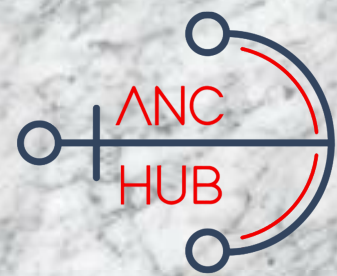


The image shows a large audience seated in a hall, facing a stage where a speaker is standing. The audience is diverse in age and appearance. The stage is lit with a red carpet. The background features a large, illuminated structure with many small lights, possibly a stage set or a large screen. A blue banner with white text is overlaid on the image.

GST-SST 2.0. What's Next?

**KL | Melaka | Penang | JB | Alor Setar |
Kuching | Kota Kinabalu | Ipoh | Kuantan |**



SST Commence & GST Repeal. Businesses, What's Next?



SQL

Account

Payroll

www.SQL.com.my

Personal Profile



Song Liew
GST Consultant
Tax Consultant

Mr Song Liew, is a GST Tax Agent approved by Ministry of Finance under Section 170 of Goods and Service Tax Act 2014, certified MYGCAP reviewer, a Chartered Accountant (CA) of the Malaysia Institute of Accountants (MIA), a Member of Chartered Tax Institute of Malaysia (ACTIM), a Member of the Association of Chartered Certified Accountants (ACCA), UK and a certified trainer with HRDF.

He was attached to one of the international tax consultant firm in Malaysia. He has been involved in wide range of Malaysian Taxation matters including matters involving corporate and individual tax compliance, Malaysian Goods and Service Tax ("GST) compliance, consultancy assignments, tax audit, GST audit and transfer pricing assignments. He also handles advisory matters relating to employer's statutory obligations.



Personal Profile



Song Liew
GST Consultant
Tax Consultant

Song manages individual's tax compliance and advisory matters including resolving expatriates' tax and payroll issues. He is a trainer of Malaysian Employer Federation ("MEF") and trainings to multinational companies, small and medium enterprises, software providers and finance magazine, through classroom and webinar. He conducted his training throughout Malaysia and also made his appearance in radio station.

He has also participated in writing tax related books for Commerce Clearing House ("CCH"), writing of monthly newsletters and author of Employer Obligation and Tax Planning Year 2018.



Personal Profile



Song Liew
税务顾问
消费税顾问

廖振雄 (Song Liew) 是马来西亚会计协会 (MIA)、马来西亚特许税务公会 (ACTIM)、英国特许公认会计师 (ACCA) 的会员，合格消费税顾问和所得税顾问，同时也是马来西亚人力资源部认证培训师。

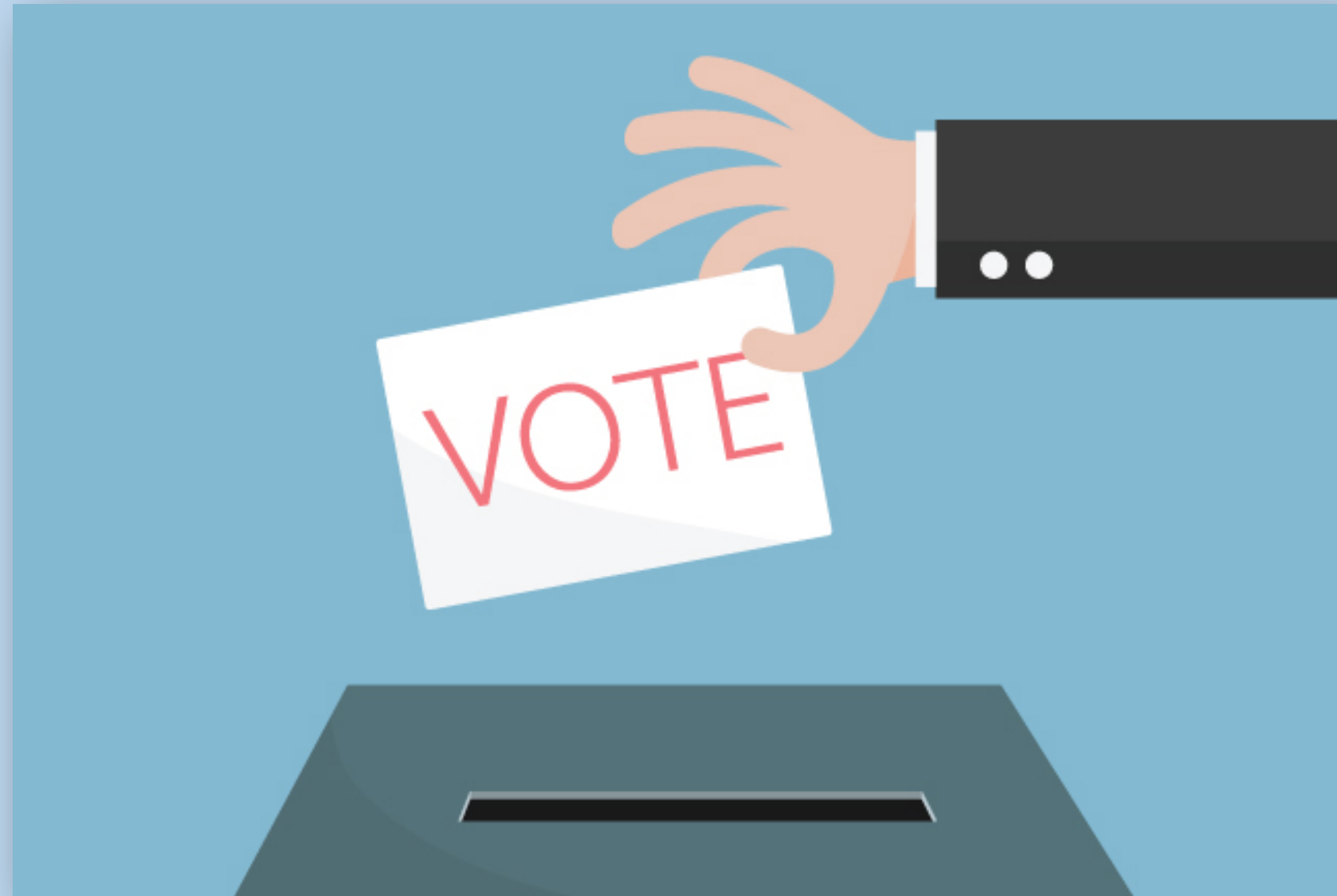
目前，也是马来西亚雇主协会 (MEF) 所承认的合格培训讲师之一，专为中小企业、上市公司、商业理财杂志公司及跨国公司提供内部培训。

身为消费税和所得税顾问，在消费税落实前，他亲身参与了很多名大企业的消费税实践项目 (GST Implementation)。廖振雄不但擅长于各大商业领域的所得税规划，同时也精通税务转让定价 (Transfer Pricing)、税务审计的处理。不遗余力的他也编写了多篇与消费税和所得税有关的税务特刊 (Tax Highlight)，无私地在网上分享，供网友们有多一个自修的平台。



Sales Tax Bill 2018
Service Tax Bill 2018
Repeal of GST Bill 2018

BECAUSE OF YOU~~~



A NEW MALAYSIA

CABINET 2018



PRIME MINISTER
TUN DR MAHATHIR
MOHAMAD



HOME
MINISTER
TAN SRI
MUHYIDDIN YASSIN



FINANCE
MINISTER
LIM GUAN ENG



DEFENSE
MINISTER
MOHAMAD SABU



DEPUTY
PRIME MINISTER
DATUK SERI DR
WAN AZIZAH
WAN ISMAIL



EDUCATION
MINISTER
DR MASZLEE MALIK



WOMEN AND FAMILY
DEVELOPMENT MINISTER
DATUK SERI DR WAN
AZIZAH WAN ISMAIL



RURAL
DEVELOPMENT
MINISTER
RINA HARUN



ECONOMIC AFFAIRS
MINISTER
DATO' SERI AZMIN ALI



TRANSPORT
MINISTER
ANTHONY
LOKE SIEW FOOK



COMMUNICATIONS AND
MULTIMEDIA MINISTER
GOBIND SINGH DEO



HOUSING AND LOCAL
GOVT MINISTER
DATUK ZURAIDA
KAMARUDDIN



HUMAN RESOURCES
MINISTER
M. KULASEGARAN



AGRICULTURE AND
AGRO-BASED
INDUSTRY MINISTER
SALAHUDDIN AYUB



HEALTH MINISTER
DR. DZULKEFLY AHMAD

Pakatan Harapan New Tax Regime

DIGITAL ECONOMY





Example Of Digital Economic Activities

No	Sector	Business description	Flow of activities
1	Retailing	Dropship, Agent, Stockist etc	Taking orders, packing, receiving payment, delivery
2	Transport & Logistic	e.g. Poslaju, Gdex, Nationwide, Skynet, Air Asia, Car rental, Online ticketing etc.	Order for a services, payment, insurance, delivery
3	Financial Services	Bank, Payment gateway, Crypto currency, credit card, debit card, loyalty card, membership card etc.	Validating financial status, issue statement
4	Manufacturing & Agriculture	3D Printing etc.	
5	Education	ebook, online tutor, online tutorial etc.	Taking orders, packing, receiving payment, delivery
6	Healthcare	Online doctor, pharmacy etc.	
7	Broadcasting & Media	eg. youtube, photography (services as photographer & selling image) etc.	Content creation, uploading, receive payment

Example Of Digital Economic Activities

No	Sector	Business description	Flow of activities
8	Sharing Economy	Sharing cars, house, romms, bikes etc.	Order for a services, payment,
9	Subscription	Comic online, newspaper online, video streaming, audio streaming etc.	Registration, payment
10	Services	Infrastructure and software as a services, event management, wedding planner etc.	Order for a services, payment,
11	Advertisement	Blogger, instafamous, insta review	Content creation, uploading, payment
12	Crowd Sourcing	Eg. kickstarter.com	Content creation, create prototype, uploading, receive fund / payment
13	Selling of Digital Product	Data, ebook, apps	Content creation, uploading, payment
14	Cryptocurrencies	Trading in cyptocurrencies	Trader, Seller, Miner





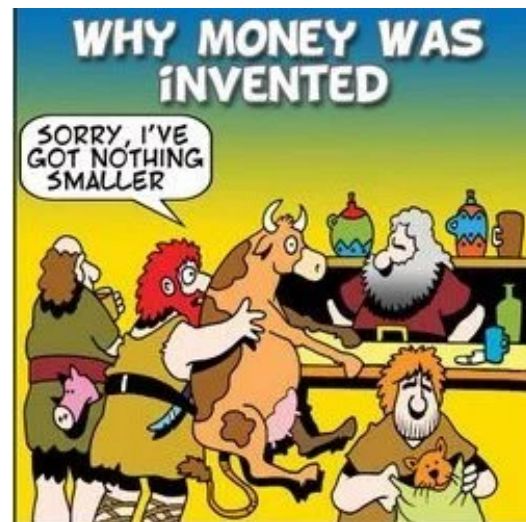
CRYPTOCURRENCY

THE DIGITAL COIN

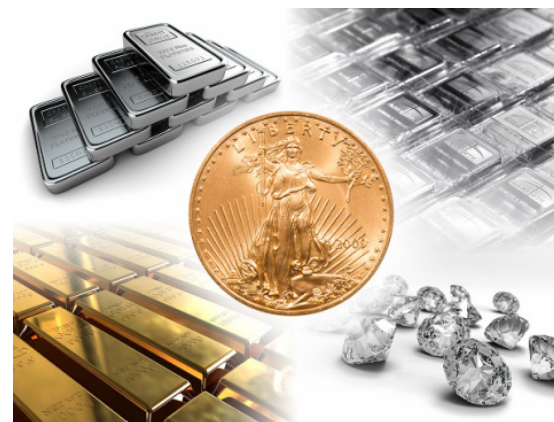
World currency development



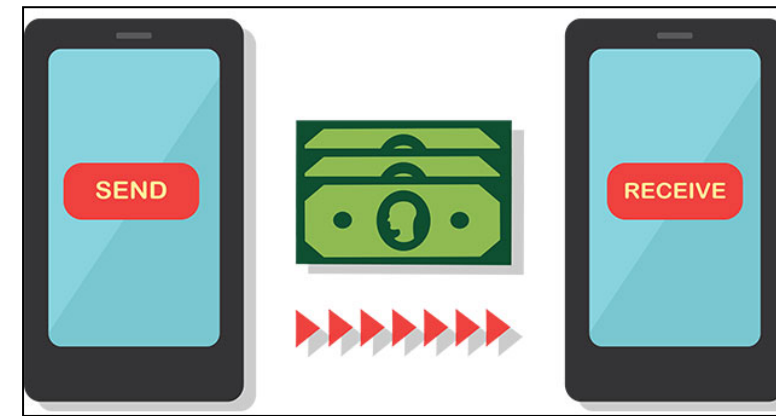
In ancient time, people used to exchange goods through barter system.



Monetary system implemented as there is flaw of barter system – the value measurement of goods, and the convenience of carrying.



Gold, silver, gem, stone used as currency.



Nowadays, the technology advancement induced the electronic currency transaction – crypto currency.



The bank note backing by gold unit introduced as currency worldwide after WW2.

Country	Classification	Taxation
Australia	<ul style="list-style-type: none"> • Property 	<ul style="list-style-type: none"> • Capital gains tax • Goods Service tax is not applicable
Germany	<ul style="list-style-type: none"> • Private money 	<ul style="list-style-type: none"> • No capital gains tax. • If owned less than one year, a progressive income tax of up to 45% applies for all gains. . • Sales tax is not applicable
Switzerland	<ul style="list-style-type: none"> • Foreign currency 	<ul style="list-style-type: none"> • No capital gains tax • Sales tax is not applicable
U.S.	<ul style="list-style-type: none"> • Property 	<ul style="list-style-type: none"> • Capital gains tax • Sales tax is not applicable
U.K.	<ul style="list-style-type: none"> • Asset or private money: Determined by court on a case-by-case basis 	<ul style="list-style-type: none"> • Capital gains tax • Sales tax is not applicable
Japan	<ul style="list-style-type: none"> • Legal method of payment 	<ul style="list-style-type: none"> • Capital gains tax • Exempt from consumption tax
China	<ul style="list-style-type: none"> • Virtual commodity 	<ul style="list-style-type: none"> • No taxes

Cryptocurrency Tax Law by Country



Last government used strong methods, especially office raids, accompanied by security people armed with guns and weapons.

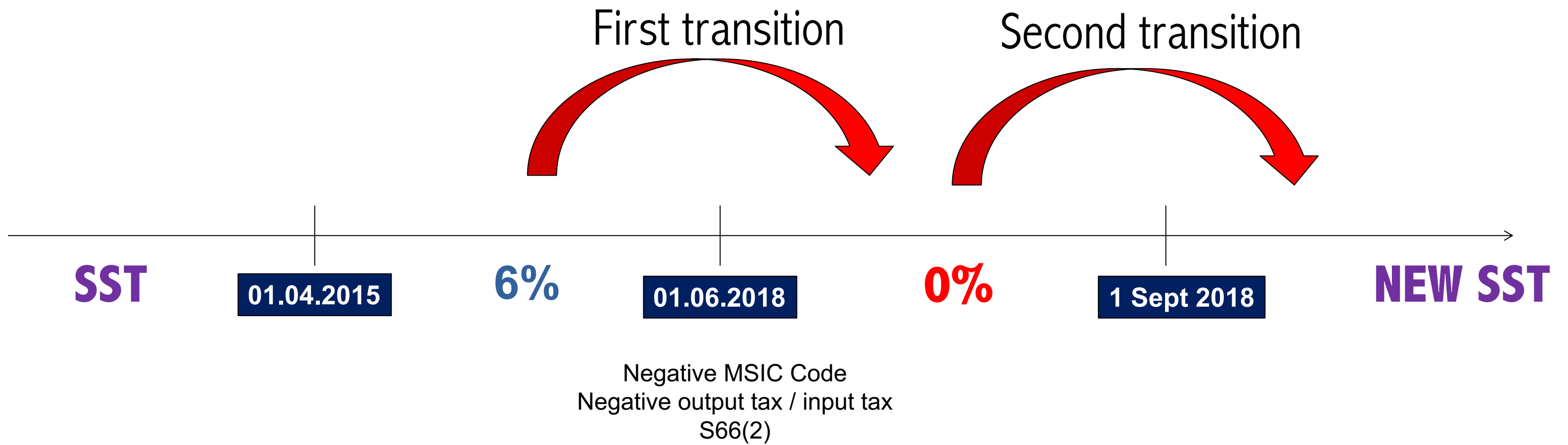
We will invite you to come to the IRB (LHDN) office to talk like civilised people.

Sales Tax 10% and Service Tax 6%. Bill Expected to table in August 2018.

