What is TAP?
- What Can I Do In TAP?
- Why Should I Sign Up?

Language

- English
- B.Melayu

Search

- Retrieve Saved Request
- Lookup Application Status
- Lookup GST Status

Login

Email Address

Password

Forgot My Password

Logon Sign up

I Want To

- Register For GST
- Apply for Registration Exemption
- File GST Non-Registrant Declaration
- Make a Payment
- Apply for Flat Rate Scheme
- Manage Advance Ruling
- Apply for Appeal
- Apply for Review

start

MLT: Taxpayer Acces... FMM Arvina Accounting for Tax F... Accounting for tax (1... Exchange Rate - Micr...

3:40 PM

Filing of GST Returns & Payment



Official Website
MALAYSIA GOODS & SERVICES TAX (GST)
Royal Malaysian Customs Department



**TAXPAYER
ACCESS POINT 1**
A BETTER TAX SYSTEM

Menu Log Off

Previous

Return Details

Next

Save and Finish Later

Cancel

Home

> Back

MLT

Data: nurmil

RunDate: 13-Nov-2013

Navigation

My Accounts

Act: 001703444480

Goods and Services Tax Return

GOODS AND SERVICES TAX RETURN

OUTPUT TAX

Total Value of Standard Rated Supply	RM	0.00
Total Output Tax (Supply x GST Rate)	RM	0.00

INPUT TAX

Total Value of Standard Rated Acquisition	RM	0.00
Total Input Tax (Acquisition x GST Rate)	RM	0.00
GST Amount Payable	RM	0.00
GST Amount Claimable	RM	0.00

Filing of GST Returns & Payment

**GST charged on
taxable supplies**

Output Tax

less

**GST paid on
business purchases**

Input Tax

equal

minus (-)

Net GST

plus (+)

**Refund to
taxable person**

**Pay GST to
Government**

Filing of GST Returns & Payment

Example (payment) :

■ Calculation of output tax

- Value of taxable supplies made
- Output tax

RM1,000,000

1

RM 60,000

2

■ Calculation of input tax

- Value of taxable supplies received
- Input tax

RM 600,000

3

RM 36,000

4

■ Net tax payable/refundable

- GST payable (2 – 4)
- GST refundable (4 – 2)

RM 24,000

5

6

Filing of GST Returns & Payment

Example (refund):

■ Calculation of output tax

- Value of taxable supplies made RM1,000,000 1
- Output tax RM 60,000 2

■ Calculation of input tax

- Value of taxable supplies received RM1, 600,000 3
- Input tax RM 96,000 4

■ Net tax payable/refundable

- GST payable (2 – 4) 5
- GST refundable (4 – 2) RM 36,000 6

8

Record Keeping

Record Keeping

- **Bahasa Malaysia or English**
- **7 years**
- **can be kept in soft or hard copy**
- **to be kept in principal place of business**

Record Keeping

Failure to Keep Records

- Any person who contravenes Section 36 GST Act 201X, commits an offence and shall, on conviction, be liable to a fine:
 - ✓ not exceeding fifty thousand ringgit; or
 - ✓ to imprisonment for a term not exceeding three years; or
 - ✓ to both.

Record Keeping

- **Records relating to registration**
 - ✓ SSM records – Form A, B, C, 8,9 and etc.

- **Records relating business activities**
 - ✓ tax invoices, invoices, receipts,
 - ✓ debit note, credit note
 - ✓ delivery order, purchase order
 - ✓ Bank slip, bank statement, voucher and etc.
 - ✓ Contract, agreement

- **Records relating to accounting (hard copy)**
 - ✓ Financial statement – Profit & Loss, Balance Sheet, Trial Balance
 - ✓ Account payable, account receivable, General ledger, Sales, Purchase , stock, cash and etc.

Record Keeping

- **Records relating to taxation**

- ✓ Customs forms – K1, K2, K9 and etc
- ✓ GST – GST returns, registration and etc
- ✓ GST adjustment sheet
- ✓ Income tax declaration

- **Records relating to electronic form**

- ✓ Accounting software manual
- ✓ Accounts chart, access code, program documentation
- ✓ Audit trail
- ✓ Purchase, Sales, GL Listing (e.g standard, exempt, disregard, out of scope, deemed supply etc)
- ✓ GAF File (GST Accounting Software)
- ✓ Management Information Report (MIS) report
- ✓ Other data / records keep in accounting / business software

Record Keeping

■ Methods of Preserving Records

- ✓ The taxable person must keep the original documentation.
- ✓ Where the record is in an electronic form, the record shall be kept in such a manner as to enable the record be readily accessible and convertible into writing.
- ✓ When the record is originally in a manual form and is subsequently converted into an electronic record, the record shall be retained in its original form prior to the conversion.
- ✓ Such records shall be admissible as evidence in any proceedings.

Thank You

GST Unit
Royal Malaysian Customs Department