



消费税讲座会

MALAYSIA GOODS AND SERVICES TAX

21-06-2014

MALAYSIA AUTOMOTIVE RECYCLERS ASSOCIATION



Passion Beyond Numbers

SPEAKER'S PROFILE



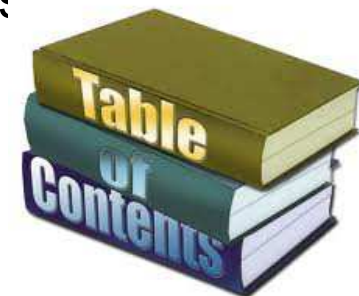
- **LOH CHYE TEIK**

B.Acc (Hons) C.A (M) FTII

- Partner of UHY Chartered Accountants
- Graduated from University of Malaya, Kuala Lumpur with a Bachelor (Honours) of Accounting (1984)
- Member of both of the Malaysia Institute of Accountants (MIA) and Chartered Tax Institute of Malaysia
- Managing Partner of Tan & Loh & Managing Director of Interesources Tax Advisory Sdn. Bhd.
- Independent Director of 3 listed entities
- 20 years of extensive experience in corporate strategy, business development, financial and tax planning spanning from MNC's manufacturing companies, property development, construction and trading companies.

PROGRAMME OUTLINE

- SESSION I:** Introduction, Mechanism and Types of GST Supplies
简化消费税概念及了解消费税供应分类
- SESSION II:** GST Registration & Tax Invoices
消费税注册及发票
- SESSION III:** Times of Supply and Bad Debts Relief
供应时间及坏账减免
- SESSION IV:** Special Scheme – Margin Scheme
特别计划-赚幅计划
- SESSION V:** Retailing Issues & Employees Benefits
零售课题及员工福利
- SESSION VI:** Preparation for GST Implementation
预备应对消费税



LCT

SESSION I:
**Introduction, Mechanism and
Types of GST Supplies**

简化消费税概念
及了解消费税供应分类

Presented by: Mr. Loh Chye Teik

WHAT IS GST?

- ❑ **GST** also term as **value added Tax (VAT)** (增值税)
- ❑ **GST** is a tax on **domestic consumption** (国内消费), not on income or profit
- ❑ It is charged on Goods & Services including imports (进口)
- ❑ It is **multi stage tax** (多程次征税) collected where tax burden is on end user (最后消费者承受税款责任)
- ❑ Tax is collected at every stage of production and distribution (税款将由生产, 批发, 零售等阶段缴付)
- ❑ It is **transaction based**



Overview of GST in Malaysia

- ❑ Self Assessment System （自我评估系统）
- ❑ Replace Sales Tax and Service Tax
（取代销售税和服务税）
- ❑ Tax Rate **6%**（税率为**6%**）
- ❑ Date of implementation: **1 April 2015**
（实行日期为**2015年4月1日**）



TAX RATE COMPARISON

各国稅率比較

COUNTRY	YEAR OF IMPLEMENTATION	GST / VAT RATE
1. Singapore	1993	7%
2. Canada	1991	5%
3. Australia	2000	10%
4. United Kingdom	1973	20%
5. France	1954	20%
6. Japan	1989	8% (10% in Oct 2015)
7. New Zealand	1986	15%

TAX RATE COMPARISON ^{LCT}

各国税率比较

COUNTRY	YEAR OF IMPLEMENTATION	GST / VAT RATE
8. Brazil	1967	17%
9. Thailand	1992	7% / 10%
10. Indonesia	1984	10%
11. China	1994	17% Standard
12. Taiwan	1931 (Revised 2011)	5% 25% GBRT
13. Vietnam	1999	10%
14. Philippines	1988	12%

More than 160 countries have adopted GST/VAT
超过160个国家已经实行GST/增值税

DIFFERENCES FROM SALES TAX & SERVICES TAX

Single and Multiple Stage

-**Sales Tax & Services Tax** levied at only one stage of the supply chain

销售税及服务税只在供应链中的一个阶段征收

-**GST** charged on consumption of Goods & Services at every stage of supply chain 消费税在供应链的每个阶段征收包括所有商品及服务的消费

- Tax paid throughout the production and distribution chain

税款在整个生产和分配链中支付

- Ultimately passed to the final consumer

最终由消费者承担

- Not cost to intermediaries

负担不在于供应链的中介

- Not appear as expense item in financial statements

没有出现在财务报表中的费用项目。



MULTI-STAGE OF GST AT 6%

STAGES 供应链阶段	SALES PRICE 销售价格	INPUT TAX 购进税	OUTPUT TAX 销项税	6% PAYMENT TO RMC 支付予关税局
Raw Material Supplier/Importer 原料 供应商/进口商	RM1,000	–	RM60	RM60
Manufacturer 生产厂家	RM4,000	RM60	RM240	RM180
Wholesaler 批发商	RM5,000	RM240	RM300	RM60
Retailer 零售商	RM6,000	RM300	RM360	RM60
Consumer 消费者	RM7,500	RM360	RM450	RM90
			TOTAL GST	RM450