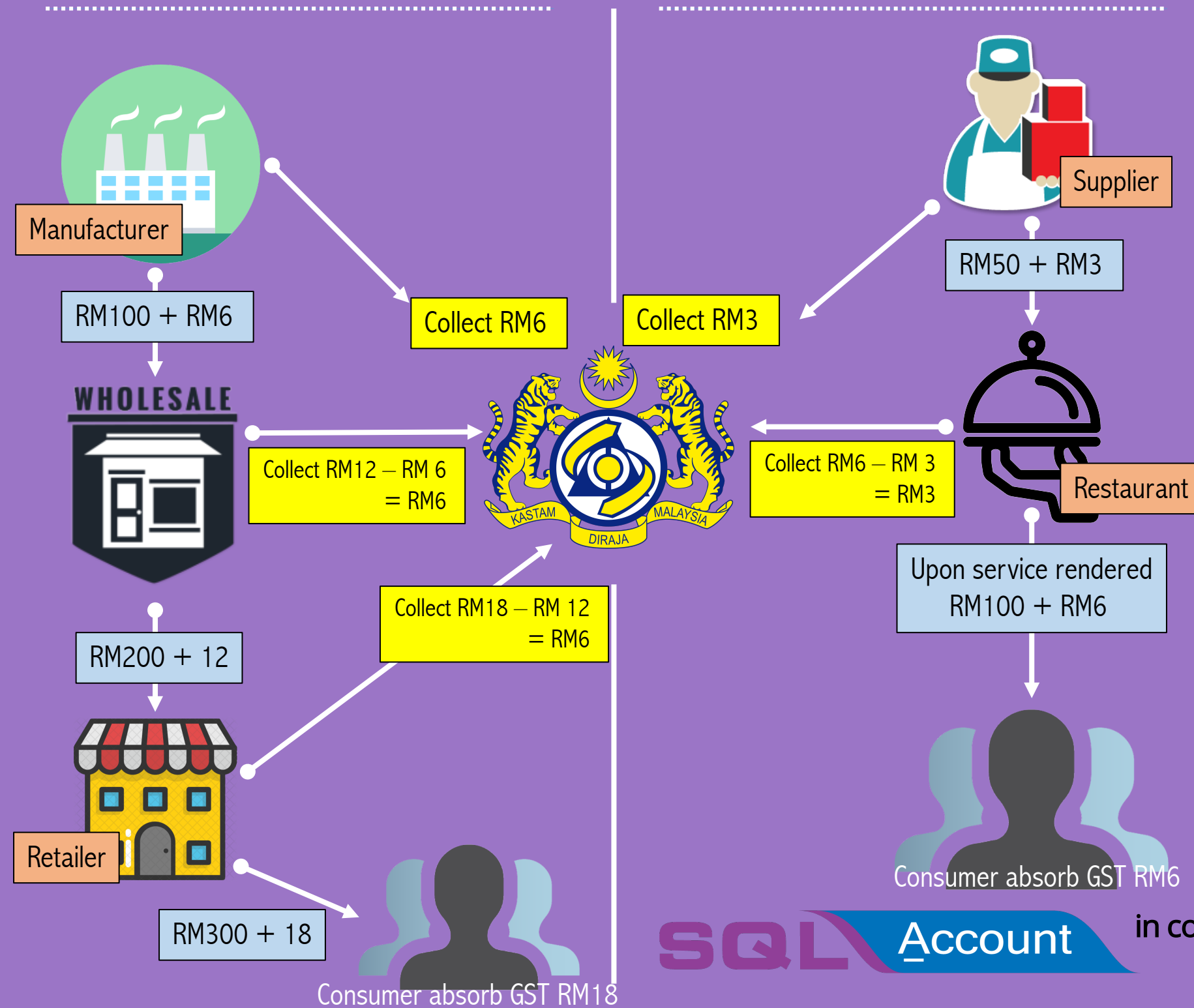
SST



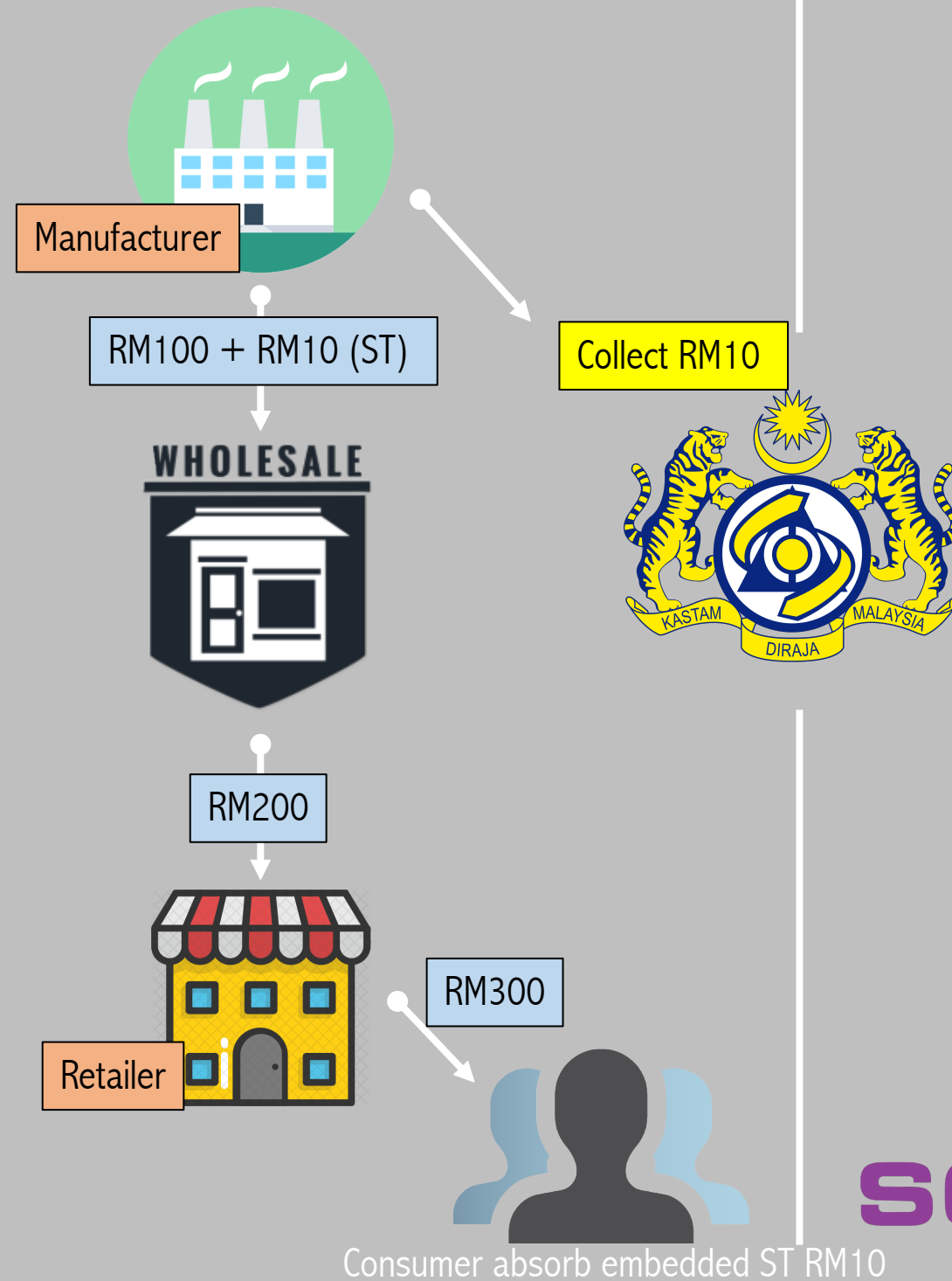
GST



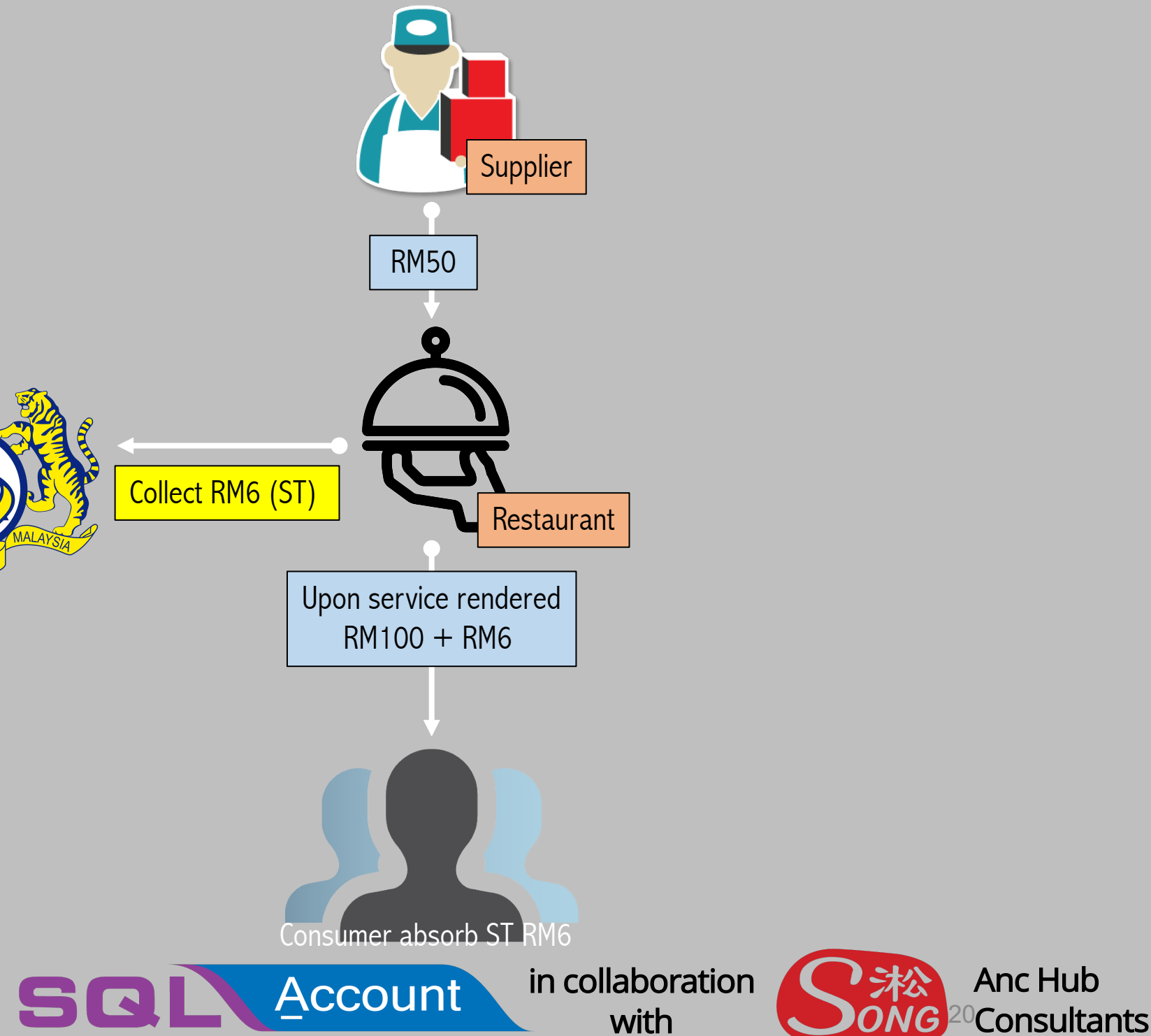
Goods and Services Tax



Sales Tax



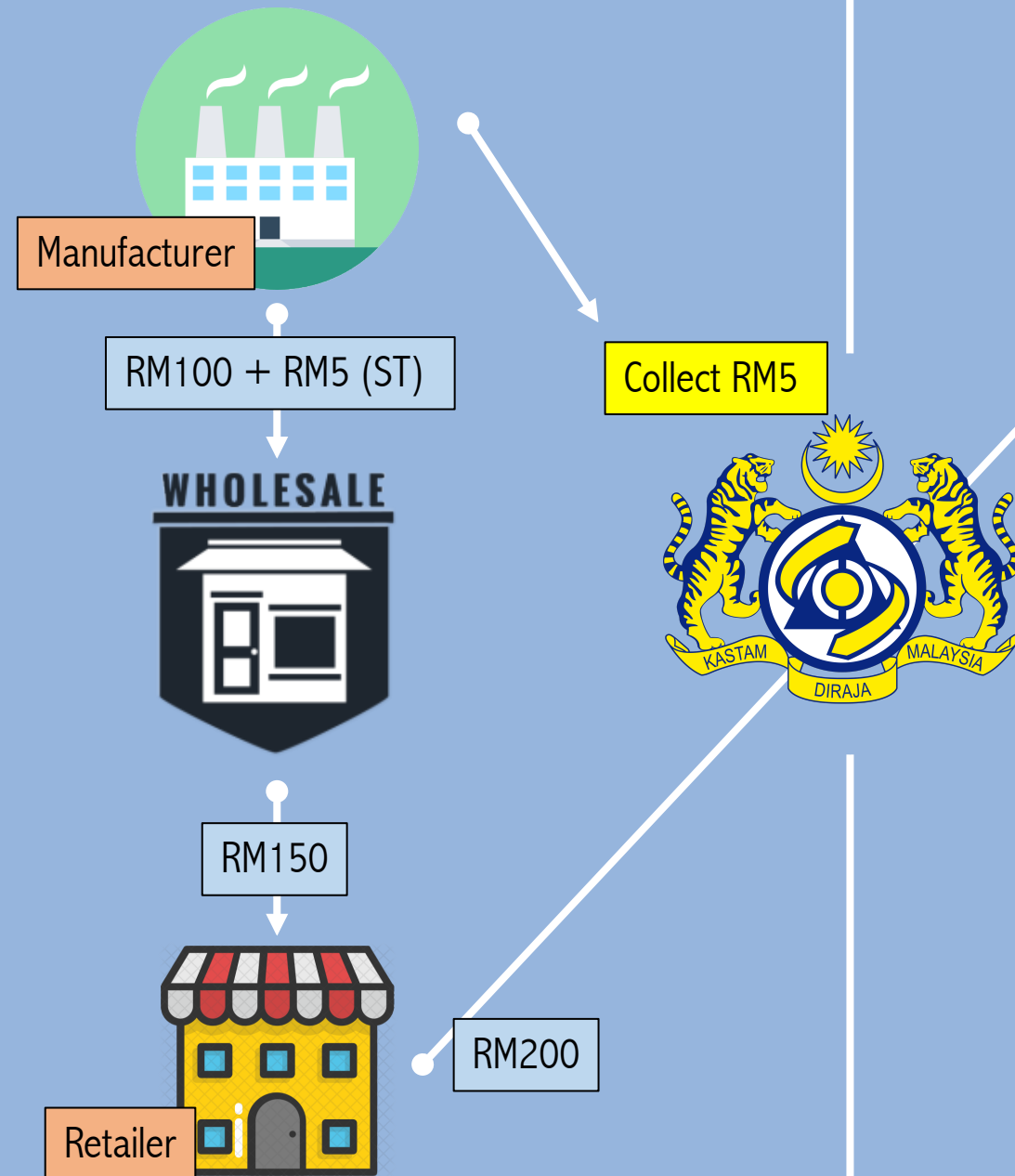
Services Tax



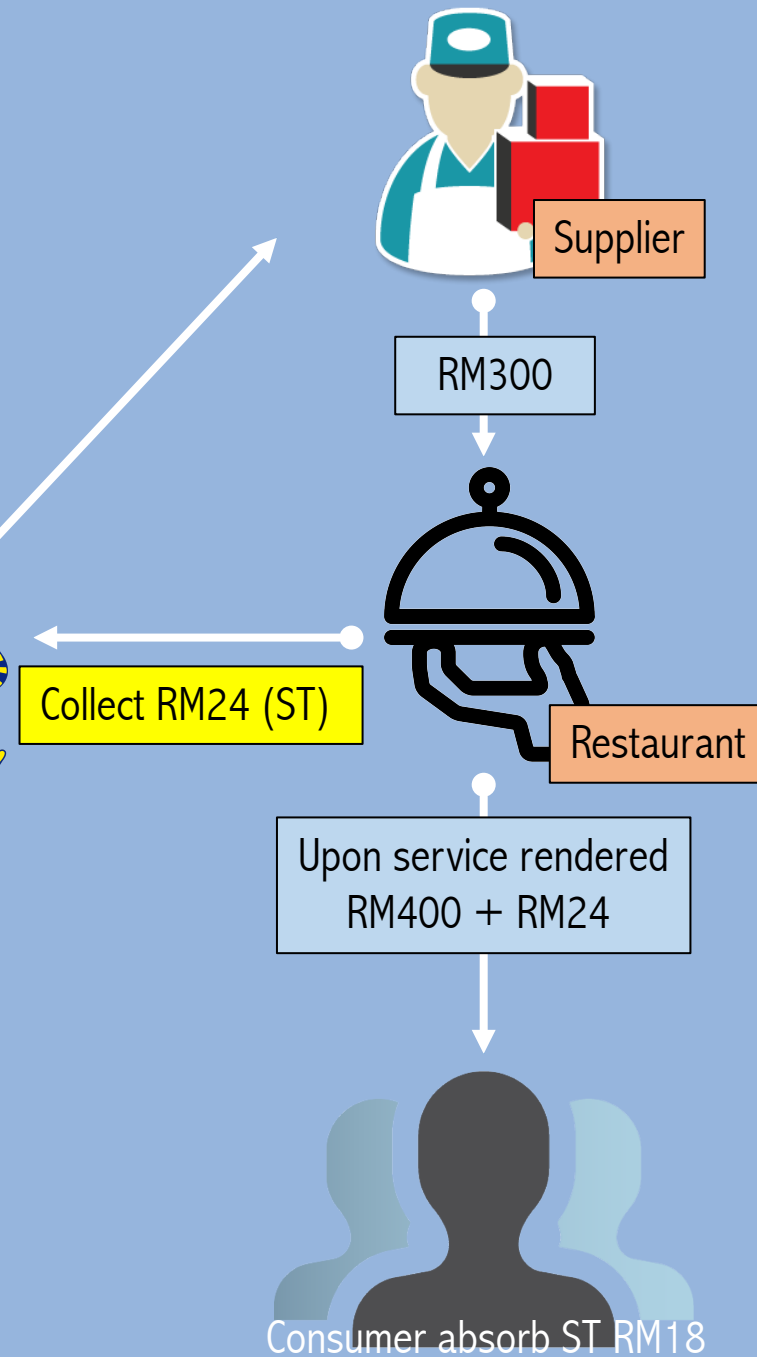
**Why SST was repealed in 2015?
& since GST is more efficient
and less loopholes**



Sales Tax



Services Tax



Why not 4%?



**Efficient for Government. Not
for the Raykat.
Ini Janji**





TOPIC 1: ARE YOU SUBJECT TO SALES TAX?

Sales Tax Test 1

**Are You Carrying
Business?**

Sales Tax Test 2



**Are You a Manufacturer
or
Sub Contract Manufacturer
(new definition)**



Are You an Importer?

Sales Tax Test 2



General guide:
Check your industry code
(Income Tax Form / GST-03)



**Make payment upon
importation. Refer K1 and
Customs Receipt for details.**

**Since Now no input tax
claimable upon importation. K1
still important?**



Definition of Manufacture

Manufacture defines as conversion of materials by manual or mechanical means into a new product by changing the size, shape, composition, nature or quality of such materials and includes the assembly of parts into a place of machinery or their products.

However, manufacture does not include installation of machinery or equipment for the purpose of construction.

In relation to petroleum, any process of separation, purification, conversion, refining and blending.

My Company is selling computer parts and accessories. At many cases, we assemble a CPU for client, Do we fall within manufacturer?





IMPORTANT NOTE:

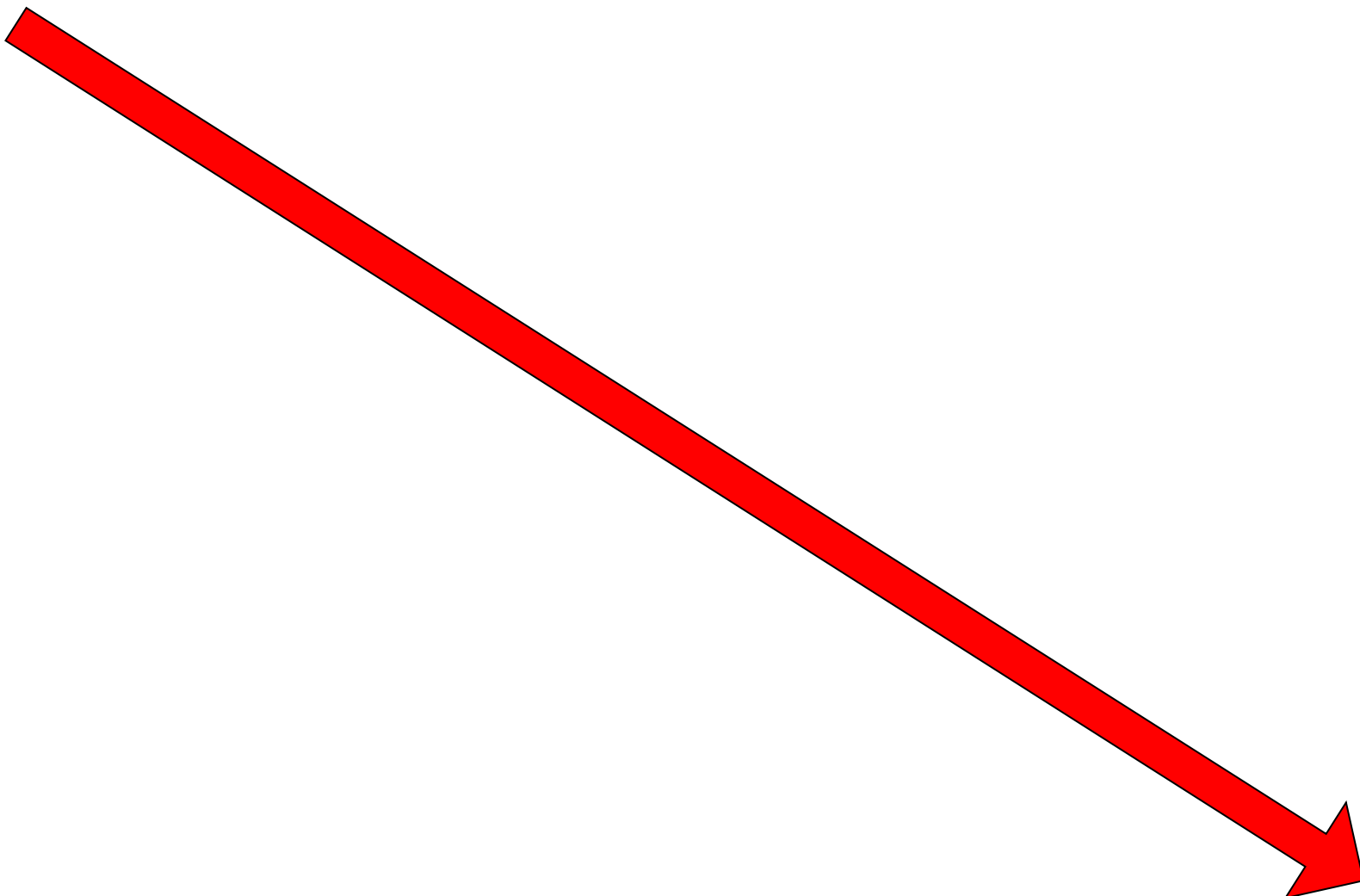
**RETAILERS | CONSTRUCTION |
DEVELOPER | WHOLESALE
EXEMPTED**

FREE FROM FILING/COMPLIANCE FEE



472k GST registrant

GST



SST

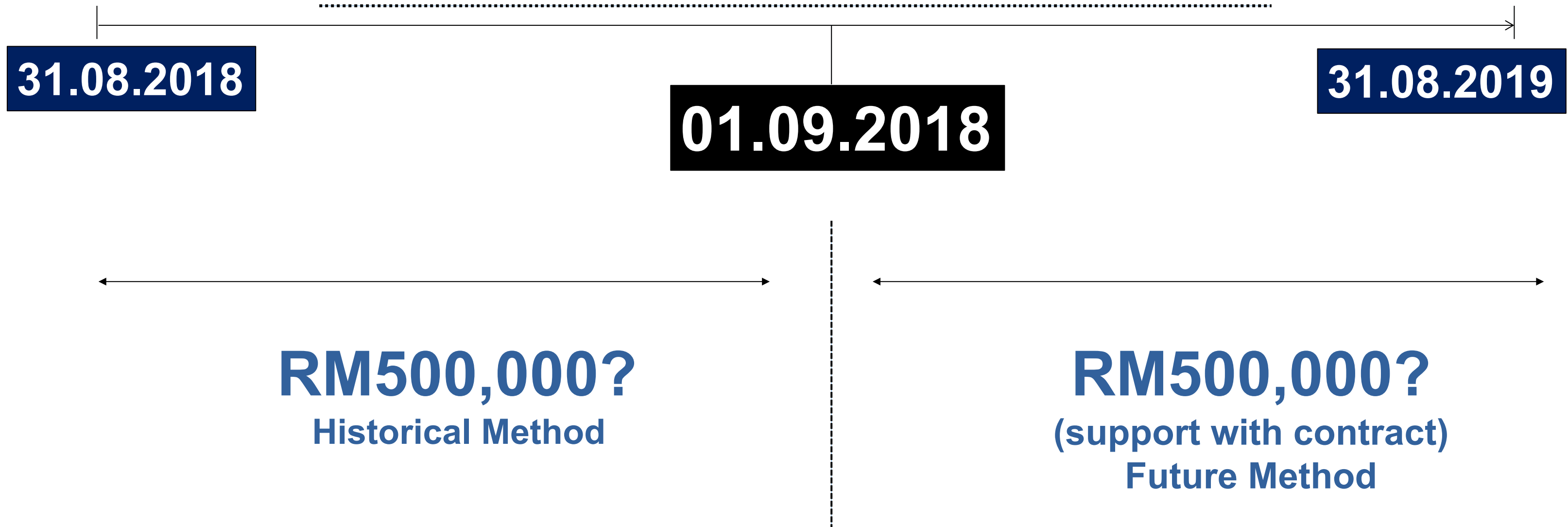
70k to 80k SST registrant

Sales Tax Test 3 – Are You a Registered Person?

RM500,000

Sales Value of Taxable Goods

Sales Tax Test 3 – Are You a Registered Person?



Ref : s.66(2) GST Act

Sales Tax Test 4 – Are You Supplying Taxable Goods?

**SENARAI BARANGAN YANG DIKENAKAN GST,
TETAPI TIDAK DIKENAKAN SST**

 MOTOSIKAL
<250cc

 SERVIS
PENYELENGGARAAN

 BINGKAI
CERMIN MATA

 FI TRANSAKSI
PERBANKAN

**BARANG BERKADAR STANDARD,
SEKARANG DIKECUALIKAN SST**

 SUSU FORMULA
BAYI

 INSURAN KESIHATAN
UNTUK INDIVIDU

 TIKET WAYANG/
TAMAN TEMA

 FI DOKTOR DI
HOSPITAL SWASTA

 SARDIN

MG MalaysiaGazette

f fb.com/MalaysiaGazette

t twitter/MalaysiaGazette

Sales Tax Test 4 – Are You Supplying Taxable Goods?

Raw Food (meat, fish, poultry)

Milk, Cream, Yogurt and Butter

Vegetables and Fruits

Rice, Wheat, Flour and Grains

Cooking Oil, Pasta and Spaghetti

Coffee, Tea and Sugar

Sauces and mixed seasoning

Beauty or Make-up Preparation

Medicaments and Pharmaceutical

Goods

Construction Materials (sand, bricks & cements)

Household Items (soap)

Specific Plastic Materials (kitchenware)

Raw skin (including crocodile/reptiles)

Apparel and clothing accessories

Stationeries and printing ink

Newspapers, journals and books

Tubes and pipes

Sales Tax Test 4 – Are You Supplying Taxable Goods?

Carpets and other textile floorings

Pearl, Diamonds, Precious Stones

Machinery, plant or lab equipment related to medical, surgical, laboratory, agriculture, household, safety equipments,

Bulldozers, levellers, mechanical shovels etc

Agricultural, forestry, milking, textiles, sewing & harvesting machinery

Automatic goods-vending machines

Telephone sets

Bicycles & motorcycles <250cc

Helicopter, Aeroplanes, cruise ships etc

Sales Tax Test 4 – Are You Supplying Taxable Goods?

Sanitary towels, baby napkins etc

Brooms, brushes, floor sweepers

Equipment for general physical exercise:-

- Ski
- Water ski
- Sailboards
- Golf clubs
- Rackets

**My company imported pink
diamond worth RM100m.
Subject to Sales Tax?**



Sales Tax Test 5 – Are You Exempted Person?

Schedule A : Class of person, e.g. Ruler of states, federal or state government, local authority, inland clearance depot, duty free shop

Schedule B : Manufacturer of specific non taxable goods – exemption of tax on the acquisition of raw materials, components, packaging to be used in manufacturing activities.

Schedule C : Registered Manufacturer – exemption of tax on the acquisition of raw materials, components, packaging to be used in manufacturing of taxable goods (replacing CJ5, CJ5A, CJ5B)*

***Application to Credit System**

Sales Tax Test 5 – Are You Exempted Person?

Exemption from Registration

**Manufacturing activities exempted from registration
regardless of turnover**

Tailors, Jeweler, Optician, engraving, vanishing table top

SALES TAX REVISION – STEP BY STEP TUTORIAL

QUESTION

1. Are you carrying on business?
2. Are you a manufacturer? My industry code is 29101.
<http://msic.stats.gov.my/bi/>
3. Do you have taxable goods of RM500,00 within 12 months?
4. Are you supplying taxable goods?
<https://goo.gl/1Rd6Rb>
5. Are you exempted under Schedule A / B /C

**I am HornTa (Horn他) car manufacturer.
I heard motor vehicle is not subject to SST.
Is that true?
How about Motorcycle?**



87.03		Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.
	8703.21	<ul style="list-style-type: none"> - Other vehicles, with only spark-ignition internal combustion reciprocating piston engine: - - Of a cylinder capacity not exceeding 1,000 cc: - - - Completely Knocked Down: - - - - Sedan
	8703.21.15 00	<ul style="list-style-type: none"> - - - - Other motor cars (including station wagons and





8711.20	<ul style="list-style-type: none"> - With reciprocating internal combustion piston engine of a cylinder capacity exceeding 50 cc but not exceeding 250 cc: - - Completely Knocked Down: - - - "Pocket motorcycles" - - - Other motorcycles (with or without side-cars), including motor scooters:
8711.20.13 00	

Is this Final? The proposed Sales Tax List



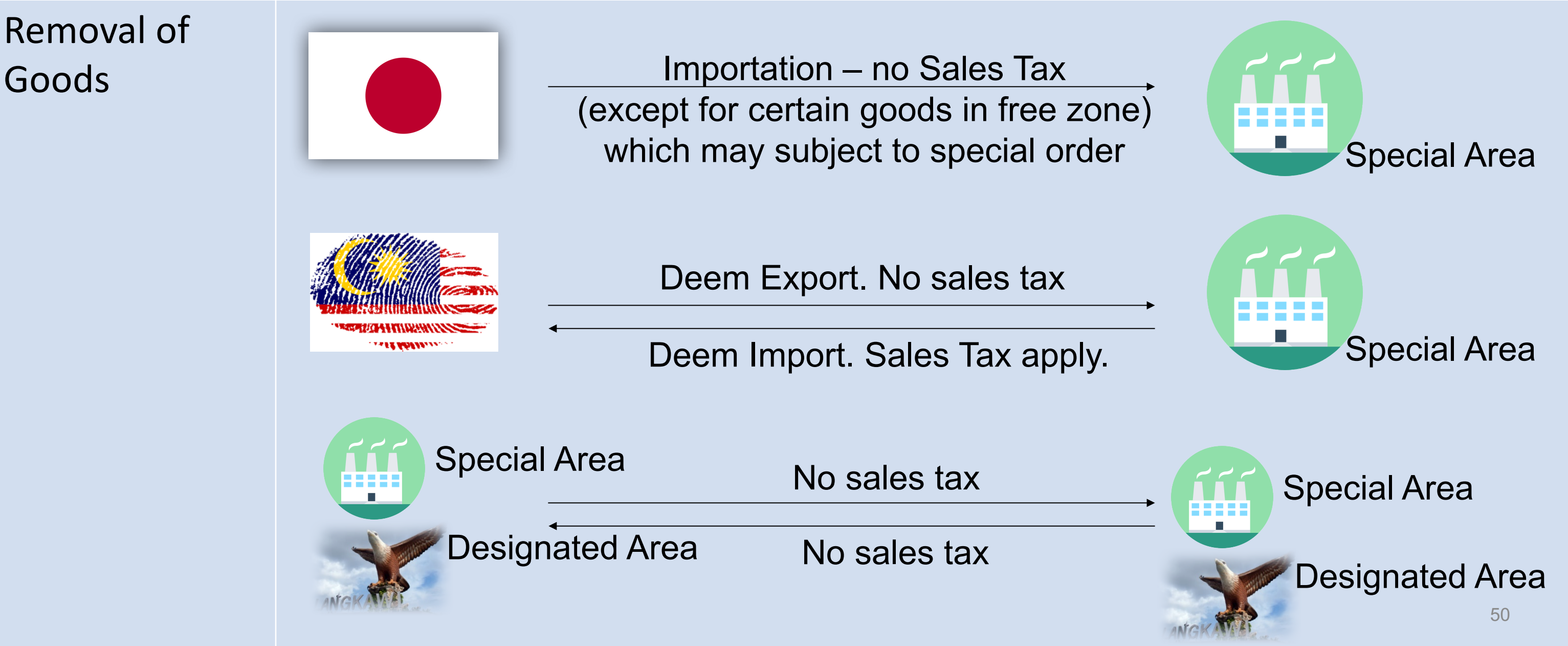


SALES TAX SPECIAL RULE

SPECIAL RULES - TREATMENT IN DESIGNATED AREA (DA)	
Designated Area	No SST except Petroleum (Labuan, Langkawi & Tioman)
Importation to DA	Exemption from Sales Tax except: Langkawi : Importation of marble, petroleum and anchovies Tioman : Importation of petroleum and motor vehicles Labuan : Importation of petroleum
Removal of Goods	<div>   </div> <div> Deem export, no sales tax </div> <div>   </div> <div> Deem import, subject to sales tax </div> <div> No sales tax </div> <div> No sales tax </div>

SPECIAL RULES - TREATMENT IN DESIGNATED AREA (DA)

Special Area	No SST apply for :Licensed Warehouse, Free Zone, Licence Manufacturing Warehouse and Joint Development Area (JDA)
--------------	---



SST ON IMPORTATION

Example

Purchase goods from overseas USD50,000 | RM200,000 (USD1 : RM4).

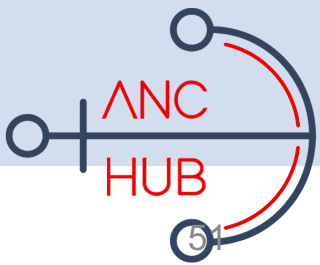
Upon Importation by Forwarder

- Free on Board (FOB) USD50,000 | RM205,000 (Customs Rate USD1 : RM4.1)
- Insurance and Freight RM10,000
- Customs Duty 10%
- **SST 10% (previously GST)**

Dt	Sales Tax
Ct	Bank

Total Declaration Amount on K1

- CIF Value = RM215,000 (RM205,000 + RM10,000)
- Customs Duty 10% = RM21,500
- **Total Payable SST 10% = RM23,650**



SALES TAX

5% or 10%

Specific rate for petroleum



TAX INVOICE OR INVOICE?

SQL

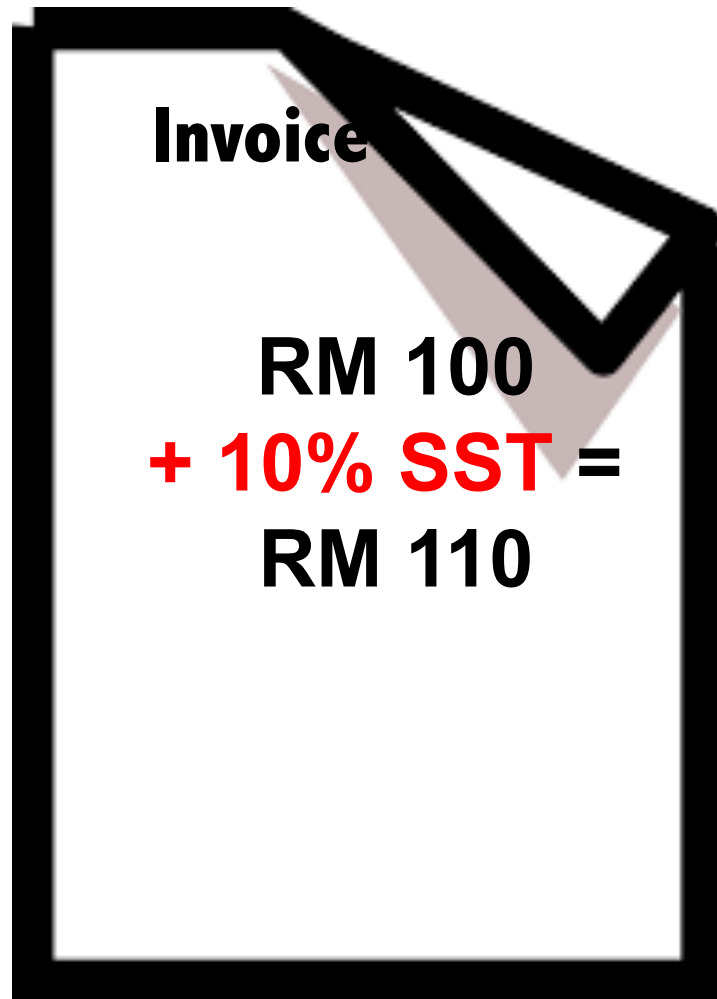
Account

in collaboration
with



Anc Hub
Consultants

ISSUANCE OF INVOICE, CREDIT NOTE / DEBIT NOTE



- Mandatory for registered manufacturer who sells taxable goods.
- Hardcopy or electronically
- Prescribed particulars
- BM / English

- Registered manufacturer is allowed to issue
 - Adjustment in return
 - Contain prescribed particulars



**Can I keep my Tax Invoices?
Rather than reprint invoices?**





SALES TAX TRANSITIONAL RULES

GENERALLY, REFER TO DATE OF SUPPLY

GST6-0 CASE STUDY 1

GST is now 6%

GST is now 0%

17.05.2018

6%

01.06.2018

0%

Contract of Supply of Goods is RM100,000

VoS or
Payment

whichever
higher



Value of Supply
RM10,000

&



Payment Received
RM21,200



Value of Supply
RM90,000

Tax Invoice

RM 20k
+ 6% GST =
RM 21.2k

RM80k
+ 0% GST =
RM80k

Ref : s.66(2) GST Act

GST0-SST CASE STUDY 2

GST is now 0%

SST is now 10%

01.06.2018

GST0%

01.09.2018

SST10%

Contract of Supply of Goods is RM100,000

Tax Invoice

RM 20k
+ 0% GST =
RM 20k



Value of Supply
RM20,000

**Delivery
Order**



Value of Supply
RM80,000

Invoice

RM80k
+ 10% SST =
RM88k

GST0-SST CASE STUDY 3

GST is now 0%

SST is now 10%

01.06.2018

GST0%

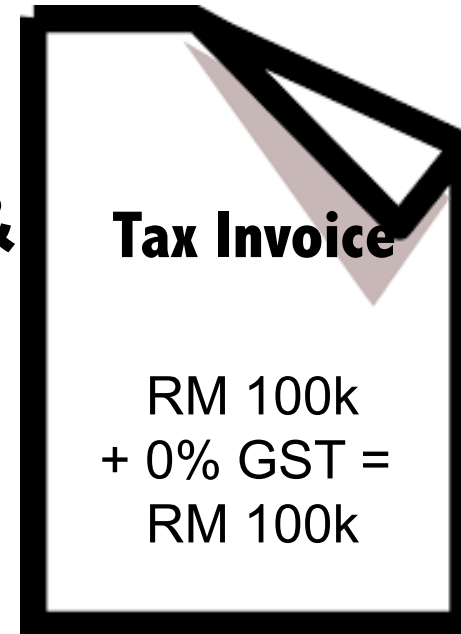
01.09.2018

SST10%



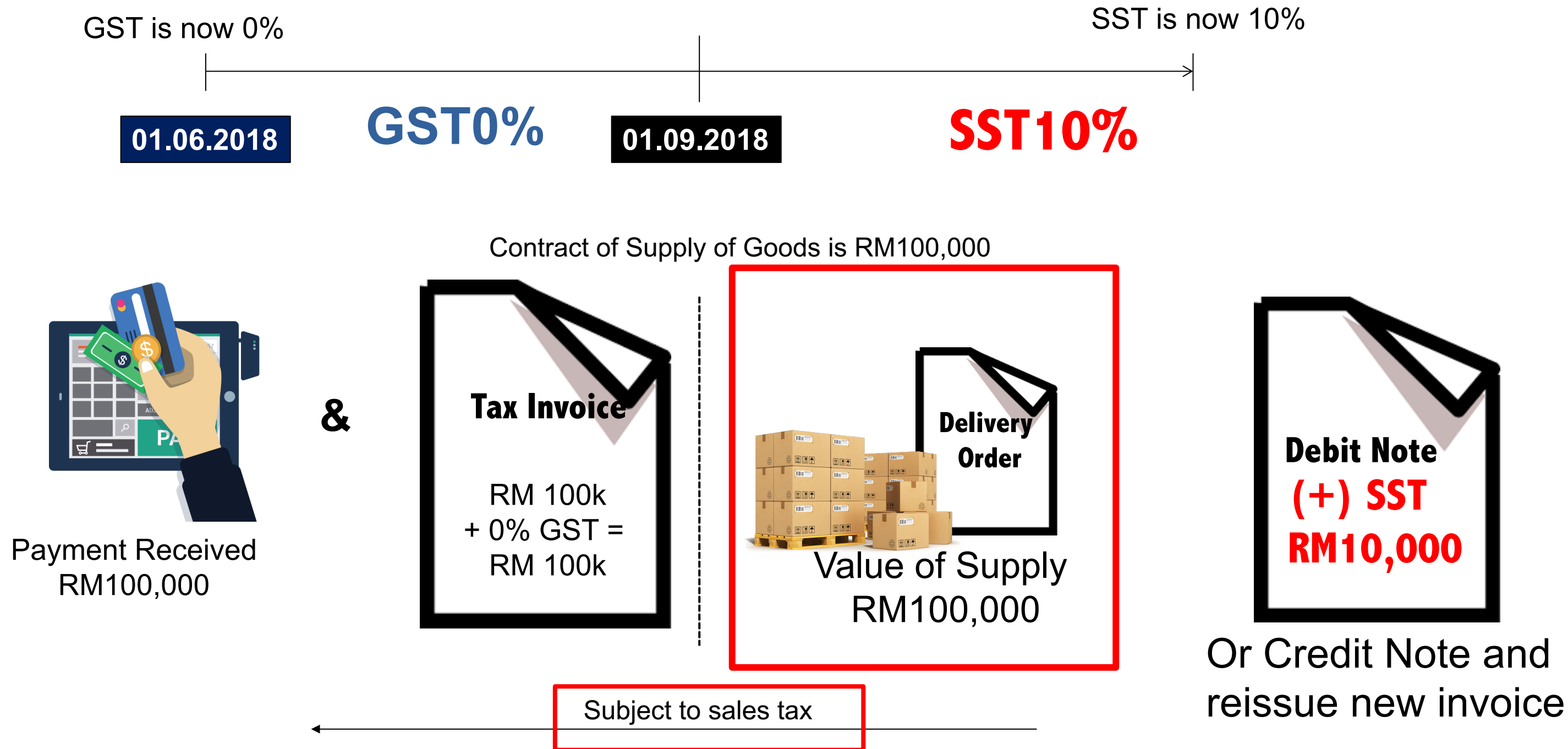
Value of Supply
RM100,000

&



Payment Received
RM100,000

GST0-SST CASE STUDY 4



GST0-SST CASE STUDY 5

GST is now 0%

SST is now 10%

01.06.2018

GST0%

01.09.2018

SST10%



**STOCK IN HAND.
SUBJECT TO SST?**

28. Do GST registered persons need to account for GST for goods held in hand before effective date of SST?

GST registered persons must account for GST at 0% and declare the output tax in their final GST-03 return.

**We import apples and sell in
local market.
Good idea to buy stock up now?**



We import apparels from overseas and sell into the local market. Should we import more now? Will it affect our price after 1.9.2018?



GST0-SST CASE STUDY 6

GST is now 0%

SST is now 10%

01.06.2018

GST0%

01.09.2018

SST10%

SUPPLY OF SUBCONTRACTOR WORK BY SUBCONTRACTOR MANUFACTURER – RM100,000



Subcontractor
work
RM50,000

Tax Invoice

GST0% 01.06.2018
to 31.08.2018

RM50,000

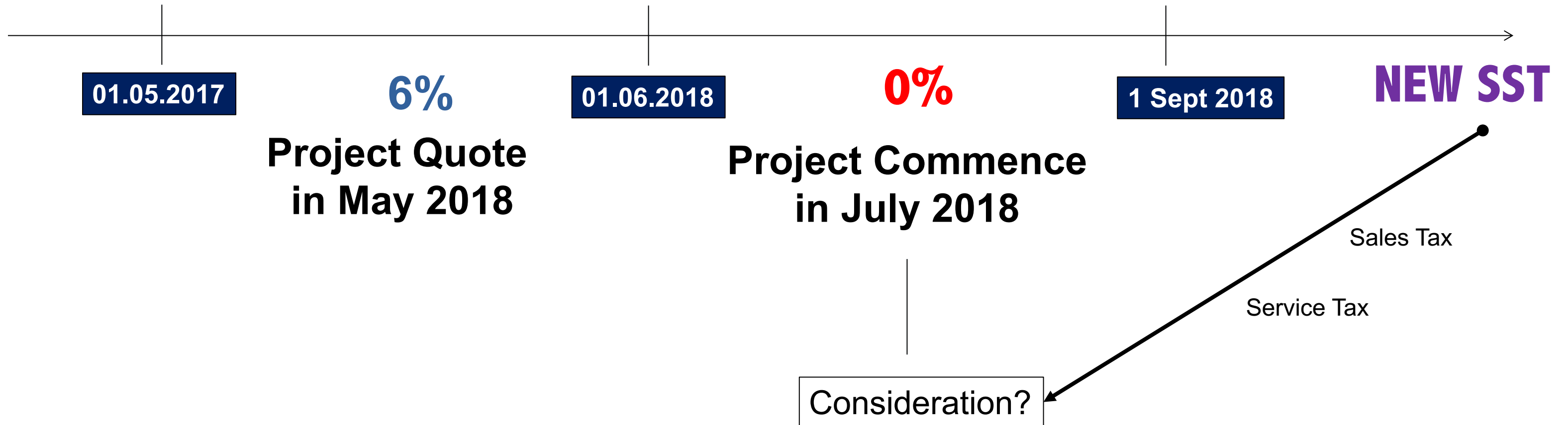
Invoice

SST10% 01.09.2018

RM50,000 +
RM5,000

Subject to sales tax

NEW SALES / SERVICE CONTRACT



SALES CONTRACT IMPORTANT NOTE

1. Please be informed that the Company has the right to revise the quotation or contract upon the implementation of a new Sales and Service Tax in Malaysia.
2. Please be informed that the Company will charge sales tax at a prevailing rate on prescribed taxable goods supplied to you when the new Sales Tax is introduced in Malaysia.
3. Our proposed quotation above is exclusive of any government taxes that may be implemented from time to time.
4. Our proposed quotation above will subject to Malaysian Sales Tax at a prevailing rate commencing 1 September 2018.

REVISION

QUESTION

Are you subject to Sales Tax?

- Are you carrying business?
- Are you manufacturer?
- RM500k?
- Taxable Goods?
- Exempted Person?

Do I issue Tax invoice or Normal Invoice

Do I need to account for sales tax on my stock in hand held 01.09.2018

I am going to do a new contract / quotation. Anything I need to take note?

ANSWER

Yes. Subject to SST.

Yes. Subject to SST.

Yes. Subject to SST.

Yes. Subject to SST.

Yes. Not subject to SST

Normal Invoice

No. As long declared in GST03

Yes. Any future SST incurred. Add in clause if required.

GST6-0-SST REVISION CASE STUDY 7

GST 6%

GST 0%

SST 10%

01.01.2018

01.06.2018

01.09.2018

31.12.2018

Contract of Supply of Goods is RM100,000

SUPPLY OF GOODS IN PARTIAL



Delivery Order

Value of Supply
RM10,000

&



Payment Received
RM21,200

Tax Invoice

GST6% up to
31.05.2018

GST0% 01.06.2018
to 31.08.2018

Delivery Order



Value of Supply
RM50,000

Invoice

SST10% up to 31.12.2018

Delivery Order



Value of Supply
RM40,000

Ref : s.66(2) GST Act

GST6-0-SST REVISION CASE STUDY 7

GST 6%

GST 0%

SST 10%

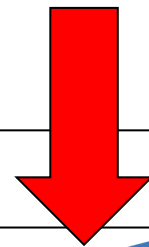
01.01.2018

01.06.2018

01.09.2018

31.12.2018

Contract of Supply of Goods is RM100,000



SUPPLY OF GOODS IN PARTIAL



Delivery Order

Value of Supply
RM10,000

&



Payment Received
RM21,200

Tax Invoice

GST6% up to
31.05.2018
RM20,000 + 1,200

GST0% 01.06.2018
to 31.08.2018
RM40,000 + GST 0

Delivery Order



Value of Supply
RM50,000

Invoice

SST10% up to 31.12.2018
RM40,000 + RM4,000

Delivery Order



Value of Supply
RM40,000

Ref : s.66(2) GST Act



QUESTION: HOW TO DECLARE SST RETURN

DECLARATION OF SALES RETURN

Declare Sales Tax Return every 2 months (bi-monthly)

Last day of subsequent month
(September and October 2018, submit in November 2018)

Sales Tax Return submit regardless tax paid
(accrual basis)

SST return submit electronically / post

01.09.2018

SST

Manufacturer (November Year End 2018)				New Financial Year
	September 2018	October 2018	November 2018	December 2018
Sales	RM 500	RM 500	RM 300	RM400
Sales Tax	RM 50	RM 50	RM 30	RM40
GST Return	GST Return			
SST Return	1 st SST Return (submit + payment in Nov 18)		2 nd SST Return (submit + payment in Jan 19)	

Can apply to be align with year end
Subject to approval





Topic 2 : ARE YOU SUBJECT TO SERVICE TAX?

SQL

Account

in collaboration
with



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Service Tax Test 1

**Are You Carrying
Business?**

Service Tax Test 2

Taxable Services

Hotel	Valuer	Credit or charge card
Insurance and Takaful	Engineering	IT services
Service of Food and Beverage Preparation	Consultancy	Electricity
Club	Employment Agency	Domestic flight except rural air services
Gaming	Security	Architectural
Telecommunication (Digi / Maxis / Celcom)	Management Services	Advertising
Pay-TV (iflix / hyppTV)	Parking	Surveying
Forwarding Agents	Motor Vehicle Service and Repair	Hire and drive car
Legal	Courier	Accounting

Service Tax Test 2

Determination of value of taxable service

9. (1) For the purposes of this Act, the value of taxable service on which service tax is payable shall be determined as follows:

(a) in the case of taxable service for—

(i) the sale of goods by a taxable person to—

(A) a person not connected with the taxable person, the actual price for which the goods are sold; or

(B) a person connected with the taxable person, the price at which the goods would have been sold in the ordinary course of business to a person not connected with the taxable person; or

(ii) the provision of goods, where the goods are provided for free, the price at which the goods would have been sold in the ordinary course of business to a person not connected with the taxable person;

Service Tax Test 2

8 *New Sales Tax Bill*

Interpretation

2. (1) In this Act, unless the context otherwise requires—

“this Act” includes any subsidiary legislation made under this Act;

“goods” means all kinds of movable property;

**WE ARE MOTOR VEHICLE SERVICE CENTRE.
UNDERSTAND SERVICE TAX THRESHOLD IS
RM500,000, DO WE CALCULATE ON THE:-**

- 1. TOTAL REVENUE, INCLUDING PARTS
SUPPLY?**
- 2. SERVICE CHARGE / LABOR CHARGE
PORTION?**

(PREVIOUSLY OLD SST – RM150K ON SERVICE)



We are in the industry of selling phone and reload cards. Do we fall within the category of Telecommunication services?





Lodging House
Service Apartment
Homestay
Inn
Rest House
Boarding House

All insurance B2B
All B2C general insurance or takaful
Exclude medical insurance or
medical takaful





SERVICE OF PREPARATION OF FOOD & BEVERAGE



No mention Mamak pun.

Mamak need service tax?



SST only for eateries earning more than RM1m annually: Guan Eng

Posted on 4 August 2018 - 06:36pm

Last updated on 4 August 2018 - 07:05pm

Ian McIntyre

newsdesk@thesundaily.com



Finance Minister Lim Guan Eng

GEORGE TOWN: Only restaurants and eateries earning annual sales of above RM1 million will be subjected to the sales and services tax (SST) mechanism on their customers, said Finance Minister Lim Guan Eng here.

Previously, the threshold was RM500,000 but in realising that many consumers prefer to go out and eat, the ministry has decided to allow more leeway for consumer spending in the country, said Lim.

This means that most restaurant operators may be exempted from imposing SST on their customers, and it is a big break for those eating at budget outlets such as food courts, coffee shops, bistros and "nasi kandar" outlets.

He was speaking at a special briefing for small-medium enterprises (SME) here on the SST.

Lim said it is a known fact that the government will earn less from the SST -a-single-stage consumer tax compared to the GST, which is a multi-layered driven consumer tax.



B2C
More than 600kWh

Night Club | Private Club | Golf Club

Gaming

Casino | Game of chance |
Sweepstakes | Gaming machines |
Lottery | Betting |



Service Tax Test 3 – Are You a Registered Person?

RM500,000

**Sales Value of
Prescribed Services**

Determination of value of taxable service

9. (1) For the purposes of this Act, the value of taxable service on which service tax is payable shall be determined as follows:

(a) in the case of taxable service for—

(i) the sale of goods by a taxable person to—

(A) a person not connected with the taxable person, the actual price for which the goods are sold; or

(B) a person connected with the taxable person, the price at which the goods would have been sold in the ordinary course of business to a person not connected with the taxable person; or

(ii) the provision of goods, where the goods are provided for free, the price at which the goods would have been sold in the ordinary course of business to a person not connected with the taxable person;



If only service portion, can we list down each and every item including screws / nails / lubricant etc used in the invoice?



SERVICES TAX REVISION – STEP BY STEP TUTORIAL




QUESTION

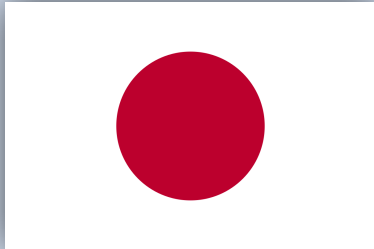







1. Are you carrying on business?
2. Are you supplying taxable services? Ref : industry code
3. Do you have taxable service of RM500,00 within 12 months?



QUESTION: SERVICE TAX SPECIAL RULE

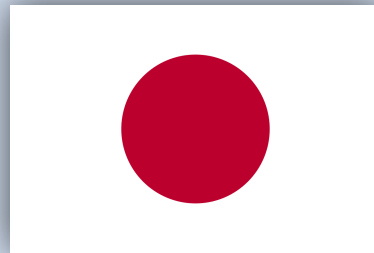
SPECIAL RULES - TREATMENT IN DESIGNATED AREA (DA)

Designated Area	No Service Tax (Labuan, Langkawi & Tioman)		
Removal of Goods		<div>Subject to service tax</div> <div>Subject to service tax</div>	 

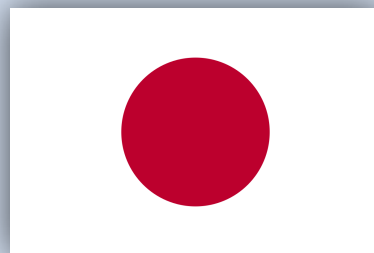
SPECIAL RULES - TREATMENT IN SPECIAL AREA (SA)	
Special Area	Licensed Warehouse, Free Zone, Licence Manufacturing Warehouse and Joint Development Area (JDA)
Provision of Services	<div>  Importation – no service tax  Special Area </div> <div>  Subject to service tax Subject to service tax  Special Area </div> <div> <div>  Special Area </div> No service tax <div>  Special Area </div> <div>  Designated Area </div> No service tax <div>  Designated Area </div> </div>

SPECIAL RULES – CROSS BORDER SERVICES

Provision of Services



Importation – no service tax



Exportation – no service tax



SERVICES TAX

6%

RM25 for credit card



TAX INVOICE OR INVOICE?