SCOPE OF GST

GST is charged on:-

- (a) any **taxable supply** (缴税供应) of goods and services;
(b) made in the course or furtherance of any **business** (商业交易) ;
(c) by a **taxable person** (消费税注册人) ;
(d) in **Malaysia** (在马来西亚) .
- GST is charged on **imported goods and services** (进口货物和服务)

SCOPE OF GST

NOT SUBJECT TO GST
免税

Supply of goods and services
商品及服务供应

Importation of Goods & Services
进口货物和服务

No
Made in Malaysia

No Yes
Taxable supply

No Yes
Taxable person

No Yes
for the Purpose of

Subject to GST
支付消费税

TYPES OF SUPPLIES
供应分类

GST
SUPPLIES
消费税供应

OUT OF SCOPE
SUPPLIES
超出范围供应

TAXABLE
缴税供应

TAX
EXEMPT
免税供应

STANDARD
RATED
标准税率
6%

ZERO RATED
零税率
0%

Types of supply	Output tax 销项税	Input tax 进项税
Standard-rated 标准税率	6%	Claimable 可回扣
Zero-rated 零税率	0%	Claimable 可回扣
Exempted 免税供应	No GST charged	Not claimable 不可回扣

OUTPUT TAX & INPUT TAX

Output Tax销项税

Tax collected / received from consumer on behalf of RMC.

Input Tax进项税

Tax paid to suppliers

Eg: materials, equipments, machinery & services.

When $\text{Output Tax} > \text{Input Tax}$
→ Pay to RMC

But $\text{Input Tax} > \text{Output Tax}$
→ Claim Refund



ZERO RATED SUPPLIES- *LCT* EXAMPLES

零税率供应-例子

Agriculture products – paddy
& fresh vegetables
农产品 – 水稻和新鲜蔬菜

Foodstuff – rice, sugar, table
salt, plain flour, cooking oil
食品 – 大米, 食糖, 食盐, 面粉,
食用油

Livestock supplies – meat,
muttons, swine
肉类 – 牛, 羊, 猪

Poultry & eggs
家禽及蛋类

Fish, prawn, cuttlefish, crabs,
oyster, cockles, etc.
海鲜类

Supply of the first 300 units
of electricity to domestic
users
前300度电予国内用户

Supply of water to domestic
users

Export goods & services
出口货物和服务

The supply of Goods & Services are determined to be zero-rated
供应水给国内用户
supply by the Minister

EXEMPT SUPPLIES 免税供应

1. Domestic Transportation 国内运输(e.g. bus, taxi, KTM, LRT, Monorail, ship, ferries)
2. Toll Highway / Penang Bridge 公路收费/槟城大桥
3. Building used for Residential purposes 用于住宅用途的建筑
4. Land for residential or agricultural purposes or general use
土地为住宅或农业用途或一般用途
(*General use -- purpose of burial ground, playground or religious building)
5. Private Health and education 私人医疗和教育
6. Financial Services 金融服务
7. Accommodation- hotels, inns, services apartments under a contract for 28 days or more (occupied as a residence) 住宿--饭店，旅店拥有住宿合约于28天或以上
8. Funeral, Burial and Cremation services 葬礼，埋葬和火化服务

OUT OF SCOPE SUPPLY

超出范围供应

- a) Government Services 政府服务 (Supplies made in the regulatory and enforcement (R&E) functions)
- b) Private / Domestic Transactions 私人交易
- c) Offshore transactions – 3rd country sales (supply made outside Malaysia) 离岸交易
- d) Non-taxable person is not required to be registered (Business below threshold) 非注册人
- e) Supply of goods or services made within or between designated areas (Labuan, Langkawi and Tioman) except selected prescribed goods or services. 免税岛计划供应
- f) Non business supply (eg: hobbies, service provided by employees to employers, holding of shares) 非交易供应

EXAMPLES

1. Commercial Industrial Samples / Gift (small) 商业，工业样品/礼品
2. Compensation Paid – Court Order or Out of Court Settlement 法令补偿 - 庭外和解的法院指令
3. Deposit Paid 抵押金
4. Disbursement 琐碎支出
5. Dividends 股息
6. Gift (limit to RM500) 赠品（限500令吉）
7. Contract of Employments 雇佣合约
8. Grants 赞助金
9. Prize Money – gift to winner 奖金
10. Transfer of Goods between Branches, Group member 商品转移给分行，消费税帐号成员