ISSUANCE OF INVOICE, CREDIT NOTE / DEBIT NOTE

Invoice

RM 100
+ 6% SST =
RM 106

- Mandatory for registered person who provides any taxable services
- Hardcopy or electronically
- Prescribed particulars
- BM / English

-
- Only registered person is allowed to issue and receipt
 - Adjustment in return
 - Contain prescribed particulars

Credit Note

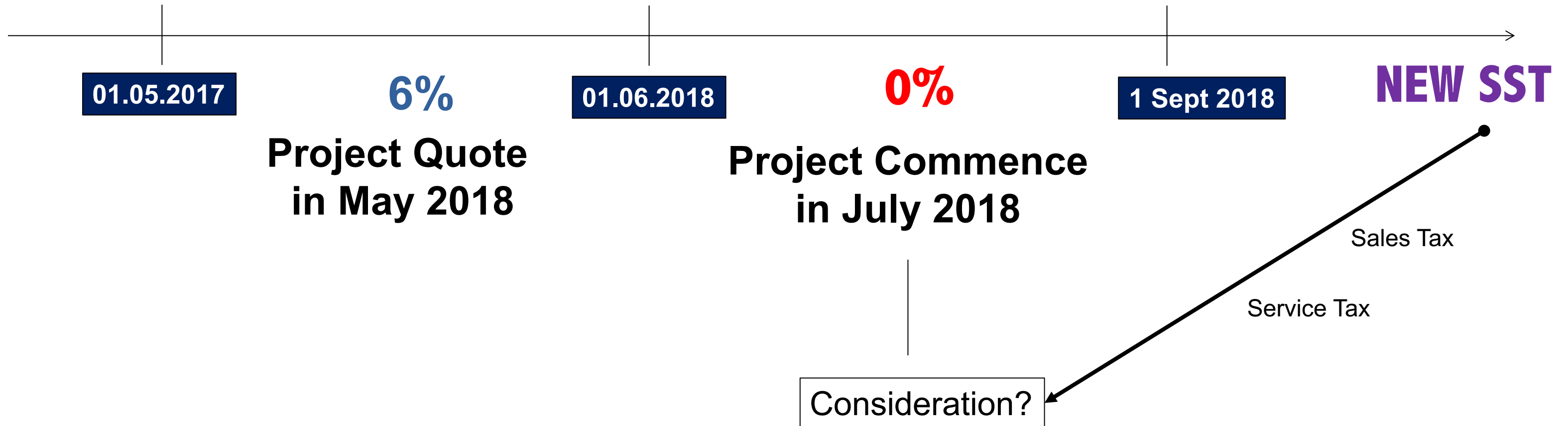
RM50
(-) 6%
SST RM3

**Can I keep my Tax Invoices?
Rather than reprint invoices?**



NEW SALES / SERVICE CONTRACT

architectural firm wants to quote a new project



SALES CONTRACT IMPORTANT NOTE

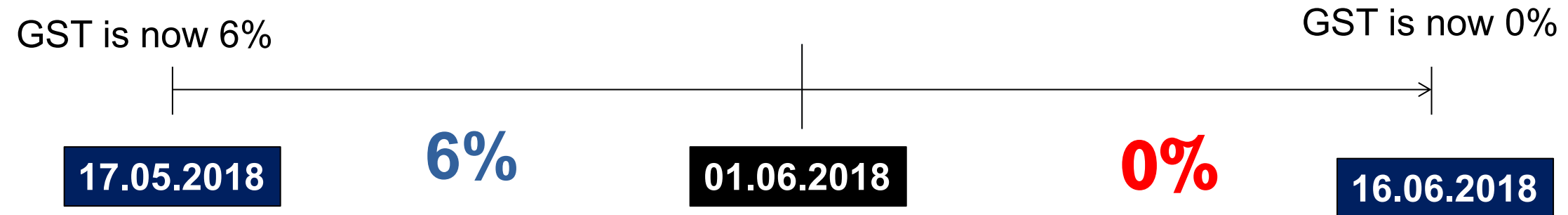
1. The Company has the right to revise the quotation or contract upon the implementation of a new Sales and Service Tax in Malaysia.
2. The Company will charge service tax at a prevailing rate on prescribed taxable services supplied to you when the new Service Tax is introduced in Malaysia.
3. Our proposed quotation above is exclusive of any government taxes that may be implemented from time to time.
4. Our proposed quotation above will subject to Malaysian Service Tax at a prevailing rate commencing 1 September 2018.



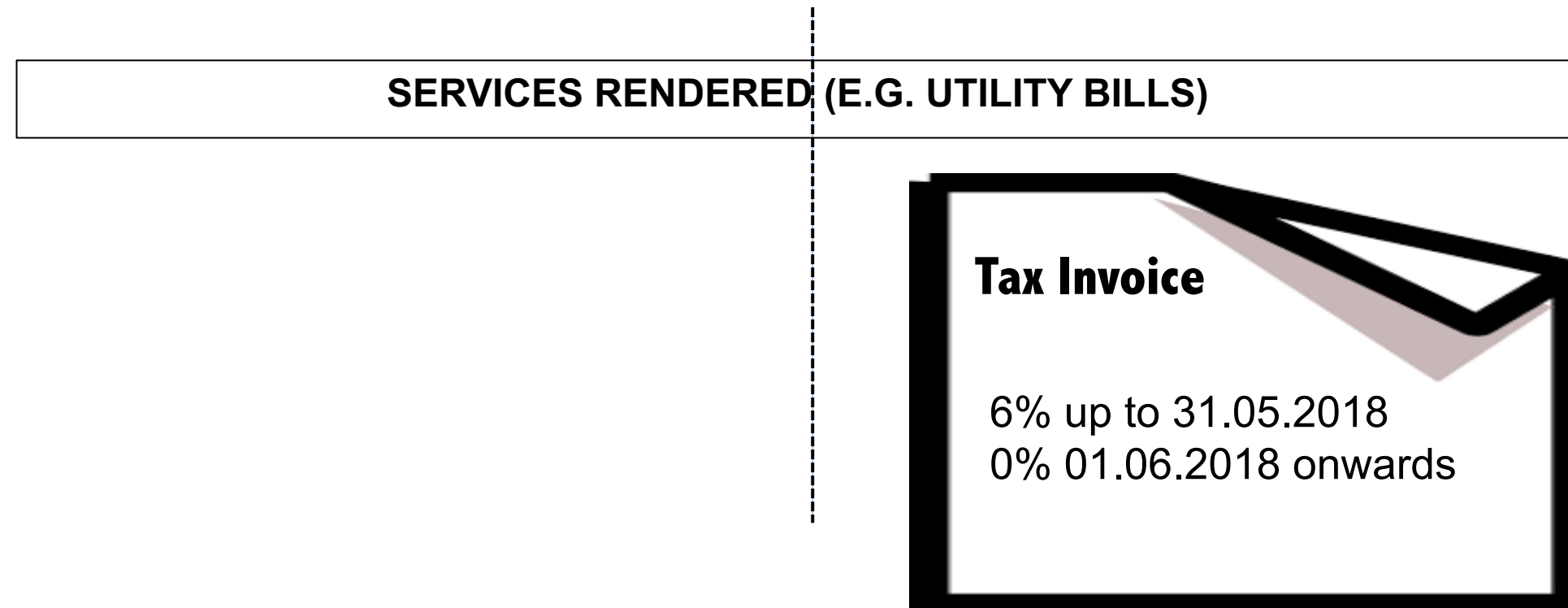
SERVICE TAX TRANSITIONAL RULES

GENERALLY, REFER TO DATE OF SUPPLY

GST6-0 CASE STUDY 1



Services RM100k rendered on 17 May 2018, but invoice issue on 1 June 2018.



Ref : s.66 GST Act

GST 6-0 CASE STUDY 2

GST is now 6%

GST is now 0%

01.01.2018

6%

01.06.2018

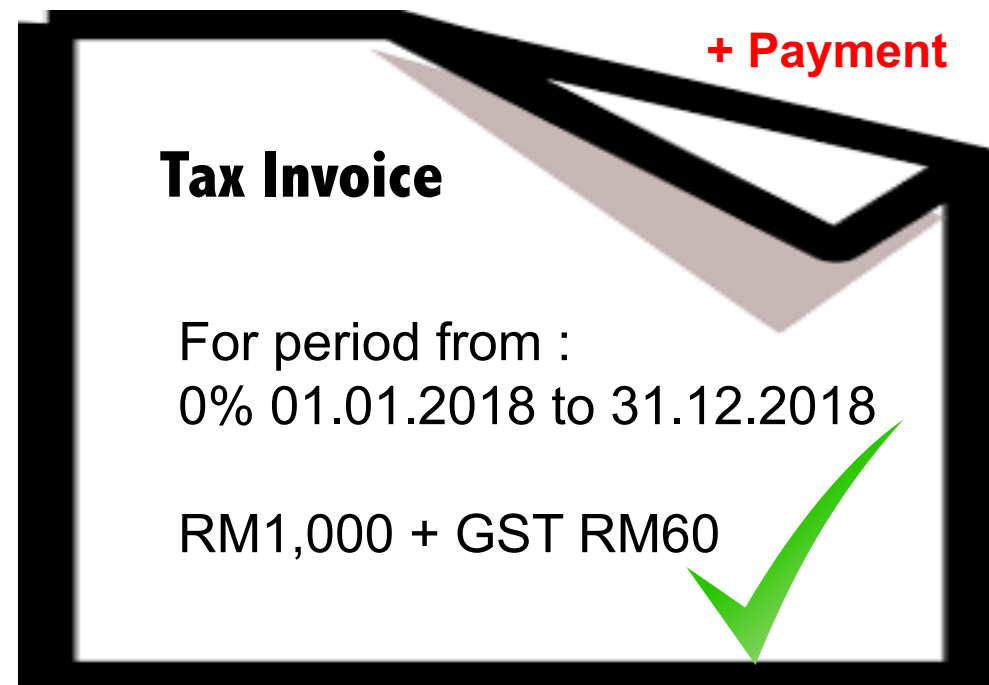
0%

31.12.2018

Services RM1,060 (inclusive GST) rendered on 1 January 2018 to 31 December 2018.
Invoice issue on 1 January 2018.

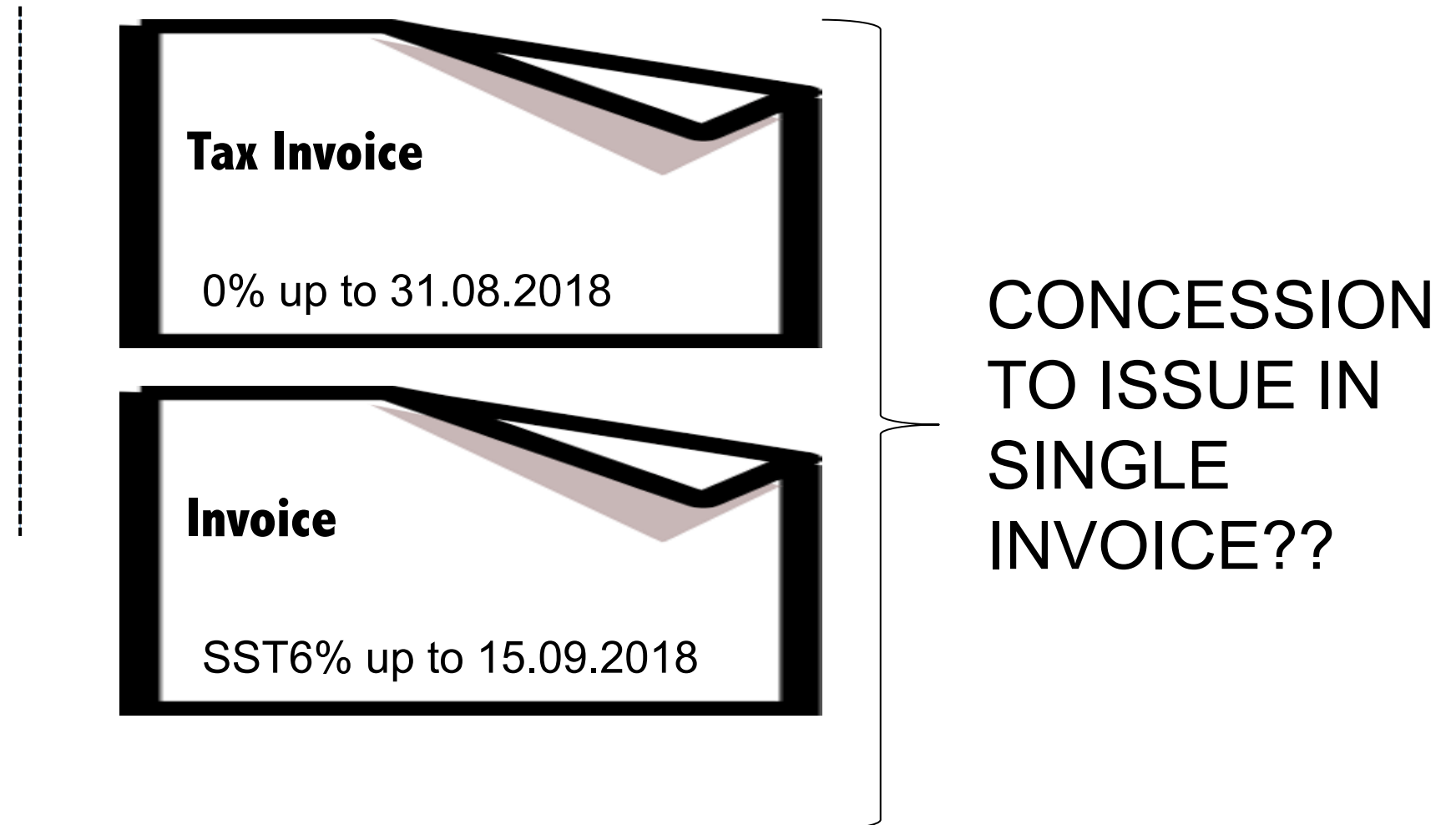
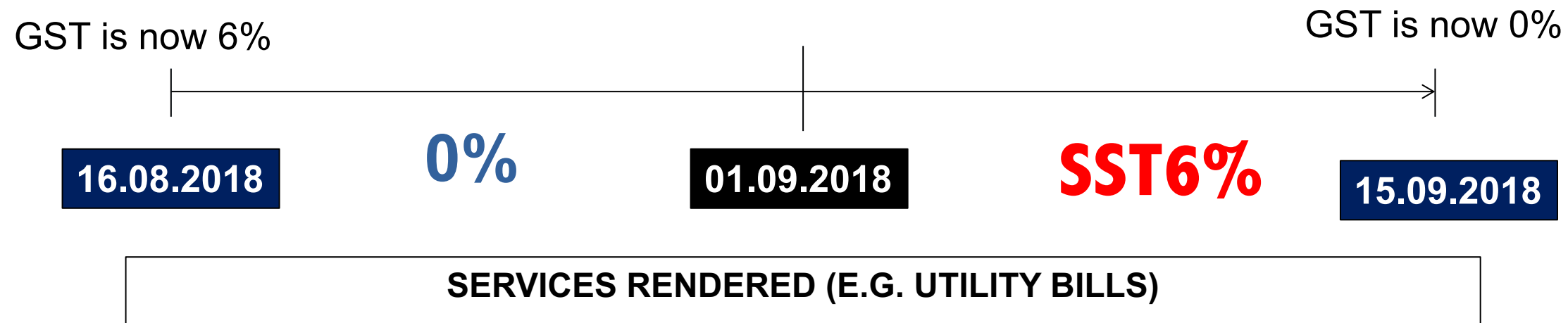
SERVICE CONTRACT

VoS or
Payment
whichever
higher



Ref : s.66(2) GST Act

SERVICE TAX GST6-SST CASE STUDY 3



TRANSITIONAL CASE STUDY 4

GST 6%

GST 0%

SST 6%

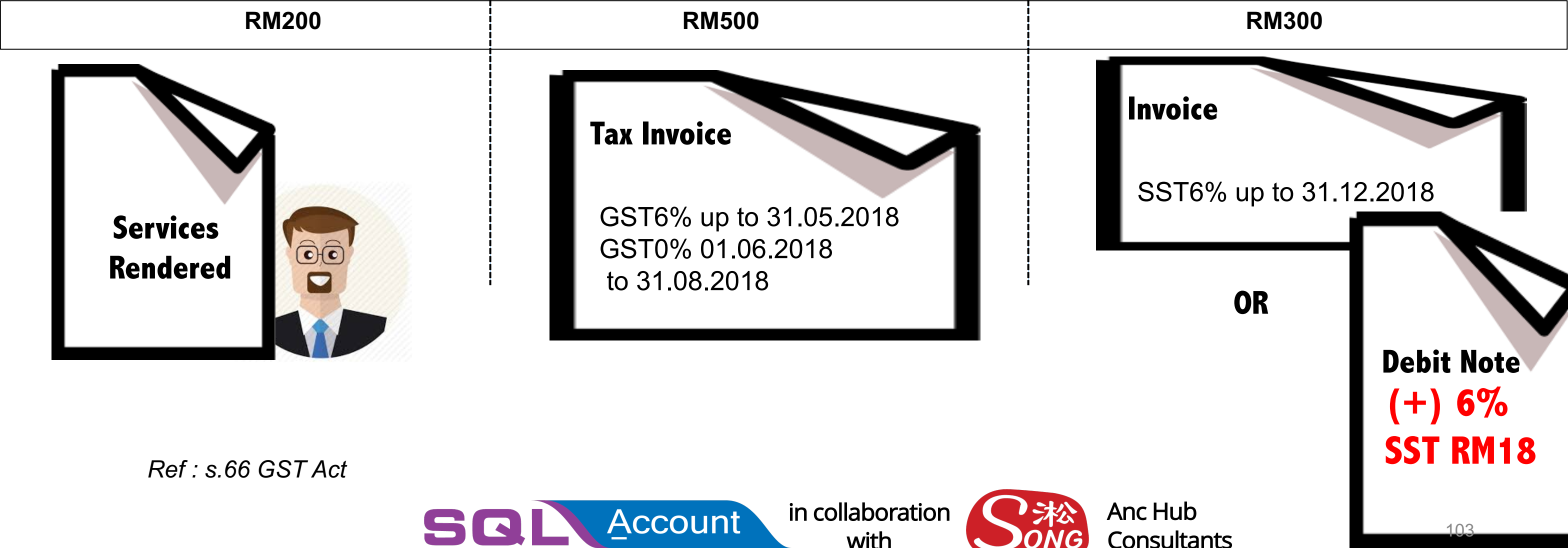
01.01.2018

01.06.2018

01.09.2018

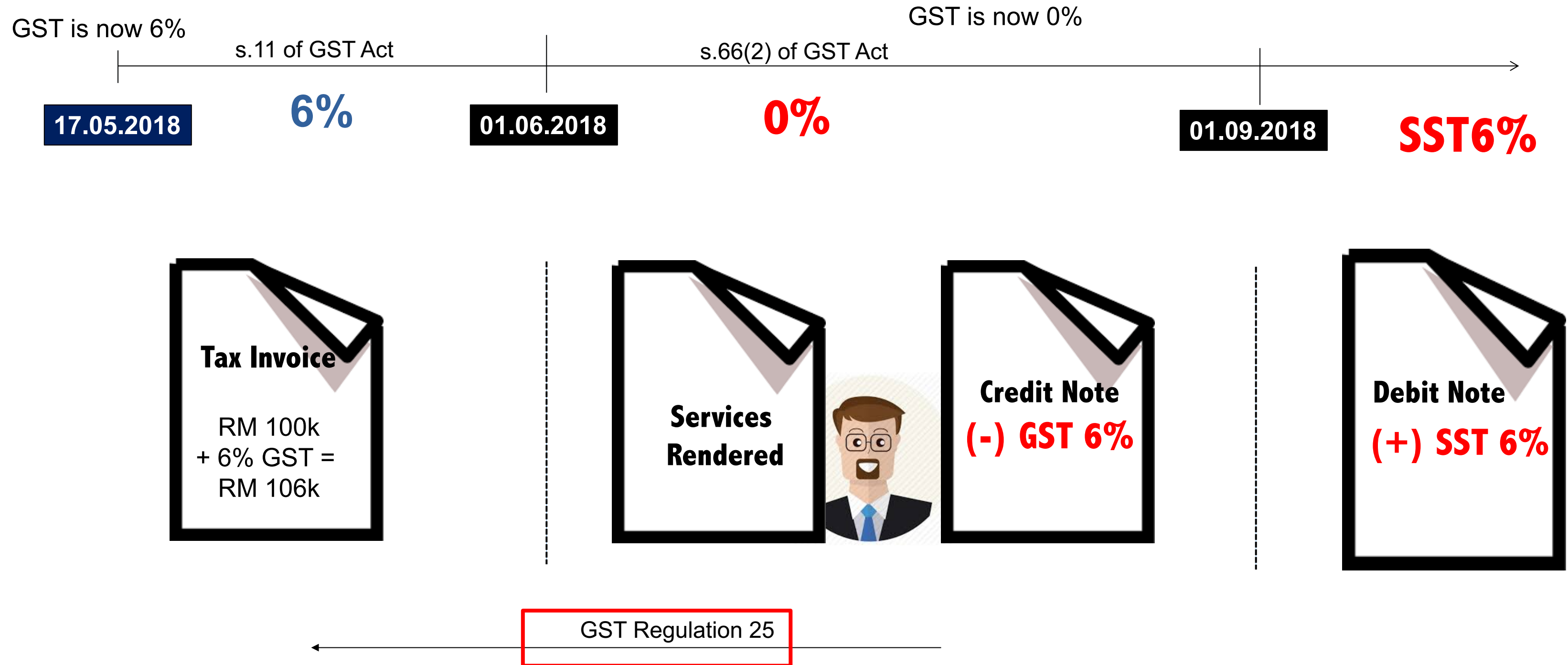
31.12.2018

Services RM1,000 (1 year support contract) rendered on 1 January 2018, but invoice issue on 1 June 2018 and in September 2018.



Ref : s.66 GST Act

GST-6-0-SST 2.0 CREDIT NOTE – CASE STUDY 5



Ref : s.66 GST Act

REVISION

QUESTION

Are you subject to Service Tax?

- Are you carrying business?
- Are you taxable service provider?
- RM500k?

Do I issue Tax invoice or Normal Invoice

I am going to do a new contract / quotation. Anything I need to take note?

ANSWER

Yes. Subject to SST.

Yes. Subject to SST.

Yes. Subject to SST.

Normal Invoice

Yes. Any future SST incurred. Add in clause if required.

TRANSITIONAL REVISION

GST 6%

GST 0%

SST 6%


01.01.2018

01.06.2018

01.09.2018

31.12.2018

Services RM1,000 (1 year support contract) rendered on 1 January 2018, but invoice issue on 1 June 2018 and in September 2018.

RM200	RM500	RM300
<div>Services Rendered</div> 	<div>Tax Invoice</div> <div>GST6% up to 31.05.2018 GST0% 01.06.2018 to 31.08.2018</div>	<div>Invoice</div> <div>SST6% up to 31.12.2018</div> <div>Debit Note</div> <div>(+) 6% SST RM18</div>

Ref : s.66 GST Act

TRANSITIONAL REVISION

GST 6%

GST 0%

SST 6%

01.01.2018

01.06.2018

01.09.2018

31.12.2018

Services RM1,000 (1 year support contract) rendered on 1 January 2018, but invoice issue on 1 June 2018 and in September 2018.

RM200

RM500

RM300

**Services
Rendered**



Tax Invoice

GST6% up to 31.12.2018

+ FULL PAYMENT = SUBJECT GST 6%

Ref : s.66 GST Act



QUESTION: HOW TO REGISTER FOR SST?



**GST REGISTERED
EXPECT TO RECEIVE
EMAIL : 1.8.2018**

MANDATORY REGISTRATION

GST registered person identified and fulfilled the required criteria will be registered automatically as registered service tax provider.

Non GST registered manufacturers fulfilled the required criteria must register within 30 days from 1 September 2018.

Application for registration

13. (1) Any person who is liable to be registered under section 12 shall apply to the Director General for registration as a registered person in the prescribed form not later than the last day of the month following the month in which he is liable to be registered as referred to in paragraph 12(2)(a) or (b) or subsection 12(3).

**During GST Time, we can
register branch individually.
Can we do it in SST?
If yes, threshold calculated
individually?**



Registration of branches or divisions

17. (1) Where any business of a registered person is carried on by one or more branches or divisions, the registered person may apply to the Director General, in the prescribed form, for any of the branches or divisions to be registered in the name of the branch or division.





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

MYSST

Menu

[Home](#)

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Navigation

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

Common Questions

» [What is TAP?](#)

» [FAQ](#)

» [What Can I Do In TAP?](#)

» [Why Should I Sign Up?](#)

Language

» [English](#)

» [B.Melayu](#)

Search



Login



I Want To

Email Address

[Register For GST](#)

**MY THRESHOLD FOR TAXABLE
GOODS/SERVICES IS LESS THAN
RM500,000 PER YEAR. CAN I REGISTER
VOLUNTARILY?**



If the threshold calculation is based on taxable service portion only, then what will happened since we are automatically registered by RMCD?





QUESTION: HOW TO DECLARE SST RETURN

DECLARATION OF SERVICE TAX RETURN

Declare Service Tax Return every 2 months (bi-monthly)

Last day of subsequent month
(September and October 2018, submit in November 2018)

Service Tax Return submit regardless tax paid
(payment basis)

SST return submit electronically / post

Service tax due

11. (1) The service tax chargeable under section 7 shall be due at the time when payment is received for the taxable service provided to the customer by the registered person.

(2) Where the whole or any part of the payment for any taxable service provided by the registered person is not received from the customer within a period of twelve months from the date of the invoice for the taxable service provided, service tax shall be due on the day following that period of twelve months.

(c) where an arrangement or agreement for the provision of any taxable service is made by any person, who is a taxable person under this Act, within the period beginning from 1 June 2018 and ending immediately before the effective date, and the taxable service is provided or performed on or after the effective date—

- (i) the arrangement or agreement for the provision of such taxable service shall be deemed to have been made on the date such taxable service is provided or performed notwithstanding any payment, wholly or partly, is received or invoice is issued, for such taxable service during such period;
- (ii) any payment received within such period or on or after the effective date, or invoice issued within such period, shall be deemed to have been received or issued on the date such taxable service is provided or performed; and
- (iii) service tax shall be charged and levied on such taxable service and shall become due on the date such taxable service is provided or performed.

Our client pay us instalment for services rendered. Assuming

Invoice : RM12,000 (date Dec 19)

Payment : RM1,000

(every month from Jan 19 to Dec 19)

How do we account this?



For easy administration purpose, can we recognise our accounting based on payment basis?



01.09.2018

SST

Manufacturer (November Year End 2018)				New Financial Year
	September 2018	October 2018	November 2018	December 2018
Sales	RM 500	RM 500	RM 300	RM400
Service Tax	RM 30	RM 530	RM 18	RM24
GST Return	GST Return			
SST Return	1 st SST Return (submit + payment in Nov 18)		2 nd SST Return (submit + payment in Jan 19)	

Can apply to be align with year end
Subject to approval



REMEMBER ALL THESE BEFORE SERVICE TAX SUBMISSION

PAYMENT VS ACCRUAL RECONCILIATION

INVOICES / SALES (ACCRUAL)		
	Sept 2018	Oct 2018
Taxable	RM 200	RM 200

VS

PAYMENT RECEIVED		
	Sept 2018	Oct 2018
Sales	RM 100	RM 200



SQL Account

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with



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**Since Service tax is only due and payable
upon receive of payment.
Any opportunity of tax planning?**





BUSINESS

RMCD HANDHOLDING PROGRAMME

(EXPECTED AUG / SEPT 18)

[technical | scope | industry | exemption | invoice/cn/dn]

QUESTION: SST PENALTIES?



SALES TAX PENALTIES

SST Late Payment Penalties

1 st 30 days period	10%
2 nd 30 days period	15%
3 rd 30 days period	15%
Exceed 90 days	Maximum 40%

Payment to submit electronically | bank draft | cheque posted to SST processing centre

GST Late Payment Penalties

10%
15%
15%
Court Proceeding

Sales & Service Tax Evasion

1 st offence	10 x Tax / 20 x Tax / 5 years imprisonment / both
2 nd offence	20 x Tax / 40 x Tax / 7 years imprisonment / both
Compound	Not exceeding 50% of maximum fine

New Government more Lenient?





LEMBAGA HASIL DALAM NEGERI MALAYSIA
PEJABAT KETUA PEGAWAI EKSEKUTIF
MENARA HASIL, ARAS 18
PERSIARAN RIMBA PERMAI
CYBER 8
63000 CYBERJAYA
SELANGOR

Telefon : 03-83138888

Faks : 03-83137801

: 03-83137802

: 03-83137803

: 03-83137804

: 03-83137805

: 03-83137806

Laman Web: <http://www.hasil.gov.my>

Ruj. Kami: LHDN.AO.C. 600-1/7/4 Jilid 2()

Tarikh : 28 Jun 2018

Setiausaha Kehormat
Persatuan Perubatan Malaysia
4th Floor, MMA House
124 Jalan Pahang
53000 Kuala Lumpur

Tuan,

PROSEDUR RAYUAN BERHUBUNG KES DOKTOR PAKAR

Dengan hormatnya saya merujuk kepada perkara di atas dan Catatan Perbincangan Tax Treatment By Lembaga Hasil Dalam Negeri (LHDNM) On Private Medical Specialist bertarikh 11 Jun 2018.

2. Keputusan Ketua Pengarah Hasil Dalam Negeri Malaysia

- 2.1 Layanan cukai sepertimana yang diputuskan melalui arahan terdahulu tidak terpakai bagi tahun taksiran 2013, 2014, 2015 dan 2016. Mulai tahun taksiran 2017, pendirian LHDNM adalah kekal iaitu pendapatan yang diterima oleh doktor pakar daripada perkhidmatan konsultansi yang diberikan akan ditaksir sebagai pendapatan individu doktor tersebut dan bukannya sebagai pendapatan Syarikat Sdn Bhd.

3. Lembaga Hasil Dalam Negeri Malaysia mengambil maklum bahawa di bawah Peraturan-Peraturan Perubatan 2017 [P.U. (A) 188/2017], seorang pengamal perubatan perlu mengumpul mata pembangunan profesional berterusan bagi memohon atau memperbaharui perakuan pengamalan tahunannya.
4. Sehubungan itu, perbelanjaan yang dibuat oleh seorang pengamal perubatan bagi tujuan memperbaharui perakuan pengamalan tahunannya seperti bayaran fi untuk menghadiri seminar, bengkel atau persidangan adalah dibenarkan sebagai potongan daripada pendapatan kasar perniagaan.
5. Walau bagaimanapun, perbelanjaan penginapan dan perjalanan yang dilakukan semasa menghadiri seminar, bengkel atau persidangan tersebut tidak dibenarkan sebagai potongan di bawah ACP.

01.09.2018

SST

TOPIC 3 : GST but SST/Non SST Registrant. What Should I Do Now?





QUESTION

Have you performed all the necessary prior to GST 6-0 submission?

COMMON TRANSITIONAL GST6-0 CASE 1

GST is now 6%

GST is now 0%

01.04.2018

6%

01.06.2018

0%

30.06.2018



CASE STUDY 1

My company sales is as follow:-

-> April18 sales is RM106*.

-> May18 sales is RM212*.

-> June18 sales is RM300.

* GST inclusive

What should be my GST declaration?

Question			
	April 2018	May 2018	June 2018
Sales	RM 100	RM 200	RM 300
Output Tax	RM 6	RM 12	RM 0
Tax Code	SR 6%	SR 6%	SR 0%

Answer		
GST-03	Submit in July 2018	Tax Code
5(a)	RM 300	SR6%
	RM 300	SR0%
5(b)	RM 18	

COMMON TRANSITIONAL GST6-0 CASE 2

GST is now 6%

GST is now 0%

01.04.2018

6%

01.06.2018

0%

30.06.2018

Question

	April 2018	May 2018	June 2018	
Sales	RM 100	RM 200	RM 300	RM100
Output Tax	RM 6	RM 12	RM 0	RM6
Tax Code	SR 6%	SR 6%	SR 0%	SR 6%

Answer

GST-03	Submit in July 2018	Tax Code
5(a)	RM 400	SR6%
	RM 300	SR0%
5(b)	RM 24	

CASE STUDY 2

My company sales is as follow:-

-> April18 sales is RM106*.

-> May18 sales is RM212*.

-> June18 sales is RM300 + RM106*.

* GST inclusive

What should be my GST declaration?

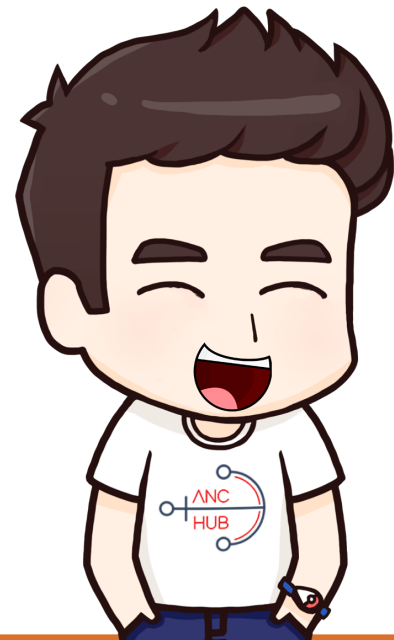


COMMON TRANSITIONAL GST6-0 CASE 3

01.06.2018

0%

30.06.2018



Question		
	June 2018	
Sales	RM 300	RM100
Output Tax	RM 0	RM6
Tax Code	SR 0%	SR 6%

CASE STUDY 3

My company is monthly taxable period. Our company sales for the month is RM300 + RM106*.

* GST 6% inclusive

What should be my GST declaration?

Answer		
GST-03	Submit in July 2018	Tax Code
5(a)	RM 100	SR6%
	RM 300	SR0%
5(b)	RM 6	

COMMON TRANSITIONAL GST6-0 CASE 4

01.06.2018

0%

30.06.2018

1

Question			
	June 2018		
Sales	RM 300	RM100	(RM200)
Output Tax	RM 0	RM6	(RM12)
Tax Code	SR 0%	SR 6%	SR6%

2

Answer		
GST-03	Submit in July 2018	Tax Code
5(a)	RM 100	SR6%
	RM 300	SR0%
	(RM 200)	SR6%
	RM200	
5(b)	RM6	
	(RM12)	
	(RM6)	
PROBLEM : TAP CANNOT ACCEPT (NEGATIVE) AMOUNT !		

CASE STUDY 4

My company is monthly taxable period. Our company sales for the month is RM300 + RM106*. ***In addition we have stock return RM212*.***

* GST 6% inclusive

What should be my GST declaration?



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COMMON TRANSITIONAL GST6-0 CASE 4

01.06.2018

30.06.2018

0%

30.06.2018

3

Question			
	June 2018		
Sales	RM 300	RM100	(RM200)
Output Tax	RM 0	RM6	(RM12)
Tax Code	SR 0%	SR 6%	SR6% ->AJP

CHANGE TO AJP

4

Answer		
GST-03	Submit in July 2018	Tax Code
5(a)	RM 100	SR6%
	RM 300	SR0%
	RM400	
5(b)	RM6	
6(b)	RM12	
GST CLAIMABLE :		RM6

CASE STUDY 4

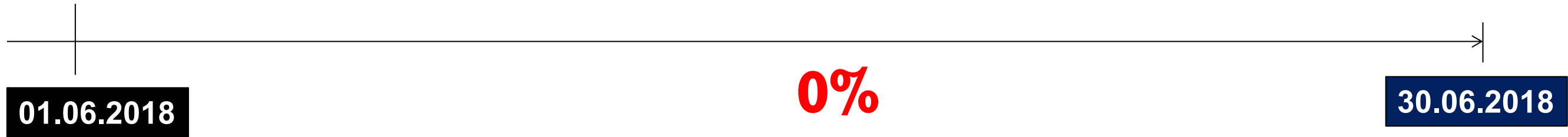
My company is monthly taxable period. Our company sales for the month is RM300 + RM106*. In addition we have stock return RM212*.

* GST 6% inclusive

What should be my GST declaration?



COMMON TRANSITIONAL GST6-0 CASE 5



1

Question			
	June 2018		
Purchase	RM 300	RM100	(RM200)
Input Tax	RM 0	RM6	(RM12)
Tax Code	TX 0%	TX 6%	TX 6%

2

Answer		
GST-03	Submit in July 2018	Tax Code
6(a)	RM 100	TX6%
	RM 300	TX0%
	(RM 200)	TX6%
	RM200	
6(b)	RM6	
	(RM12)	
	(RM6)	
PROBLEM : TAP CANNOT ACCEPT (NEGATIVE) AMOUNT !		

CASE STUDY 5

My company is monthly taxable period. We have purchase of RM300, RM106* and at the same time **return outward of RM212* to our supplier.**

* GST 6% inclusive

What should be my GST declaration?



COMMON TRANSITIONAL GST6-0 CASE 5

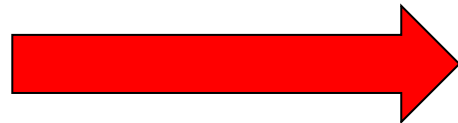
01.06.2018

0%

30.06.2018

3

Question			
	June 2018		
Purchase	RM 300	RM100	(RM200)
Input Tax	RM 0	RM6	(RM12)
Tax Code	TX 0%	TX 6%	TX6% ->AJS



4

Answer		
GST-03	Submit in July 2018	Tax Code
5(b)	RM12	
6(a)	RM 100	SR6%
	RM 300	SR0%
	RM400	
6(b)	RM6	
GST PAYABLE :		RM6

CASE STUDY 5

My company is monthly taxable period. We have purchase of RM300, RM106* and at the same time **return outward of RM212*** to our supplier.

* GST 6% inclusive

What should be my GST declaration?



SQL

Account

in collaboration with



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REMEMBER ALL THESE BEFORE GST SUBMISSION

REVENUE RECONCILIATION 1

GST03 GST LISTING			
	April 2018	May 2018	June 2018
Taxable	RM 100	RM 200	RM 300
Output Tax	RM 6	RM 12	RM 0
Tax Code	SR 6%	SR 6%	SR 0%

VS

PROFIT OR LOSS ACCOUNT			
	April 2018	May 2018	June 2018
Sales	RM 100	RM 200	RM 300



REMEMBER ALL THESE BEFORE GST SUBMISSION

REVENUE RECONCILIATION 2

GST03 GST LISTING			
	April 2018	May 2018	June 2018
Taxable	RM 100	RM 200	RM 300
Output Tax	RM 6	RM 12	RM 0
Tax Code	SR 6%	SR 6%	SR 0%

VS

PROFIT OR LOSS ACCOUNT			
	April 2018	May 2018	June 2018
Sales	RM 100	RM 200	RM 200??

OTHER INCOME? RENTAL? REIMBURSEMENT?			
	April 2018	May 2018	June 2018
Reimbursement of Travelling Cost			RM 100



PREPARE FOR TRANSITION TO SST/NON-GST

CHECKLIST	TICK BOX
Accounting System Upgraded? Changed? Incorporate new SST changes.	
POS System / Invoicing System Upgraded?	
Check your Tax Invoice Format (to change?)	
Review your pricing and quotation(especially those exempted industries)	
Negotiate with suppliers' contracts on new revised rate	
Claim all input tax credit as soon as possible. Avoid cash flow and refund issue.	
Check Credit Notes / Advance Payments / Refundable Deposits	
Plan your goods delivery dates	
Conduct an impact study and review internal processes (HR, internal control etc)	
Continue self improvement and getting ready for new SST	
Clear off all GST account (Balance Sheet)	

SAMPLE REPORT			
	GST 6% Time of Supply (s11)	GST 0% Time of Supply [s66(2)]	SST Time of Supply [x]
Taxable Supply			
Rates			
Rules			
Current and future implication			
Proposed Action and Monitoring Process			

Email : admin@anchub.com.my

If you need assistance in preparing the impact study report.

For General Queries : Please go to www.facebook.com/AncHubConsultants/

PREPARE FOR FULL FORCE GST AUDIT

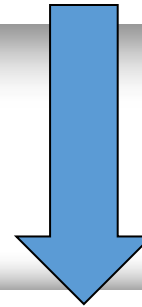
6% / 0% NO LONGER IMPORTANT

120 DAYS

01.09.2018

END OF DECEMBER

25. How long would I be able to claim the GST input tax after the implementation of SST?
You are allowed to claim input tax credit within 120 days after the effective date of SST.



15. I am GST registrant. Do I need to apply to cancel my registration?
When the GST Act 2014 is repealed, you are automatically ceased to be a GST registered person. You are not required to apply for deregistration. However, you are required to submit the final GST return within 120 days from the Act being repealed.



GOODS AND SERVICES TAX (REPEAL) BILL 2018

ARRANGEMENT OF CLAUSES

Clause

1. Short title and commencement
2. Interpretation
3. Repeal of Goods and Services Tax Act 2014
4. Continuance of liability, etc.
5. Pending application for review and pending appeal
6. Furnishing of return for last taxable period and payment of goods and services tax
7. Furnishing of declaration and payment of goods and services tax
8. Claim for input tax and refund
9. Continuance of appointment and employment
10. Tax agent

Issued 31.07.2018

Continuance of liability, etc.

4. (1) Notwithstanding the repeal of the Goods and Services Act 2014—

(a) any liability incurred may be enforced; or

(b) any goods and services tax due, overpaid or erroneously paid may be collected, refunded or remitted,

under the repealed Act as if the repealed Act had not been repealed.

Furnishing of return for the last taxable period and payment of goods and services tax

6. (1) Notwithstanding section 40 of the repealed Act, any taxable period that begins before the appointed date and ends after the appointed date shall be deemed to end on the appointed date.

(2) The person who is registered under the repealed Act shall—

(a) furnish the return for all supplies made in the taxable period referred to in subsection (1) as at the appointed date; and

(b) pay the amount of the goods and services tax due and payable relating to the supplies,

to the Director General not later than one hundred and twenty days from the appointed date.

Furnishing of declaration and payment of goods and services tax

7. Notwithstanding the repeal of the Goods and Services Tax Act 2014, any person referred to in subsection 42(1) of the repealed Act who is liable for goods and services tax in the month before the appointed date shall—

(a) furnish a declaration under section 42 of the repealed Act; and

(b) pay the amount of the goods and services tax due and payable,

to the Director General not later than thirty days after the appointed date.

Claim for input tax and refund

8. (1) Any input tax under the repealed Act which has not been claimed before the appointed date shall be claimed in the return furnished under paragraph 6(2)(a) within one hundred and twenty days from the appointed date, and that claim shall be considered as the final claim for all input tax.

(2) Subject to verification, audit or investigation, any refund for—

(a) any input tax under section 38 of the repealed Act which has not been made by the Director General on the appointed date; or

(b) any input tax relating to the claim made under subsection (1),

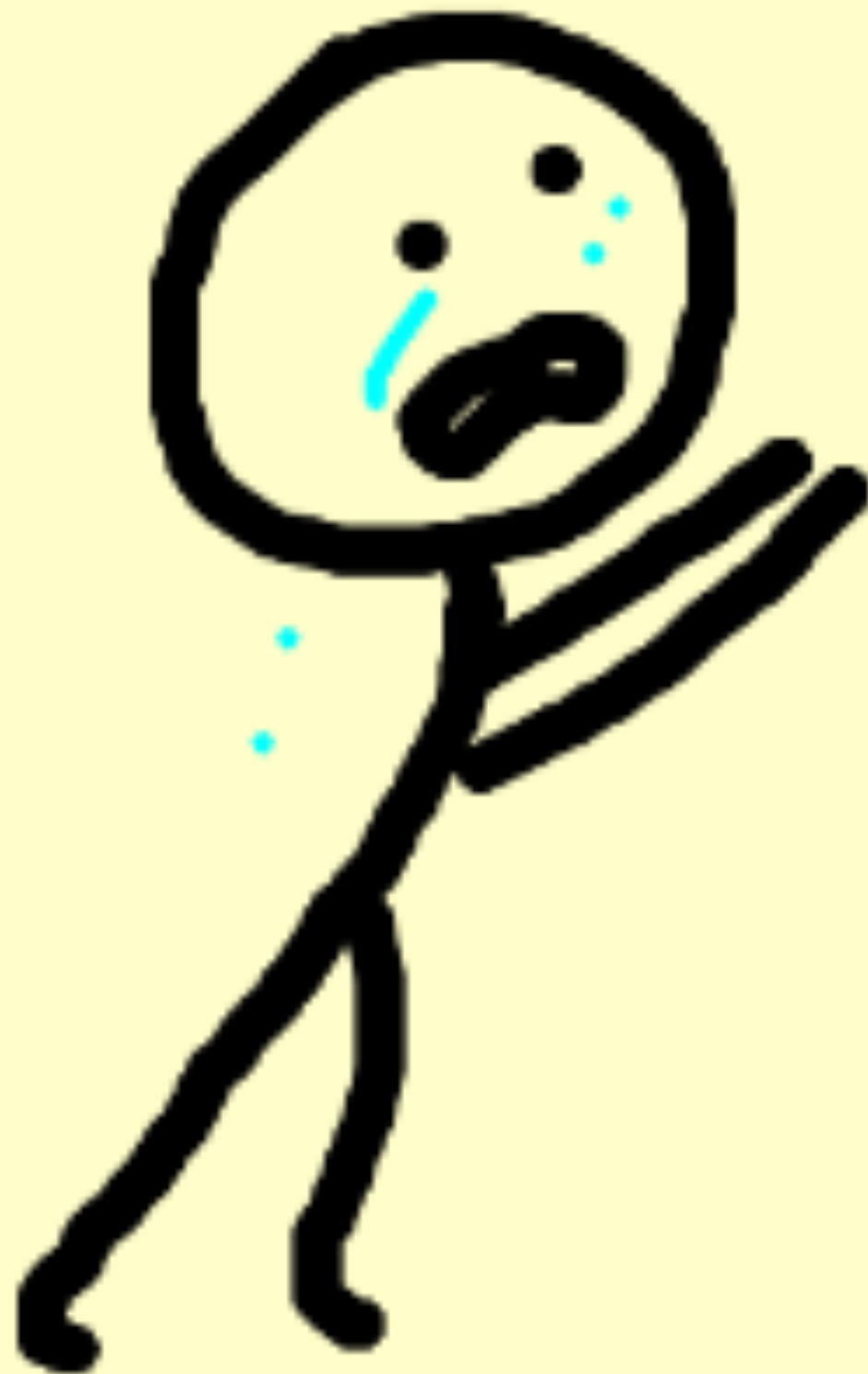
shall be paid by the Director General within six years from the appointed date.

21 DAYS RULE	CLAIMING INPUT TAX	GIFT RULE	GST BAD DEBT RELIEF	IMPORTED SERVICES
TAX INVOICE	SPECIAL SCHEME ATS ATMS ETC	TAX CODES	GROUP REGISTRATION	ZERO RATED ITEMS VS RELIEF VS 6 % SUPPLY
MIX SUPPLIER	INPUT TAX APPORTIONMENT	CAPITAL GOODS ADJUSTMENT	LONG PERIOD ADJUSTMENT	DE MINIMIS RULE

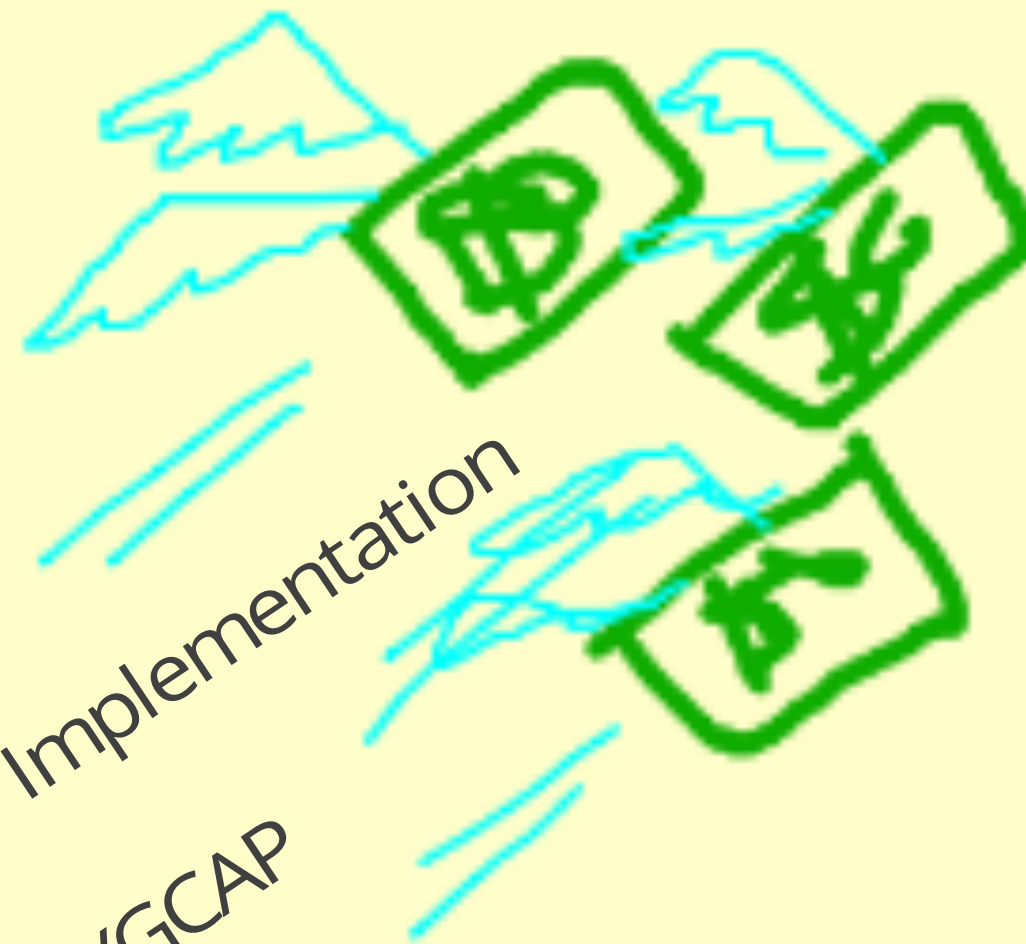
SAYONARA~

SEE YOU NEXT ELECTION?

G
S
T



GST Implementation
MYGCAP



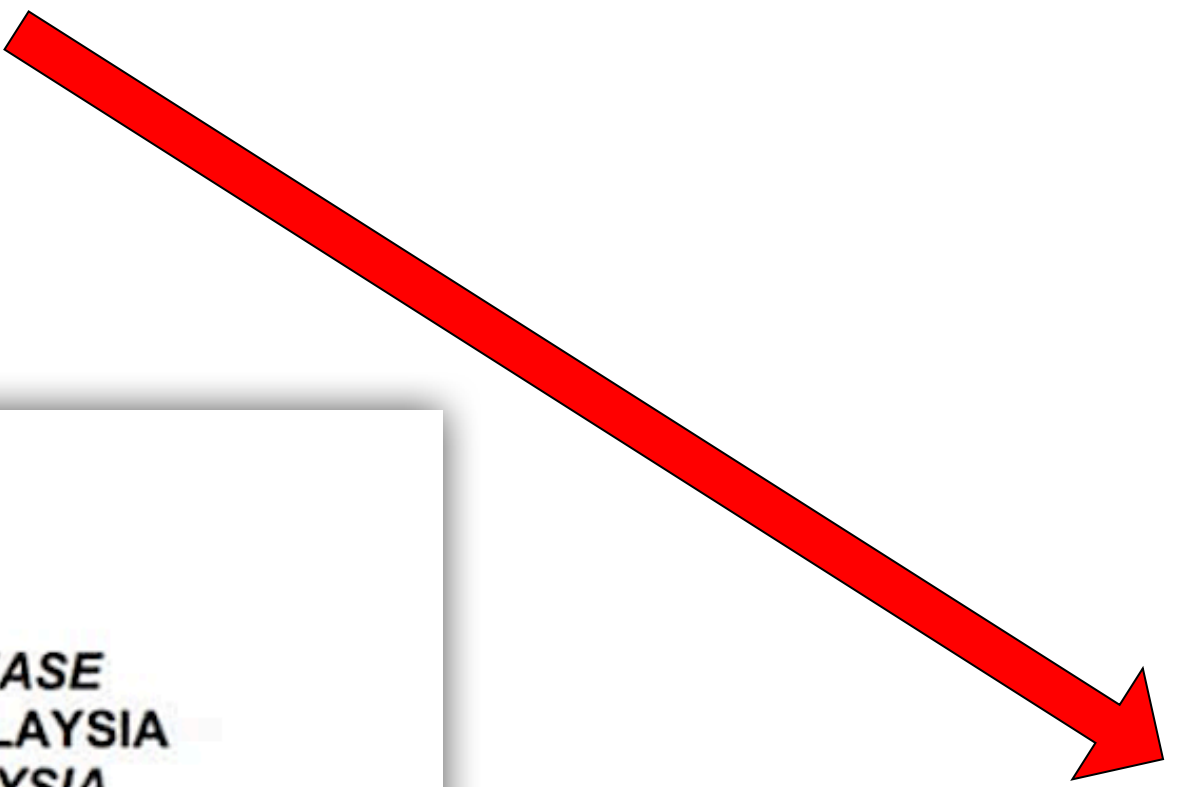
...千年道行一票丧...