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SESSION II:
GST REGISTRATION
&
TAX INVOICE
消费税注册及发票



Presented by: Mr. Loh Chye Teik

MANDATORY REGISTRATION 强制登记

- Any person who makes **taxable supply** (缴税供应) of goods and services **in Malaysia**
- Registration is mandatory for businesses whose taxable turnover (营业额) has exceeded the prescribed **threshold of RM500,000** (规定的数额为**RM500,000**)
- Calculation of taxable turnover for registration is based on total value of taxable supplies for 12 months period (应税用品12个月期间的总价值)



TAXABLE PERSON (应课税人士)

- Individual
- Companies / Corporate
- Partnership / LLP
- Sole Proprietors
- Club
- Societies
- Associations
- Religions Organizations
- Trade Unions
- Co-operative
- Joint Ventures
- Trustees / Business Trust
- Any other body ; organization or group of persons, whether corporate or unincorporated



WHAT YOU NEED TO DO?

你需要做什么？

- ❖ **Registering your Business** 注册您的企业
- ❖ **Issuing Tax Invoices** 开税务发票
- ❖ **Accounting for GST** 计算消费税
- ❖ **Filing Tax Returns** 呈报消费税表格
- ❖ **Input Tax Credit Mechanism** 进项税退税条规
- ❖ **Paying GST** 消费税付款
- ❖ **Offences** 违规

TYPE OF REGISTRATION

❑ Voluntary Registration 自愿注册

- for business below threshold
- must remain in the system for at least 2 years

-Intention:

- ✓ Details of business arrangements
- ✓ Contracts for establishment of premises
- ✓ Details of business purchases
- ✓ Other documentary evidence

- Benefits:

- ❖ To recover input tax for start-up costs
- ❖ To avoid giving the impression of small operation



TYPE OF REGISTRATION

□ REGISTRATION OF SOLE PROPRIETORSHIP 独资经营注册

Determination of liability to register:-

- To aggregate taxable turnover of all businesses owned by the sole proprietor
- Registration to be in the name of the sole proprietor



TYPE OF REGISTRATION

□ REGISTRATION OF PARTNERSHIP 合伙注册

- Registration of partnership business will be in the name of the firm
- Same partnership can form separate partnership businesses
- Any change in partnership will not affect the registration
- A partner has to give written notification to DG if ceased to be member of partnership

TYPE OF REGISTRATION

□ Group Registration 综合注册

-Allow related companies to group and centralize their administration for GST accounting purposes.

Eligibility to be member of a group

- One company controls each of the other companies, individual or partnership controls all the companies
- More than 50% of the issued share capital of the second mentioned company
- One company can be a member of one GST group only
- Prior registration for individual company
- Make wholly taxable supply



TYPE OF REGISTRATION

❑ Divisional/Branch Registration 分行注册

- Business having branches or divisions may apply to register its branches or division separately
- Determination of liability to register. – based on total taxable supplies of all branches and divisions.

❑ REQUIREMENTS

- 1) The registered person and all branches or division make wholly taxable supplies
- 2) The registered person is not a member of a GST group
- 3) Difficulty in submitting a single return for all branches or divisions
- 4) Each branches or division maintains separate account
- 5) Each branch or division has separate business activities or in separate location, **and**
- 6) Each branch or division has same taxable period

RESPONSIBILITIES OF REGISTERED PERSONS

注册人的责任 注册

- i) Account for GST 计算消费税
- ii) Submit GST return (GST-03) 呈报消费税表格 (GST-03)
- iii) Issue tax Invoice 开税务发票
- iv) Inform Customs of cessation of business 若停止营业需通知消费者
- v) Inform Customs on any changes of company information 若更换资料需通知消费者
- vi) Keep adequate records 保存记录

DE-REGISTRATION 删除注册

- ❖ Mandatory to notify DG in writing within 30 days from the date of cessation.
- ❖ Circumstances: Ceased Business, no longer fulfill the requirement of registration
- ❖ To continue to fulfill obligation (eg: charge GST, submit GST returns) until notification of effective date of deregistration



ISSUING TAX INVOICES 发票

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

IMPORTANT OF 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

NON ISSUANCE OF TAX INVOICE

发票

Tax shall not be charged (i.e. showing tax amount) in the invoice which is issued on:

- ✓ Non-taxable supply
- ✓ Zero rated supply
- ✓ Supply by non registered person

Tax invoice is not required to be issued by a registered person on:

- ✓ Zero rated supply
- ✓ Supply without consideration on which tax is charged

ISSUING TAX INVOICES 发票

Types of tax invoice

Tax Invoice:

- Full tax invoice
- simplified tax invoice

KILANG MAKANAN SEDAP SDN. BHD.
 Lot 2A-2B, Jalan Berjaya, 12100 Butterworth, Penang
 (GST ID No.: 123128/2010)
 Tel: 04-6464528
 Fax: 04-6464500

Supplier's name,
 address and GST
 identification number

Tax Invoice
 serial number

Invoice No.: 000/888

Date: 20 August 2015
 D/O No.: S000123

Date of Tax
 Invoice

TO: Syarikat Bihun Berjaya Sdn. Bhd.
 No. 28, Jalan Maju Cemerlang
 11900 Penang

Customer's
 name &
 address

TAX INVOICE

Description of
 Goods or
 services supplied

The words "Tax
 Invoice" clearly
 indicated

Serial No.	Description	Quantity	Unit Price (RM)	Total (RM)
1	Tepung Bihun (TP001)	60	50.00	3,000.00
2	Tepung Kuih (TP008)	50	40.00	2,000.00
3	Mee (M 0123)	20	10.00	200.00
				5,200.00
Discount @ 10%				(520.00)
				4,680.00
Add GST @ 6%				280.80
Total Sales				4,960.80

Quantity of goods
 or extent of the
 services supplied

Rate of GST

Total amount of
 GST charged

Total amount
 payable
 inclusive of GST

KILANG MAKANAN SEDAP SDN. BHD.

ISSUING TAX INVOICES

SIMPLIFIED TAX INVOICE 简化发票

- The DG may allow some registered persons to issue simplified tax invoice in their business transactions.
- This type of invoice is used by retailers who normally generate large volume of invoices daily to end customers eg. Supermarkets, petrol kioks, and other point of sales outlets.
- Can be issued regardless of any value of sales.
- A taxable person is required to apply in writing to DG if certain prescribed particulars are to be omitted in the tax invoice issued.
- Eg: a registered person applies to the DG to allow him to exclude in his tax invoice, the following prescribed particulars:
 - the name and address of the recipient; and
 - the price and tax for each item to be shown separately

Example of Simplified Tax Invoice

Supplier's name, address and GST identification number

HAPPY PARKING SDN. BHD.
 Lot 2A-2B, Kompleks Berjaya, 12100 Butterworth,
 Penang
 (GST ID No.: 123128/2010)
 Tel: 04-6464528
 Fax: 04-6464500

Tax Invoice serial number

Invoice No.: 000/888

Date of Tax Invoice

Date: 20 August 2015

Description of Goods or services supplied

Description	Total (RM)
Parking fee – 2 hours	3.18
Total	*3.18

Total amount payable inclusive of GST

* Price payable includes GST RM0.18 @ 6%

The words " Price Payable includes GST amount and rate of tax" clearly indicated

SIMPLIFIED TAX INVOICE

简化发票

- ❖ Simplified tax invoice can be used to claim any amount of input tax credit
- ❖ However, for simplified tax invoice which does not have the name and address of the recipient, the maximum of input tax to be claimed must not be more than RM30.00 (6% GST).
- ❖ If the amount of GST payable is more than RM30.00, the recipient can only claim input tax RM30.00
- ❖ He must request for a full tax invoice to enable him to claim the full amount of input tax if GST is more than RM30.00

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SESSION III:
TIME OF SUPPLY
&
BAD DEBTS RELIEF
供应时间及坏账减免



Presented by: Mr. Loh Chye Teik

TIME OF SUPPLY 供应时间

Time of supply determines when a taxable person should account for GST

-Basic Tax Point

Supply of goods

- the time when goods are removed;
- the time when goods are made available;

Supply of services

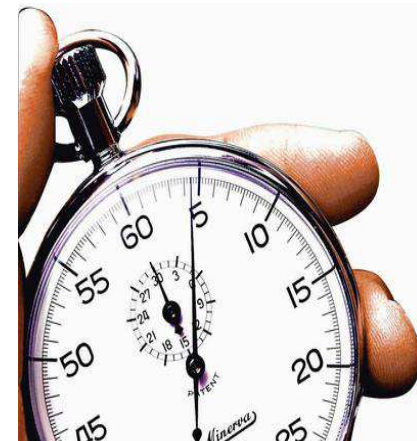
- when the services are performed

TIME OF SUPPLY 供应时间

Events before basic tax point, TOS:-

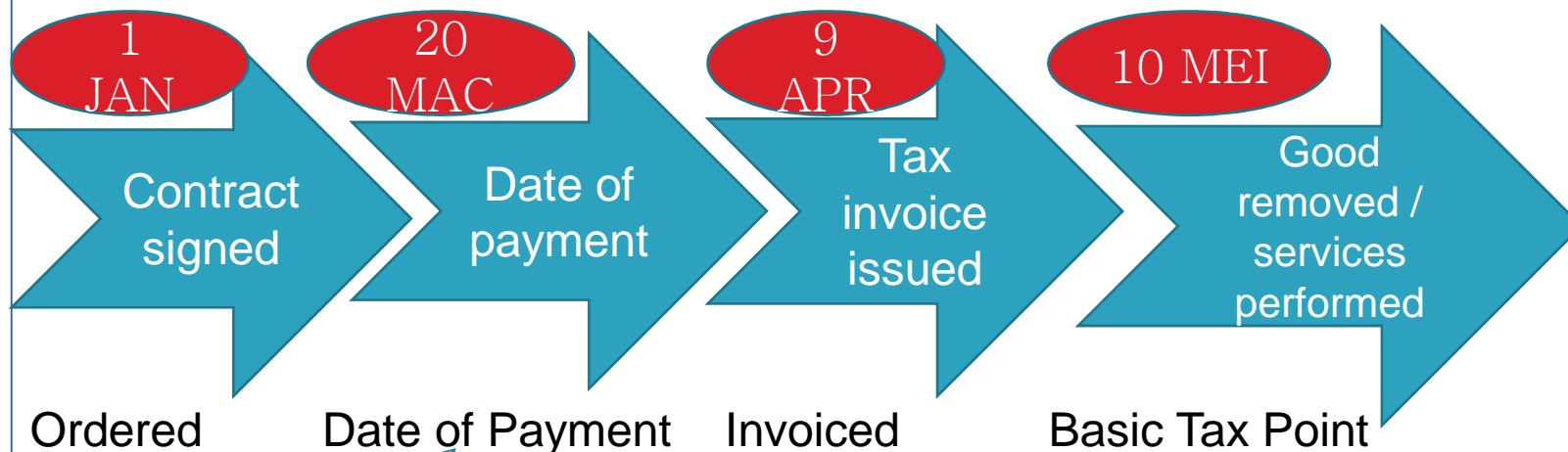
1. Removal of goods / Delivery or
2. Goods made available / services performed or
3. Payment Received or
4. Tax Invoice Issued

Whichever is the earliest



TIME OF SUPPLY 供应时间

Illustration of Time of Supply Rule:-



The time of supply is – date of payment received on 20 Mac

Scenario: payment or invoice before basic tax point

21 DAYS RULING (21 天规则)

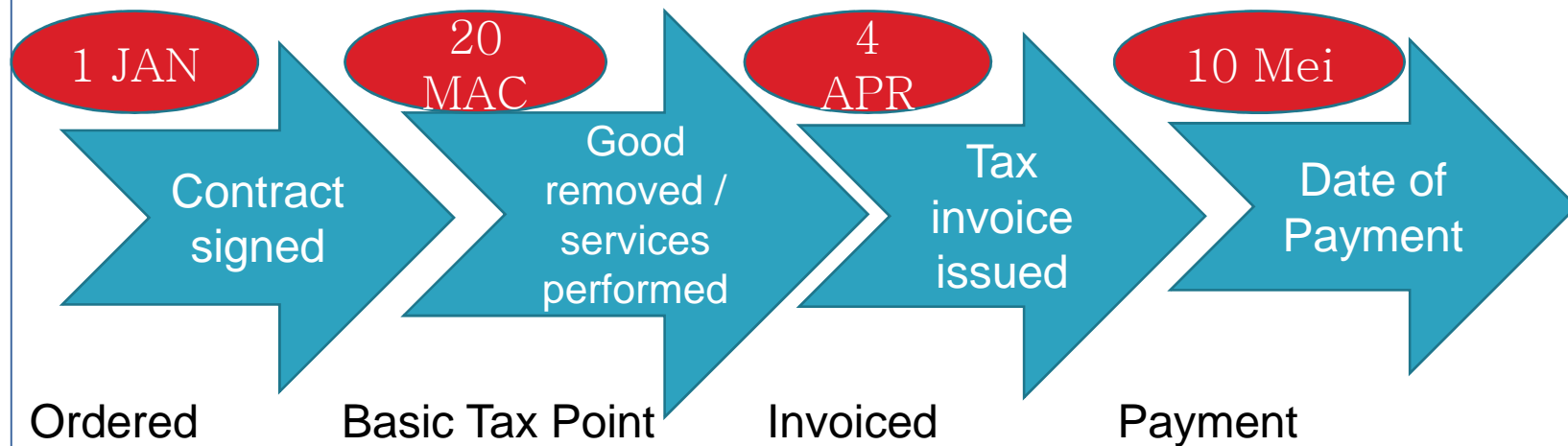
Events after basic tax point:

If tax invoice is issued **within 21 days after the basic tax point**, then **time of supply is the time the tax invoice is issued.**



TIME OF SUPPLY 供应时间

Illustration of 21 days Rule:-



The time of supply is - Tax invoice issued on 9 Apr
Scenario: 21 days rule

BAD DEBTS RELIEF 坏账减免

Entitled to relief bad debts if the taxable person has not received any payment or part 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 debts

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



BAD DEBTS RELIEF 坏账减免

Adjustment 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 claim**

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

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

BAD DEBTS RELIEF –EXAMPLE



Invoice –RM50,000
(inclusive GST
RM2,830)



GST-03 :
RM2,830
(output)



Payment– RM41,600 5 Mac 2016

Balance of RM8,400
unpaid after 6
months from date of
invoice

$$\text{Input tax claimable} = \frac{\text{RM8,400}}{\text{RM50,000}} \times \text{RM2830} = \text{RM475.44}$$

BAD DEBTS RECOVERY 收回坏账

Adjustment 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 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 DEBTS RECOVERY 坏账收回

Supplier

Based on the earlier example:

On 5 September 2016, customer pays RM7,800. The balance of RM600 is still unpaid

$$\begin{aligned}\text{Output tax to be accounted} &= \frac{\text{RM7,800}}{\text{RM50,000}} \times \text{RM2,830} \\ &= \text{RM441.48}\end{aligned}$$

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**

SESSION IV: *LCT*

**SPECIAL SCHEMES-
MARGIN SCHEME
(特别计划-赚幅计划)**

Presented by: Mr. Loh Chye Teik

RELIEF FOR SECOND-HAND GOODS (MARGIN SCHEME) 二手车减免

- ❖ Tax chargeable on the excess of the consideration for which the goods are supplied over that for which they are acquired.
- ❖ Is to avoid the same article be subject to GST twice
- ❖ GST is charged only on the second hand dealer's margin rather than on the entire amount charged on reselling the goods
- ❖ Is no tax on previous supply of goods
- ❖ Dealer must compute the difference between the price he purchased and his selling price and the amount of tax at a fraction of $\frac{6}{106}$ of the gross profit.

Example

Second hand car Dealer:

Buy at	RM50,000
Sell at	<u>RM60,000</u>
Gross Profit	<u>RM10,000</u>

$$\begin{aligned}\text{GST} &= 6/106 \times 10,000 \\ &= \text{RM566.04}\end{aligned}$$



- ❑ Dealer must not issue a tax invoice showing the amount of GST due:
 - Customer (if a taxable person) will be unable to reclaim GST paid as input tax

- ❑ Dealer not obliged to the scheme

- ❑ Dealer can sell under ordinary GST system, charging full price:

6% on RM60,000 = RM3,600

Compared to only = RM566.04

RELIEF FOR SECOND-HAND GOODS (MARGIN SCHEME) 二手车减免

Goods eligible for the relief are as follow:

- Used motor vehicle which registered under the RTD
- Used motor vehicle which is subject to sales tax whether on locally manufactured vehicle or importation

Person eligible for Margin Scheme

- A registered person; and
- Involve in the business of buying and selling second-hand motor vehicles (eg: second-hand car dealers)

* Approval under this scheme is not subject to renewal

RELIEF FOR SECOND-HAND GOODS (MARGIN SCHEME)

二手车减免

Requirements under margin scheme

- The seller has an option whether to charge GST on margin scheme or according to the normal rules
- Margin scheme to apply, if acquired used vehicle from the following status of sellers:-
 - ✓ Individual
 - ✓ Non-registrant
 - ✓ Registrant as regard to goods which fall under the block input tax
 - ✓ Registered person approved under the Margin Scheme
- No tax invoice to be issued under this scheme and it is an offence under Sec 33
- The tax on the supply made under this margin scheme need to be accounted based on the following (whichever is earlier)
 - (a) When goods are removed or made available
 - (b) When an invoice is issued by the supplier
 - (c) When a payment is received by the supplies

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SESSION V:

Retailing Issues
& Employees Benefits
零售课题及员工福利



Presented by: Mr. Loh Chye Teik

CONSIGNMENT SALES 寄售

❑ What is consignment sale?

Consignment sale refers to goods which are delivered to the consignee where the ownership of the goods still remains with the supplier (consignor) and on the basis that the goods will be sold on the behalf of and at the risk of the consignor.