**GST CLAIMS TO BE MORE EFFICIENT AND
TRANSPARENT. ALSO ABLE TO TARGET
DIGITAL ECONOMY.
ARE WE GOING BACKWARDS?**



Covers **60%** of
CPI (Consumer Price Index)
Basket of Goods and Services

GST



SIARAN MEDIA / MEDIA RELEASE
KEMENTERIAN KEWANGAN MALAYSIA
MINISTRY OF FINANCE MALAYSIA

GST Merangkumi 60% Daripada Bakul Barangan dan Perkhidmatan CPI
Berbanding SST yang Hanya Merangkumi 38% Daripada Bakul Barangan CPI

SST

Covers **38%** of
CPI Basket of
Goods and
Services

GST

2019

Estimate 44 billion

Return back to the market

23 billion

Market
Confidence

Maka lebih RM23 bilion daripada GST ini membebankan rakyat sehingga kos sara hidup mereka terjejas. GST lebih efisien dan telus apabila ia dikenakan ke atas 60% daripada Bakul Barangan CPI berbanding dengan hanya 38% daripada Bakul Barangan CPI oleh SST. Dengan penggantian GST kepada SST, maka RM23 bilion yang dikutip daripada GST akan dikembalikan kepada rakyat.

Sayangi Malaysiaku!

SST

2019

21 billion

QUESTION: WILL SST DRIVE PRICE HIKE AGAIN?



Tiada GST, rupanya diganti dgn SST yg lebih tinggi 10% + 6%.

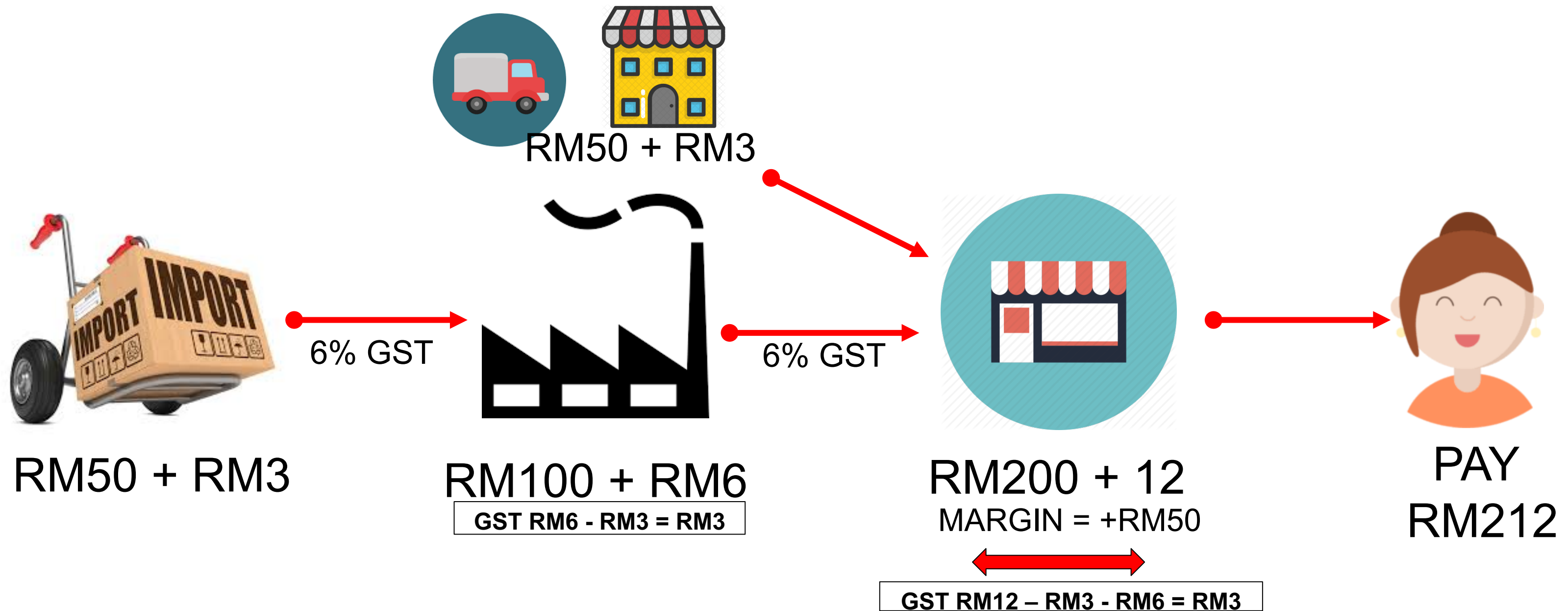


SIARAN MEDIA / MEDIA RELEASE

**KEMENTERIAN KEWANGAN MALAYSIA
MINISTRY OF FINANCE MALAYSIA**

UMNO dan Datuk Seri Najib Tun Razak perlu menjelaskan bagaimana SST membebankan rakyat berbanding GST apabila SST hanya menjana RM21 bilion berbanding RM44 bilion yang dikutip daripada GST.

GST TAXABLE GOODS FROM GST REGISTERED PERSON



**GST NOT COST TO BUSINESS.
WHY PRICE KEEP INCREASING?**

**AFTER SST, PRICE WILL
DECREASE LIKE GOVERNMENT
SAID?**



Implementation of GST
accounting system

Non GST Registered Purchases

Cash Flow

Implementation
POS system

GST Refund Issue
(GSTA : 14 days)



Accounting Frequency

Revamp Internal Process

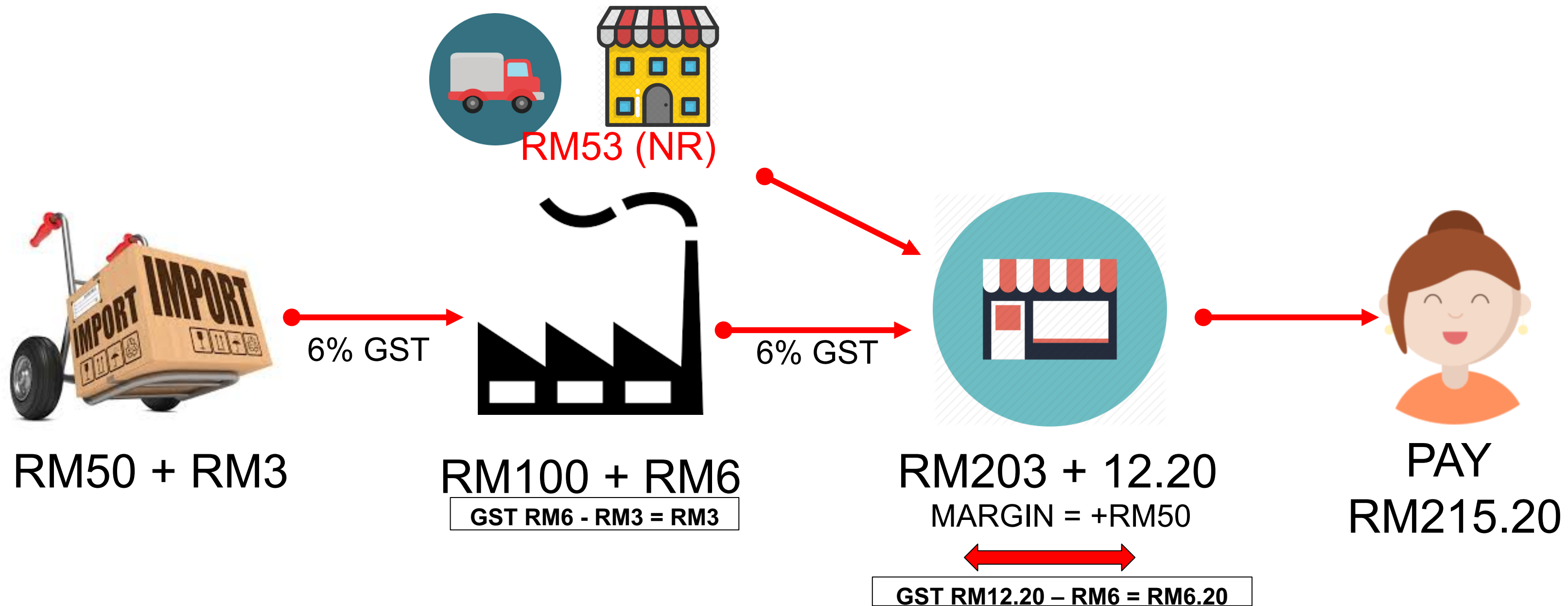


SIARAN MEDIA / *MEDIA RELEASE*
KEMENTERIAN KEWANGAN MALAYSIA
MINISTRY OF FINANCE MALAYSIA

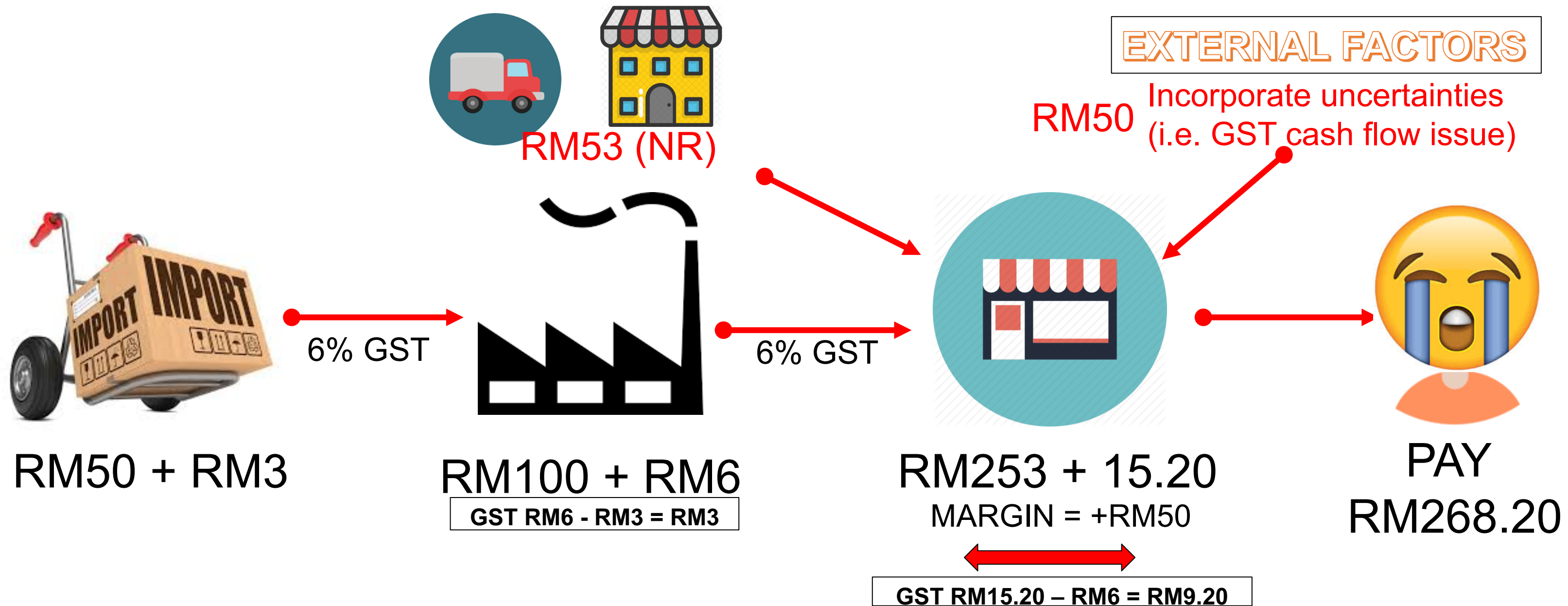
Secara teknikalnya, di setiap peringkat jualan, pihak pembekal boleh menuntut pengembalian GST yang telah dibayar sebagai "*input tax*" daripada kerajaan. Akan tetapi proses ini telah menimbulkan masalah yang besar kepada aliran tunai operasi banyak syarikat kerana pihak kerajaan sebelum ini amat lewat dalam pemprosesan bayaran "*GST refund*" kepada pihak syarikat. Akibatnya, kos perniagaan meningkat dan kos ini akan terpaksa ditanggung oleh pihak pengguna dalam bentuk harga barangan dan perkhidmatan yang lebih tinggi.

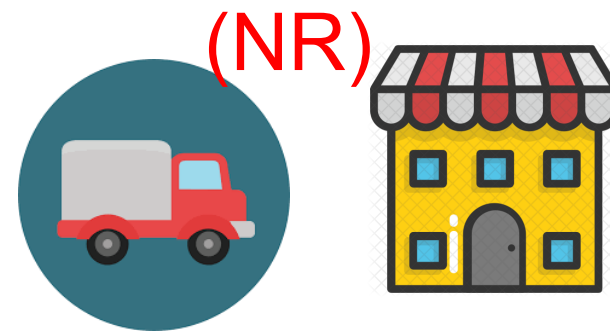
Saya akan mendedahkan pada masa akan datang mengenai punca sebenar di sebalik kegagalan kerajaan terdahulu untuk melakukan pembayaran balik GST kepada rakyat dengan cepat serta tepat pada masanya.

GST TAXABLE GOODS FROM GST REGISTERED PERSON

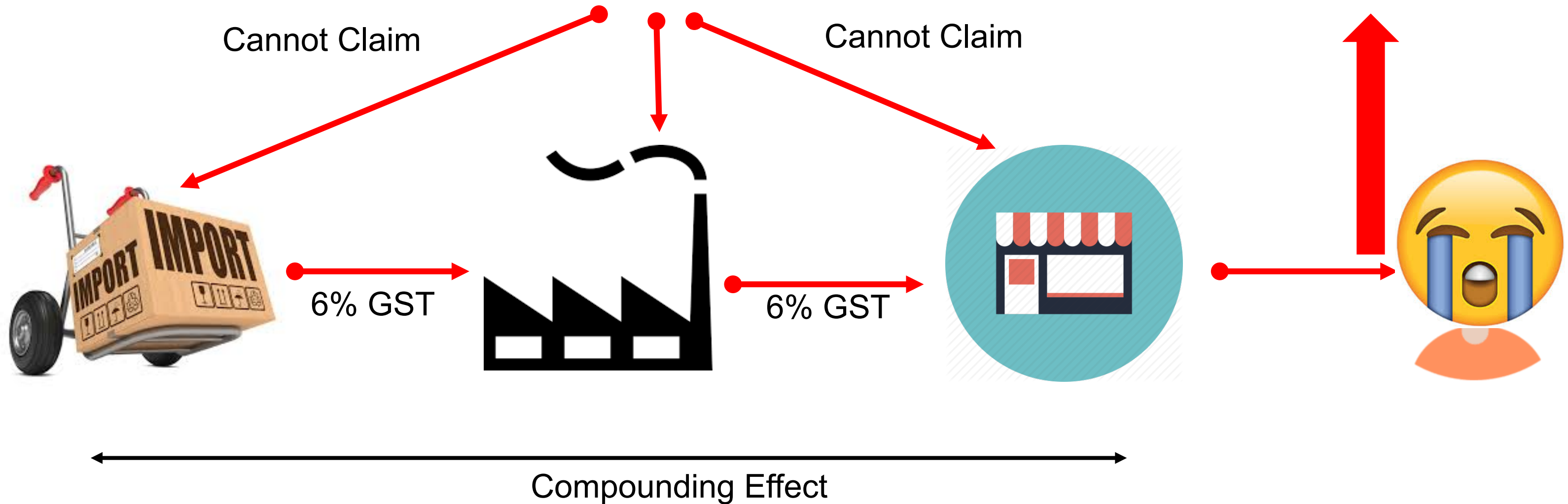


GST TAXABLE GOODS FROM GST REGISTERED PERSON

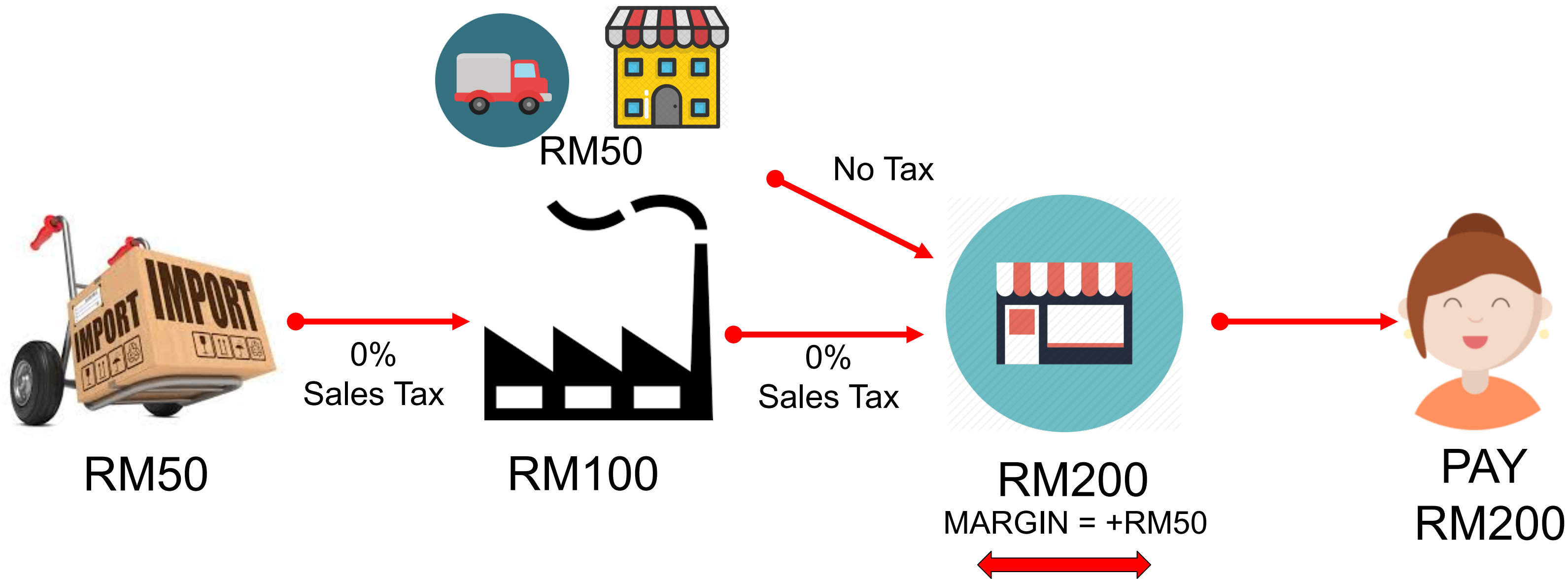




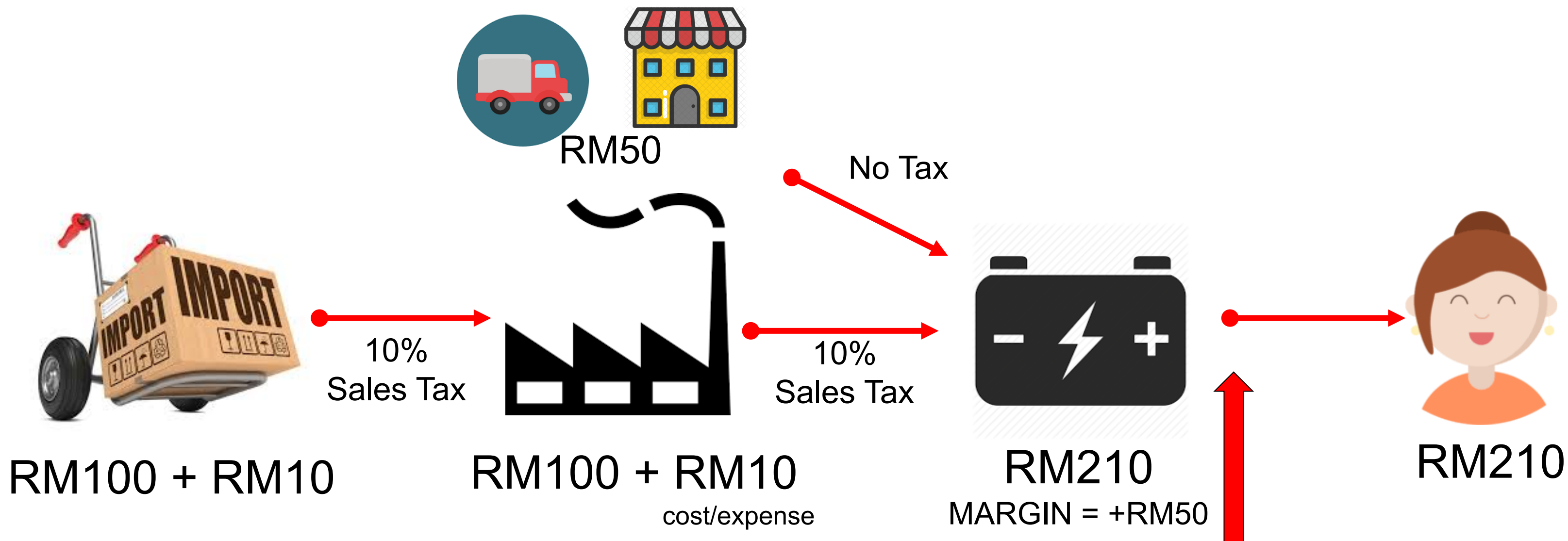
EXTERNAL FACTORS / Compliance Cost



NON SST TAXABLE GOODS

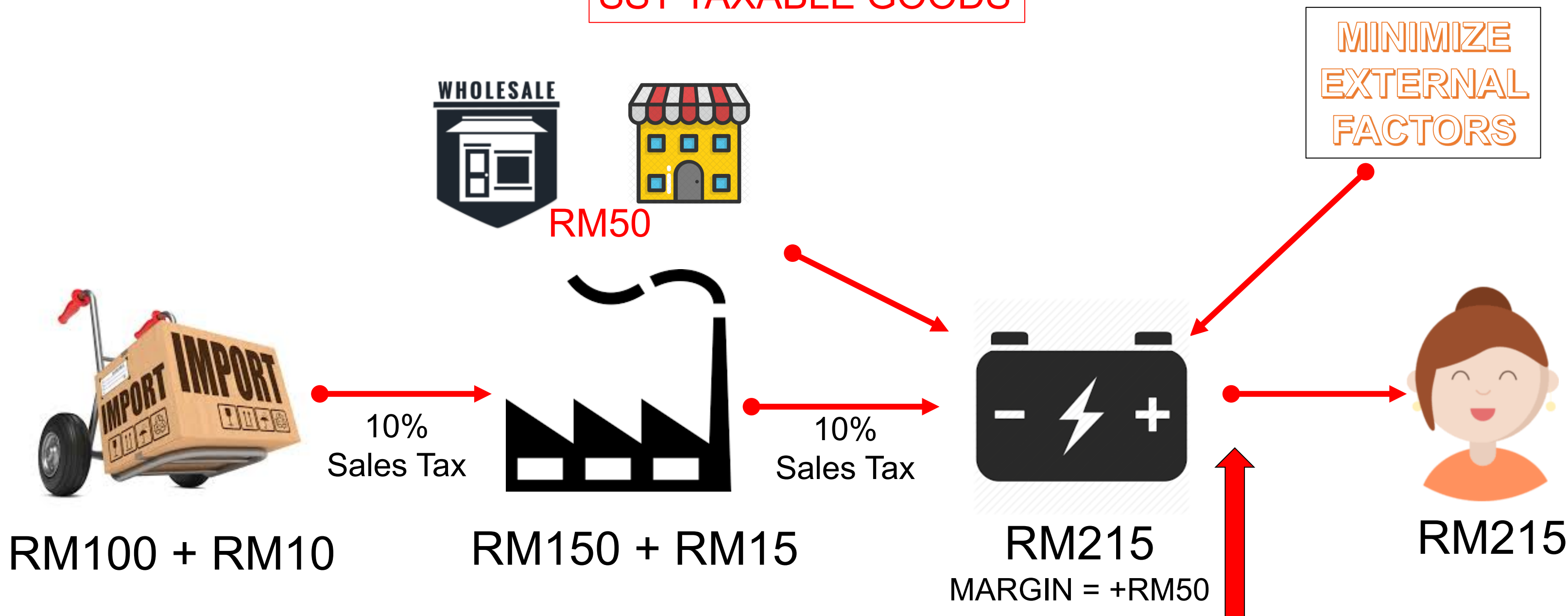


SST TAXABLE GOODS



**SCENARIO 5 vs
SCENARIO 2**

SST TAXABLE GOODS



**SCENARIO 6 vs
SCENARIO 3**

**Question is will price come
down?**



**I ORDERED A HONDA BUT DUE TO STOCK
INAVAILABILITY, THE CAR ONLY
EXPECTED TO DELIVER AFTER
SEPTEMBER.**

**ALREADY PAID BOOKING FEE. WILL THE
PRICE CHANGE?**

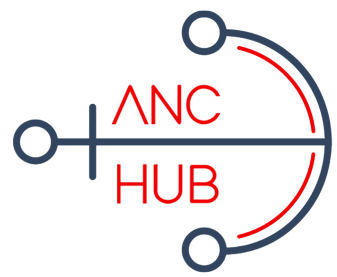




WHAT ABOUT PROPERTY SEGMENT?

**WILL PROPERTY PRICES AFFECTED?
COMMERCIAL OR RESIDENTIAL?**





NEW COMMERCIAL PROPERTIES - OLD SST

SQL Account

in collaboration with

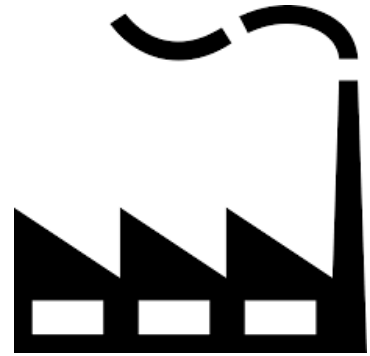


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Misc Charges
50,000

No Tax



5%
Sales Tax

Building Material
100,000 + 5,000



6% Service Tax

Engineering
Services
50,000 + 3,000



Margin 50,000
Assuming Cost to Cost

Selling Price :
250,000 + 8,000

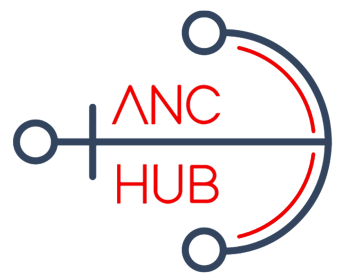
ADD : MARKET FORCE DRIVEN



Purchase Price :
RM258,000
& No RPGT (after 5 years)



Purchase Price :
RM258,000
& RPGT



NEW COMMERCIAL PROPERTIES

Before 01.06.2018

SQL Account

in collaboration
with

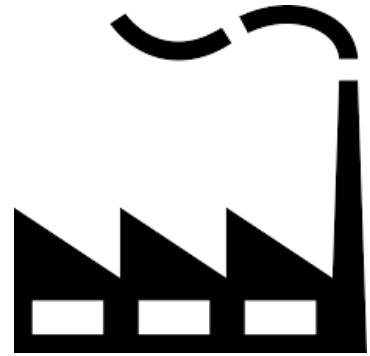


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Misc Charges
 $50,000 + 3,000$

6% GST



Building Material
 $100,000 + 6,000$

6% GST



Engineering
Services
 $50,000 + 3,000$

6% GST



Margin 50,000
GST Payable :
 $15,000 - 12,000$
 $= \text{RM}3,000$

Selling Price :
 $\text{RM}250,000 + 15,000$
ADD : MARKET FORCE DRIVEN



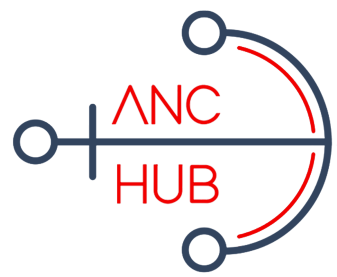
Non Claimable
Purchase Price :
 $\text{RM}265,000$
& No RPGT (after 5 years)

6% GST
 $\text{RM}265,000$



Claimable
Purchase Price :
 $\text{RM}250,000$
& RPGT¹⁷⁴

6% GST
 $\text{RM}265,000$



NEW COMMERCIAL PROPERTIES

Before 01.06.2018

SQL Account

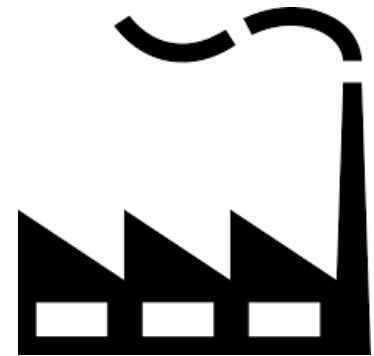
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Misc Charges (NR)
53,000



Building Material
100,000 + 6,000

6% GST



Engineering Services
50,000 + 3,000

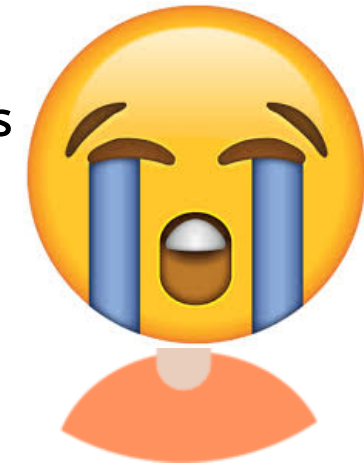
6% GST



Margin 50,000
GST Payable :
 $15,180 - 9,000$
 $= RM6,180$

Selling Price :
 $RM253,000 + 15,180$

ADD : MARKET FORCE DRIVEN



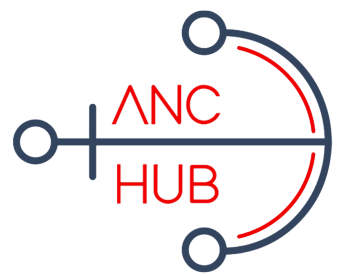
Non Claimable
Purchase Price :
RM268,180
& No RPGT (after 5 years)

6% GST
RM268,180

6% GST
RM268,180



Claimable
Purchase Price :
RM253,000¹⁷⁵
& RPGT



NEW COMMERCIAL PROPERTIES

After 01.06.2018

SQL Account

in collaboration with

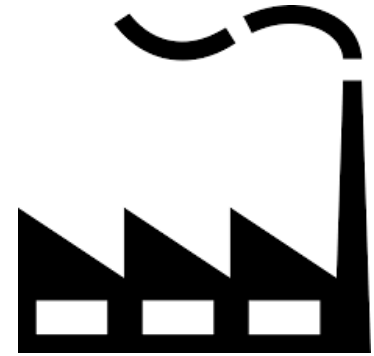


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Misc Charges
50,000 + 0

0% GST



Building Material
100,000 + 0

0% GST



Engineering Services
50,000 + 0

0% GST



GST Payable : NIL

Margin : RM50,000
Selling Price :
RM250,000



Purchase Price :
RM250,000
& No RPGT (after 5 years)

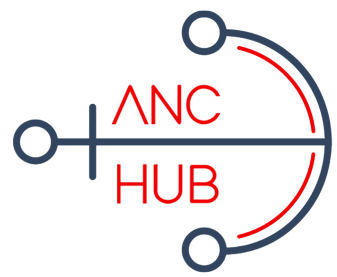
0% GST
RM250,000



Purchase Price :
RM250,000 & RPGT

0% GST
RM250,000

ADD : MARKET FORCE DRIVEN



NEW COMMERCIAL PROPERTIES - PROPOSED SST

SQL Account

in collaboration
with

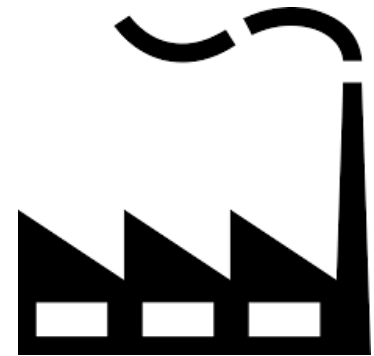


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Misc Charges
50,000

No Tax



Sales Tax Exempted

Building Material
100,000



6% Service Tax

Engineering
Services
50,000 + 3,000



Margin 50,000
Assuming Cost to Cost

Selling Price :
250,000 + 3,000

ADD : MARKET FORCE DRIVEN



Purchase Price :
RM253,000
& No RPGT (after 5 years)



Purchase Price :
RM253,000
& RPGT

RESIDENTIAL PROPERTIES – OLD SST

SQL Account

in collaboration
with



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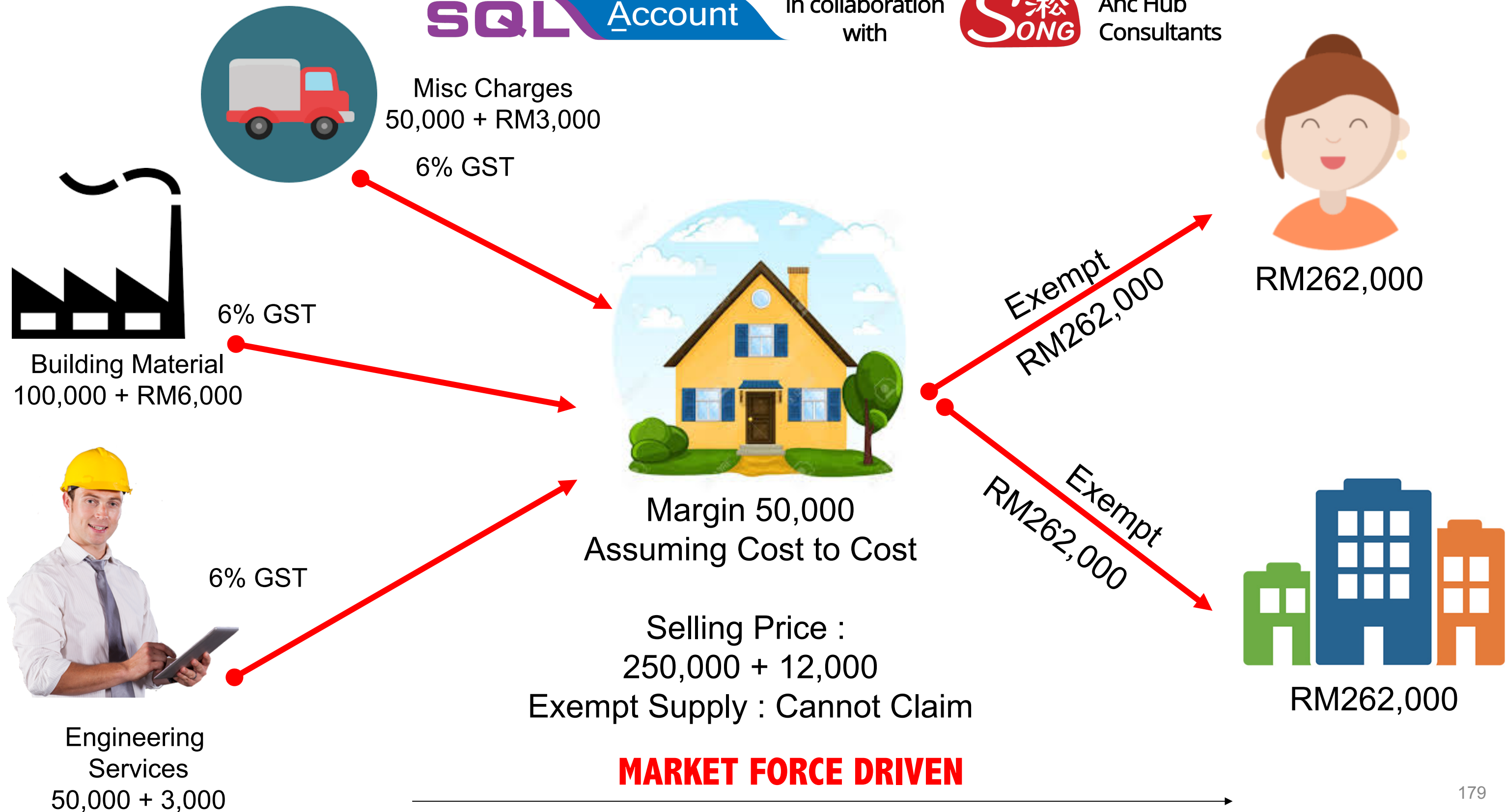
RESIDENTIAL PROPERTIES – GST 6%

SQL Account

in collaboration
with



Anc Hub
Consultants



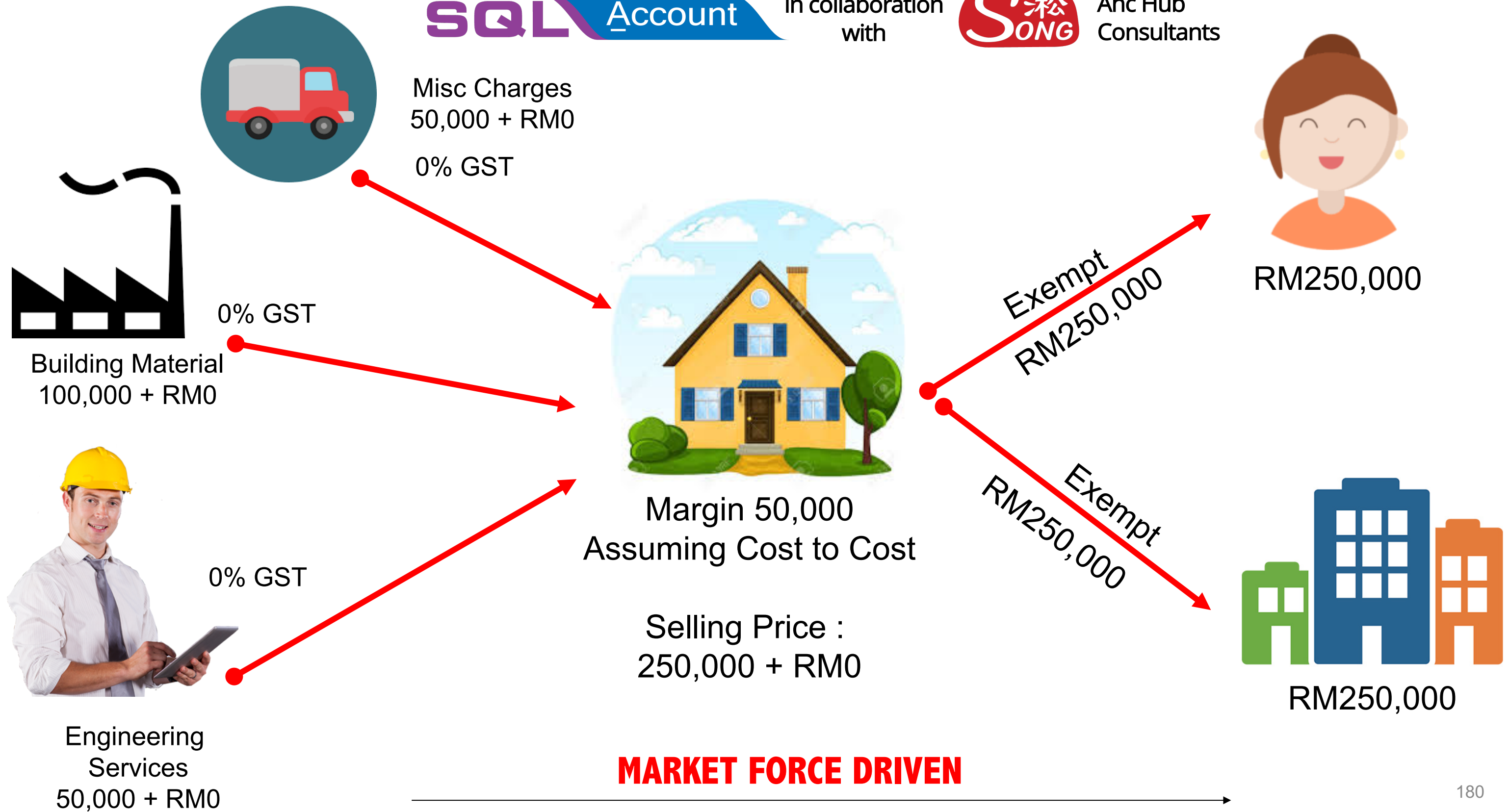
RESIDENTIAL PROPERTIES – GST 0%

SQL Account

in collaboration with



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RESIDENTIAL PROPERTIES – NEW SST

SQL Account

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**SST KICKS IN, CAN I INCREASE
MY SELLING PRICE?**

**WILL I VIOLATE PRICE CONTROL &
ANTI PROFITEERING?**

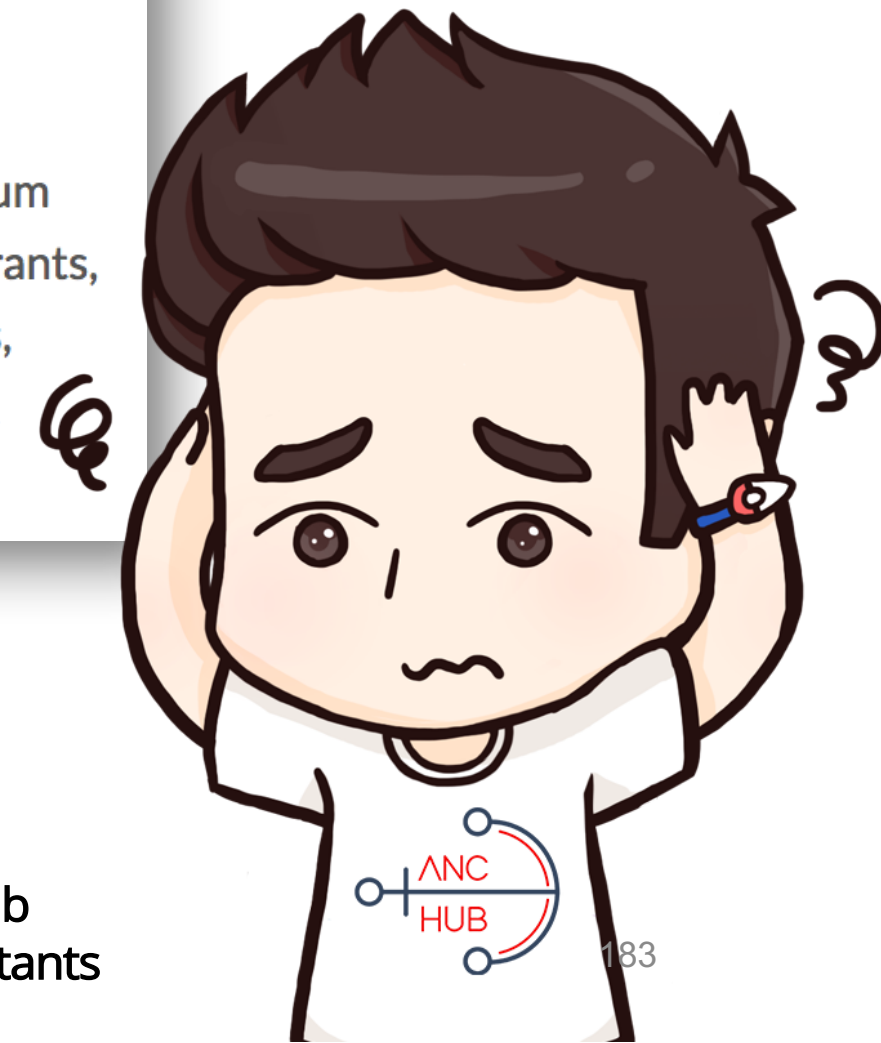


6. What are the goods that are subject under this Regulation?

OLD REGULATION

2 classes of goods which are subjected to this regulation are as follows:

- **Food & Beverages** such as Prepared Food, Rice Grains, Bread and Cereals, Flour and Wheat, Meat and Chicken, Fish, Fresh or Processed Seafood, Milk, Cheese and Eggs, Oil, Fruits, Vegetables, Sugar, Jams, Honey, Chocolate, Spices and Beverages.
- **Household Items** such as Laundry Detergents (Liquid and Powder) , Fabric Detergents (Bar), Fabric Softeners, Dishwasher Detergents (Liquid and Paste) , Bathroom Cleaning Products, Bowl Cleaner Detergents, Floor Cleaning Products, Window Cleaning Products, Glass Bleachers, & Dirt Removers, All types of Brushes, Sponges, All types of Floor Sweepers & Mop, All types of Mosquito Repellents, Insect Aerosol, Primary Battery (Used Only Once), Garbage Plastics, Candles (White), Kitchen Towels, Clogged Pipe Cleaners and Air Fresheners.
- **Personal Care Products** such as Toothbrush (Excluding Electric Toothbrush), Toothpaste, Floss (Thread), Talcum Powders, Lotions, Creams, Gels (Facial, Body, Hand, Leg), Facial Cleansers/ Scrubs, Deodorants, & Antiperspirants, Perfumes / Body Mists, Hair Oils/ Creams and Gels, Body Soaps, Body wash, Shampoos and Hair Conditioners, Pampers (Baby and Adult). Women Sanitary Pads , Toilet Rolls, Tissues, Wet Tissues, Soaps, Shaving Creams & Foams, Mouthwash, Shavers & Blades (Excluding Electric Shavers)



Mechanism to determine unreasonably high profit**NEW REGULATION**

3. The profit is determined as unreasonably high if—

- (a)* the mark-up percentage of any goods sold or offered for sale or any services supplied or offered for supply on any date in a particular financial year or calendar year exceeds the mark-up percentage of the goods sold or offered for sale or the services supplied or offered for supply on the first day of that particular financial year or calendar year, as calculated in accordance with the formula specified in regulation 4; or
- (b)* the margin percentage of any goods sold or offered for sale or any services supplied or offered for supply on any date in a particular financial year or calendar year exceeds the margin percentage of the goods sold or offered for sale or the services supplied or offered for supply on the first day of that particular financial year or calendar year, as calculated in accordance with the formula specified in regulation 5.

EXAMPLE

$$X = \frac{SP - C}{C}$$

$$X = \frac{500k - 100k}{100k}$$

$$X = 400\%$$

Marked-up percentage



Selling Price : RM500,000

Cost : RM100,000

Profit : RM400,000

$$X = \frac{SP - C}{SP}$$

$$X = \frac{500k - 100k}{500k}$$

$$X = 80\%$$

Margin percentage

EXAMPLE – (DURING GST 6%)

$$X = \frac{SP - C}{C}$$

$$X = \frac{500k - 100k}{100k}$$

$$X = 400\%$$



Selling Price : RM500,000 +
GST6% RM30,000

Cost : RM100,000

Profit : RM400,000

$$X = \frac{SP - C}{SP}$$

$$X = \frac{500k - 100k}{500k}$$

$$X = 80\%$$

EXAMPLE – (DURING GST 6%)

$$X = \frac{SP - C}{C}$$

$$X = \frac{550k - 150k}{100k}$$

$$X = 400\%$$



Selling Price : RM550,000 +
GST6% RM33,000

Cost : RM100,000
Overhead Cost : *RM50,000*
(*other GST operating cost*)

Profit : RM400,000

$$X = \frac{SP - C}{SP}$$

$$X = \frac{550k - 150k}{550k}$$

$$X = 80\%$$

EXAMPLE – (DURING SST)

$$X = \frac{SP - C}{C}$$

$$X = \frac{510k - 110k}{100k}$$

$$X = 400\%$$



Selling Price : RM510,000

Cost : RM100,000
SST: RM10,000

Profit : RM400,000

$$X = \frac{SP - C}{SP}$$

$$X = \frac{510k - 110k}{500k}$$

$$X = 80\%$$

EXAMPLE (AFTER SST)

$$X = \frac{SP - C}{C}$$

$$X = \frac{1m - 100k}{100k}$$

$$X = 900\%$$



Selling Price : RM1,000,000

Cost : RM100,000

Profit : RM900,000

$$X = \frac{SP - C}{SP}$$

$$X = \frac{1m - 100k}{1m}$$

$$X = 90\%$$

Unreasonable Profit
unless justifiable due to market driven / environment etc

**DON'T BLAME PRICE ON
TAX.**

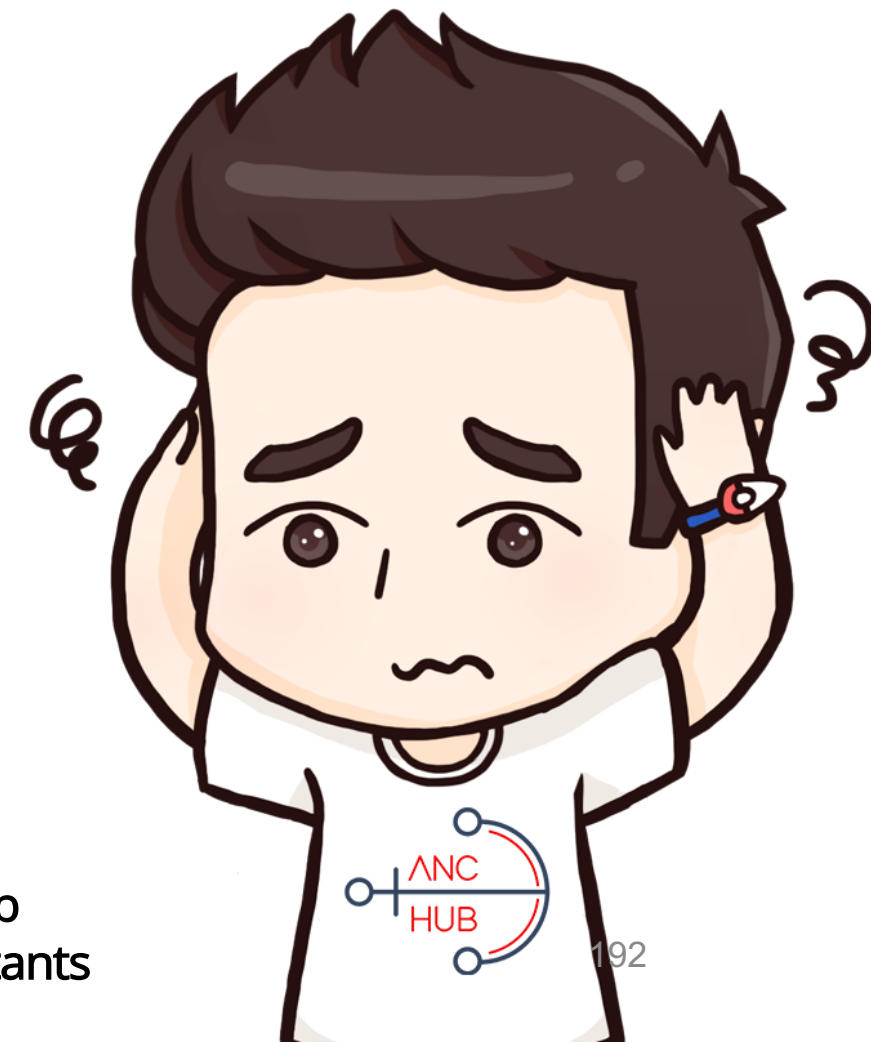


FREQUENTLY ASKED QUESTIONS

I achieved RM500k revenue due to the current tax holiday.