❑ Normal features of consignment sale:

- two parties invoiced (consignor and consignee)
- consignor entitled to received all the expenses in connection with consignment
- consignee is not responsible for damage of goods during transport or any other procedure
- goods are sole at the risk of consignor

consignment
sales

CONSIGNMENT SALES 寄售

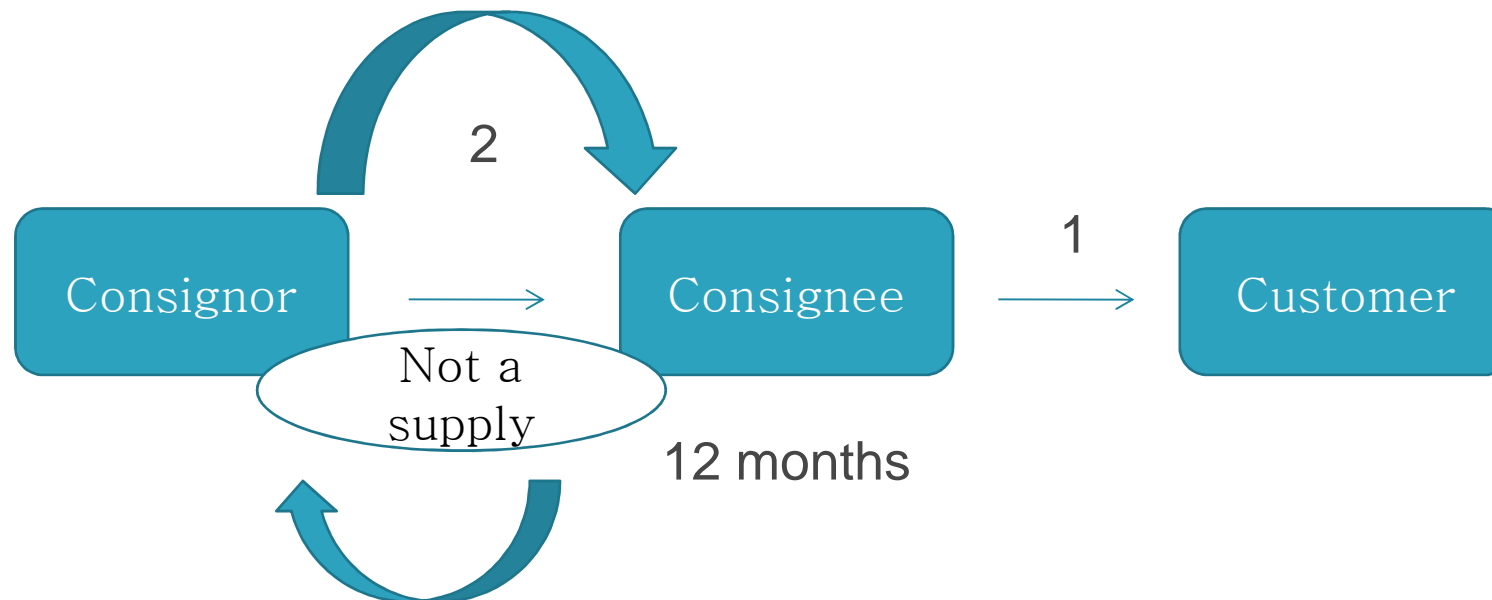
Consignor has to account for GST

- ✓ When it becomes certain that a supply has taken place (the time when consignor receives a statement of sales from consignee that goods has been sold) **OR**
- ✓ 12 months after the removal of the goods

whichever is the earlier

If a tax invoice issued within 21 days of the date of the consignor receives the statement of sales or after 12 months the goods were sent. Then the time of supply is the date of tax invoice

CONSIGNMENT SALES 寄售



Basic Time of supply?

- When consignor received the statement of sale from consignee (date of statement).
- 12 months after the removal of the goods

Actual Time of supply?

- Date of tax invoice issued by consignor to consignee

SAMPLES 样本

If the goods are supplied to a retailer as commercial samples in a form not ordinarily available for sale to the public, the free samples are not subject to GST subject to the following conditions:-

- (a) the samples must be stamped with the words "**Sample only. Not for sale**";
- (b) the samples must be easily distinguishable from the commercial products;
- (c) neither the supplier nor the retailer charges GST on samples;
- (d) the samples are given for business promotion;
- (e) the samples remain the property of the supplier until they are given to customers; and
- (f) the balanced samples are to be returned to the supplier.

EMPLOYEE BENEFITS 员工福利

- Any goods or services provided free to employees
- Goods or services acquired and given as employee benefits to employees are considered as used “for the purpose of business”
- Generally, GST incurred on goods and services acquired and used for the purpose of his business in making of taxable supplies is claimable, and GST has to be accounted for on the taxable supplies made.
- In general, for employee benefits,
 - input tax incurred is claimable
 - GST needs to be accounted on goods provided free to employees

EMPLOYEE BENEFITS 员工福利

- Employee benefits including any right, privilege, service or facility provided free of charge to employees as stated in the contract of employment.
 - not subject to GST and input tax is claimable
- If not stated in the contract of employment
 - All goods provided free to employees is subject to GST (subject to gift rule of RM500) except those exempted, blocked input tax and zero rated goods
 - input tax claimable
 - output tax on gifts > RM500
 - value to be based on open market value
- Services supplied free
 - no GST
 - input tax claimable

EMPLOYEE BENEFITS 员工福利

Gift rule

- Goods worth not more than RM500 given free to the same person in the same year
- Not a supply
- Not subject to GST
- Input tax is claimable

EMPLOYEE BENEFITS 员工福利

Example:

Company A purchased 15 hampers for his employees worth RM200/hamper

- Every employee will get one hamper FOC
- No need to account for output tax
- Input tax on 15 hamper = RM180 ($RM3,000 \times 6\%$) is claimable

EMPLOYEE BENEFITS 员工福利

Example:

Company B purchased 2 non-monetary vouchers for 3 days and 2 nights stay in Pulau Redang worth RM1,000/voucher for his employees

- supply of services given free
- no need to account for output tax
- Input tax on 2 vouchers upon sale = RM120 ($RM2,000 \times 6\%$) is claimable

EMPLOYEE BENEFITS 员工福利

Example:

Company C rewarded RM5,000 to his best employee of the year

- Not subject to GST
- Money is neither goods nor services

SESSION: VI
PREPARING FOR GST
IMPLEMENTATION
预备应对消费税

Presented by: Mr. Loh Chye Teik

OVERVIEW OF IMPACT OF GST OF BUSINESS ORGANISATION

概述消费税对企业组织的影响

(i) General & Administration Department

- Registration & Compliance with GST
- Cancellation of Sales Tax

(ii) Finance & Accounts Department

- Identify transaction with GST liability
- Claim of Input Tax
- Budgeting
- Impact on Cash Flow

(iii) Sales & Marketing Department

- Marketing & Pricing Strategy
- Impact on current Contract

(iv) I.T Department

- System & process charges for GST compliance

(v) HR Department

- Training & Communication

(vi) Purchasing Department

- Tax Exemption
- Preferential Vendors under GST
- Payment of GST inclusive purchases.

PLANNING STRATEGY FOR GST

规划应对消费税的策略

- ❑ Formation of GST Compliance Team 成立消费税规划团队
- ❑ GST Registration 消费税注册
- ❑ Buying Decision 购买决策
- ❑ Preparing for GST Compliance Accounting & Record keeping system 准备符合消费税的会计/记录系统
- ❑ GST produce & training 消费税培训
- ❑ Cash Flow Management & timing of GST receipt & payment 现金流管理和消费税收据及付款时间

CONCLUSION 总结论

GST is a Self assessed tax and requires the correct application of GST rate to each transaction and the correct calculation of GST payable.

消费税是一种自我评估系统，在供应链的每个阶段都需要正确计算消费税

GST also requires supporting documentation as evidence for GST input claimed. Contrary to the general perception, GST rules and regulations may not be so simple.

进项税退税需要文件证明

It is therefore pertinent for businesses to get ready for GST implementation before the government announces the introduction of GST in Malaysia

因此，各企业需在消费税实施之前做好准备



**DO YOU
HAVE ANY
QUESTIONS**



SERVICES PORTFOLIO 服务项目

AUDIT & ASSURANCE 审计与认证业务

- Statutory audit, internal review, compilation and review of financial statements, performance and value for money audits, risk assessment, special audits & reporting and Due Diligence

TAXATION 税收

- Corporate tax compliance, direct taxation, indirect taxation, and personal tax, transfer pricing, transnational group structuring, strategic tax planning, dividend, interest and royalty planning, tax investigation, expatriate services.

CORPORATE RECOVERY & INSOLVENCY 企业重整及破产

- Corporate turnaround, asset protection or repossession, developing or implementing good management practices, refinancing, debt management, insolvency planning and personal liability protection

BUSINESS RISK SOLUTIONS 业务风险解决方案

- Managing risks, systems, processes and promoting good governance, internal audit, risk management consulting, corporate governance advisory

THANK YOU 谢谢



LOH CHYE TEIK
骆财德

2nd Floor, Silver Square,
309-J Perak Road,
10150 Penang, Malaysia.
Tel: (604) 2814 628/(012) 4810 555
Fax: (604) 2820 200
Email : loh.chyeteik@uhy-my.com