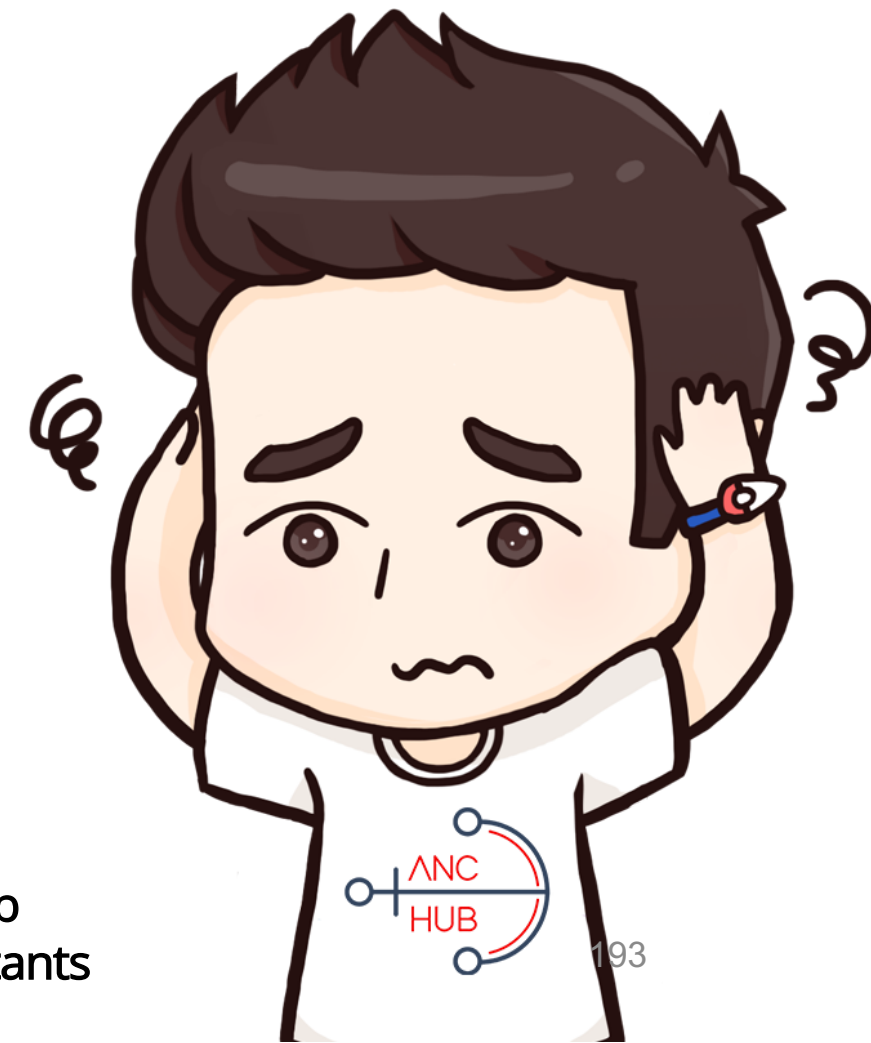
Should I register GST ?

Yes.

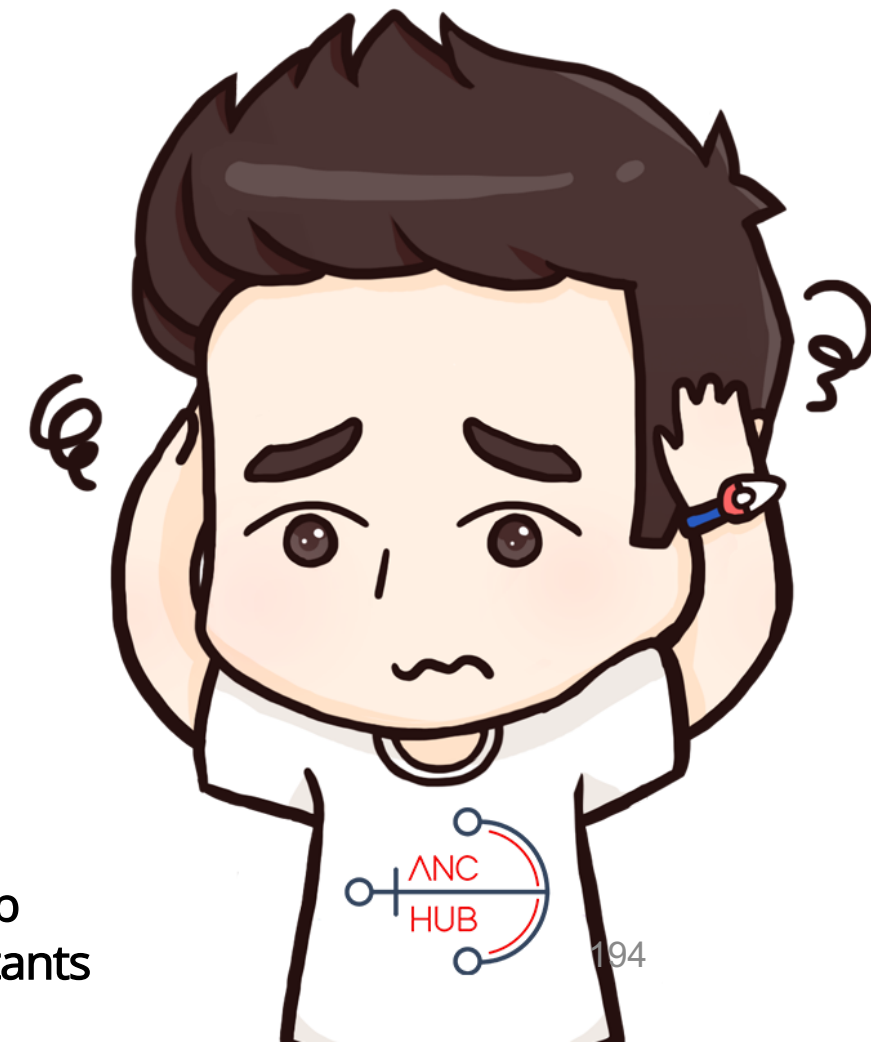


Reimbursement of expenses.

Is this subject to SST?



**Boutique Cloths & Household Decoration Shop revenue
RM500,000, need register SST?**



SQL Account

in collaboration
with

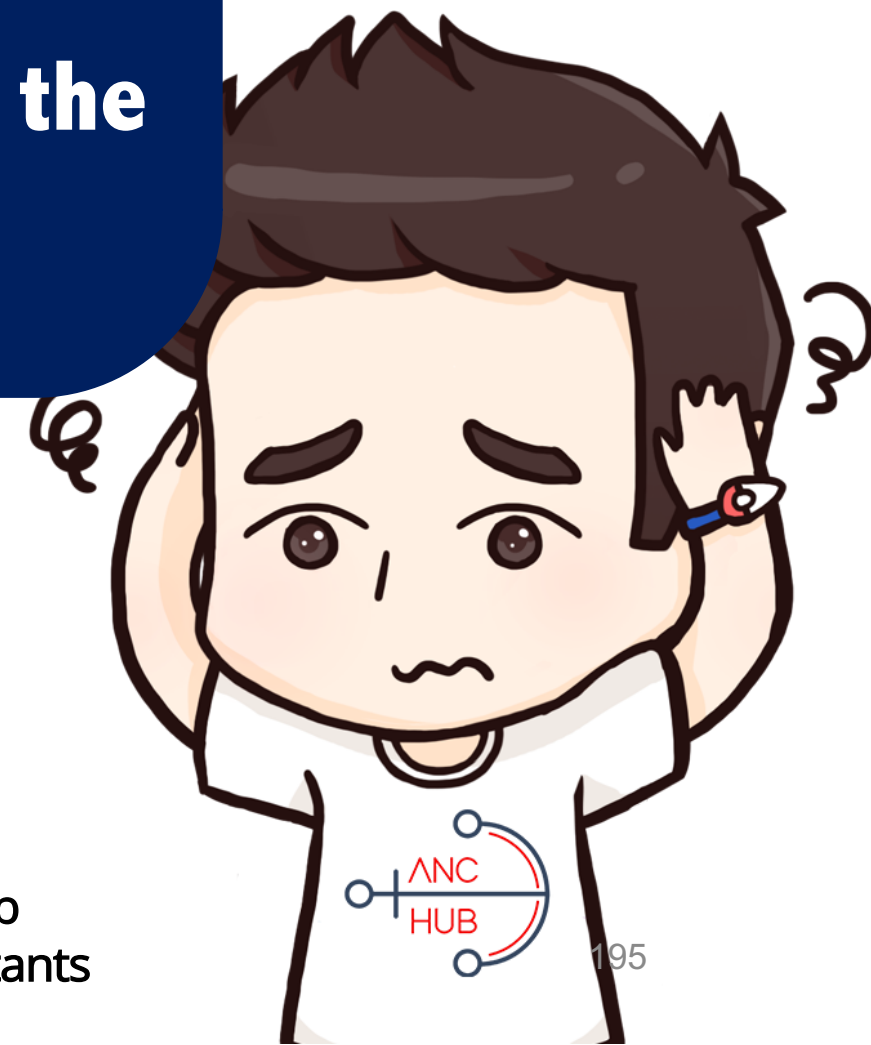


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**We have acquired stocks amounted to approximately
RM100,000 + GST in April 2018.**

**Are we supposed to account for bad debt relief in October
2018?**

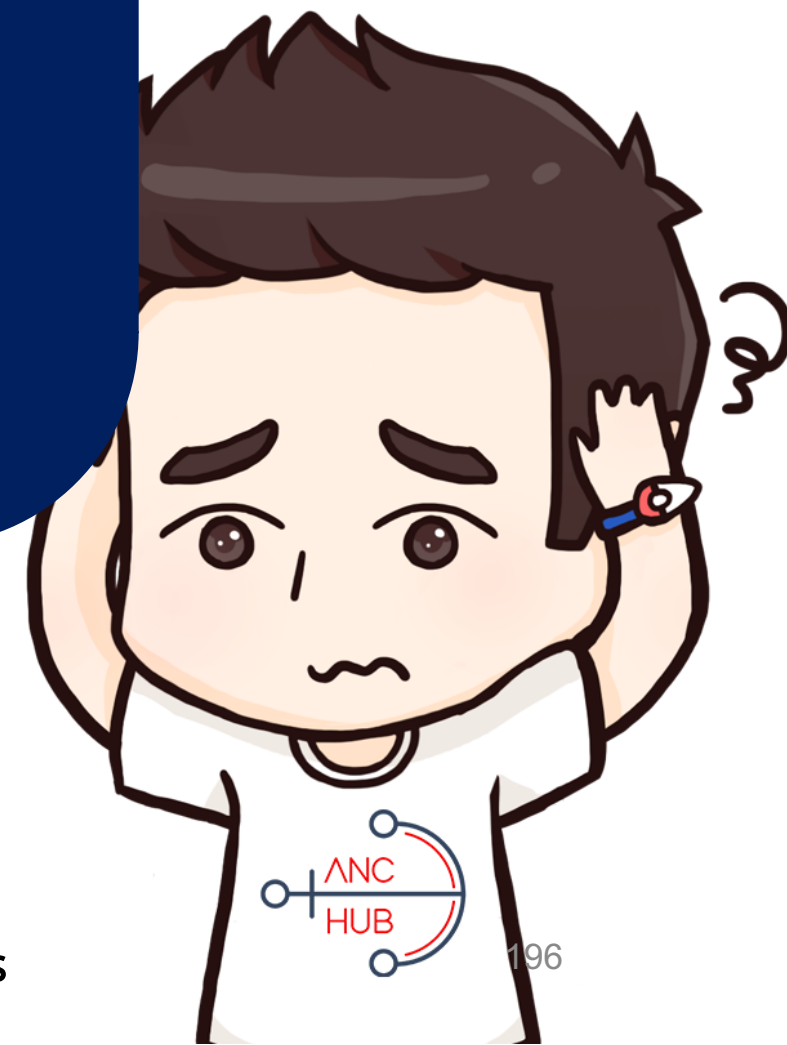
**If we only pay our supplier in 2019, how do we claim back the
GST?**



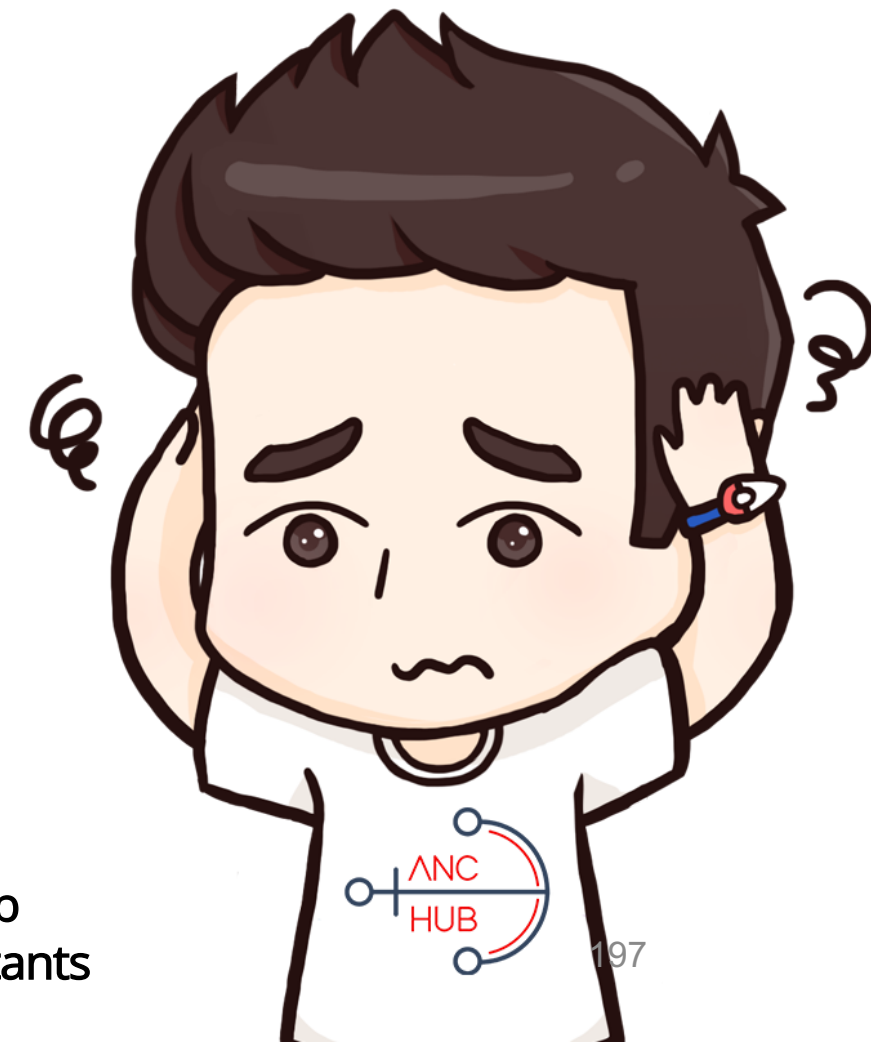
Our GST refund was stuck with the customs for more than a year now. Recently they sent us letter requesting us to furnish them our Form C.

They have refused to refund us the GST claiming there is a difference between GST-03 supply vs Sales in our financial statements.

What should we do now?



We are in Mechanical Engineering. Do we need to register for SST?



SQL Account

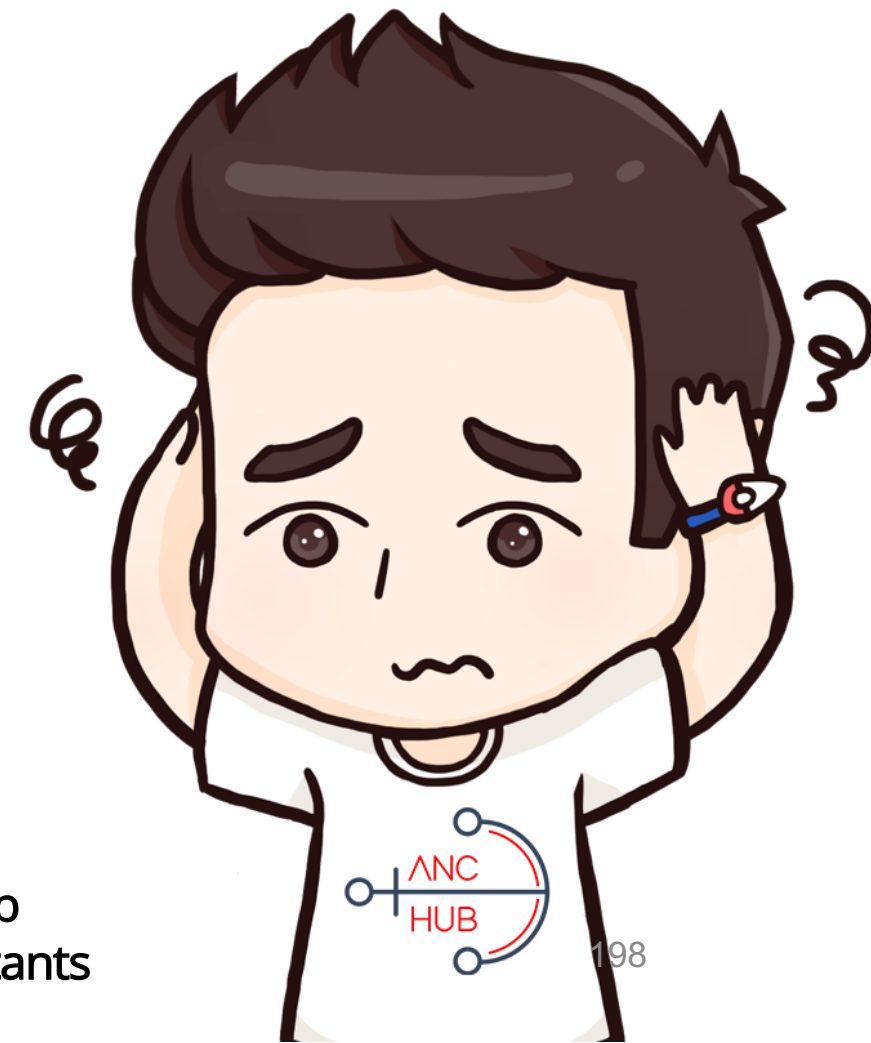
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Since SST threshold is RM500,000.

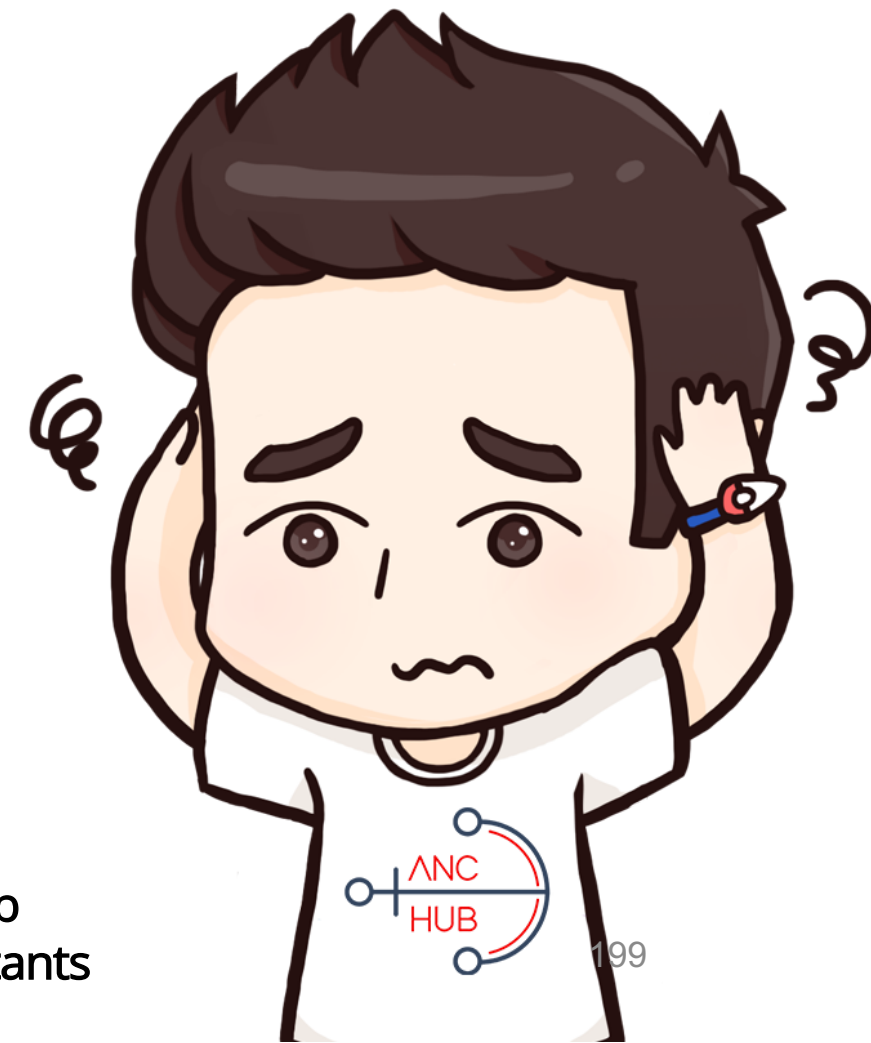
Can we create many companies to reduce the threshold?



Direction to treat persons as single taxable person

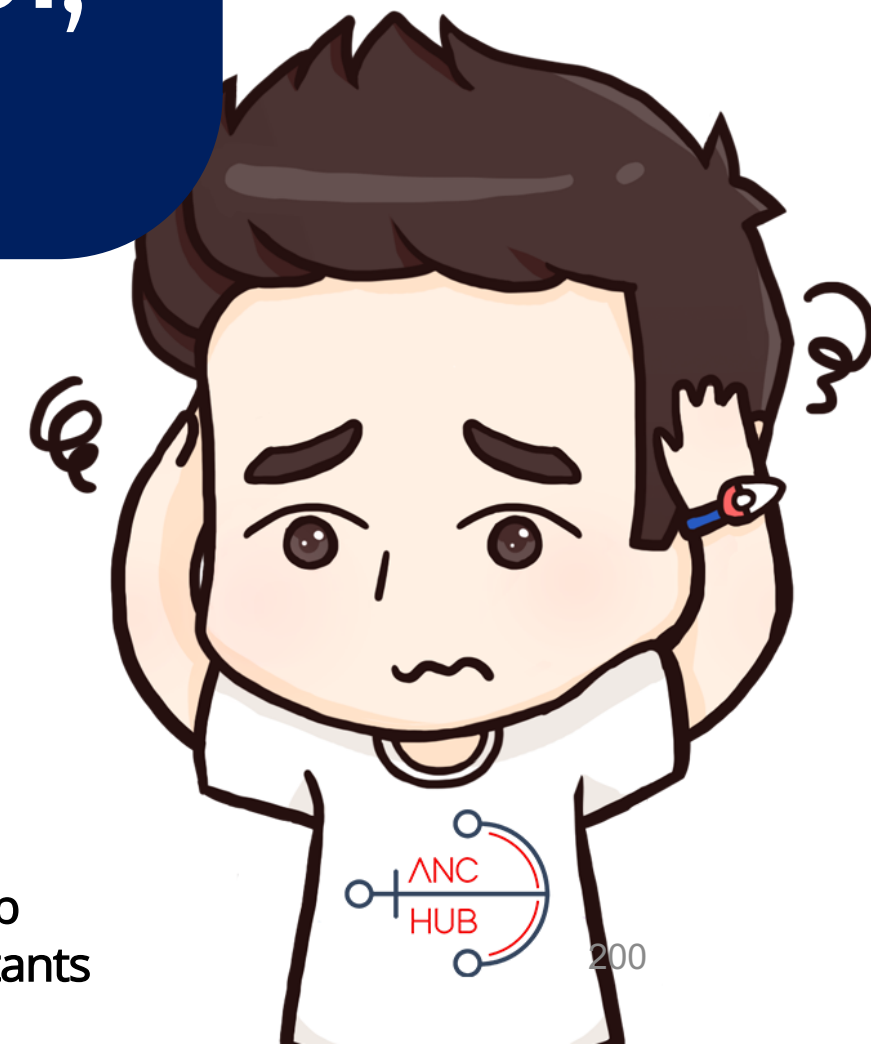
15. (1) Notwithstanding section 12, where the Director General is satisfied that any separation of business activities is artificial, he may make a direction requiring that—

- (a) the persons named in that direction be treated as a single taxable person carrying on the business activities described in that direction with effect from the date as specified in the direction; and
- (b) the single taxable person referred to in paragraph (a) to be registered with effect from the date as specified in the direction.

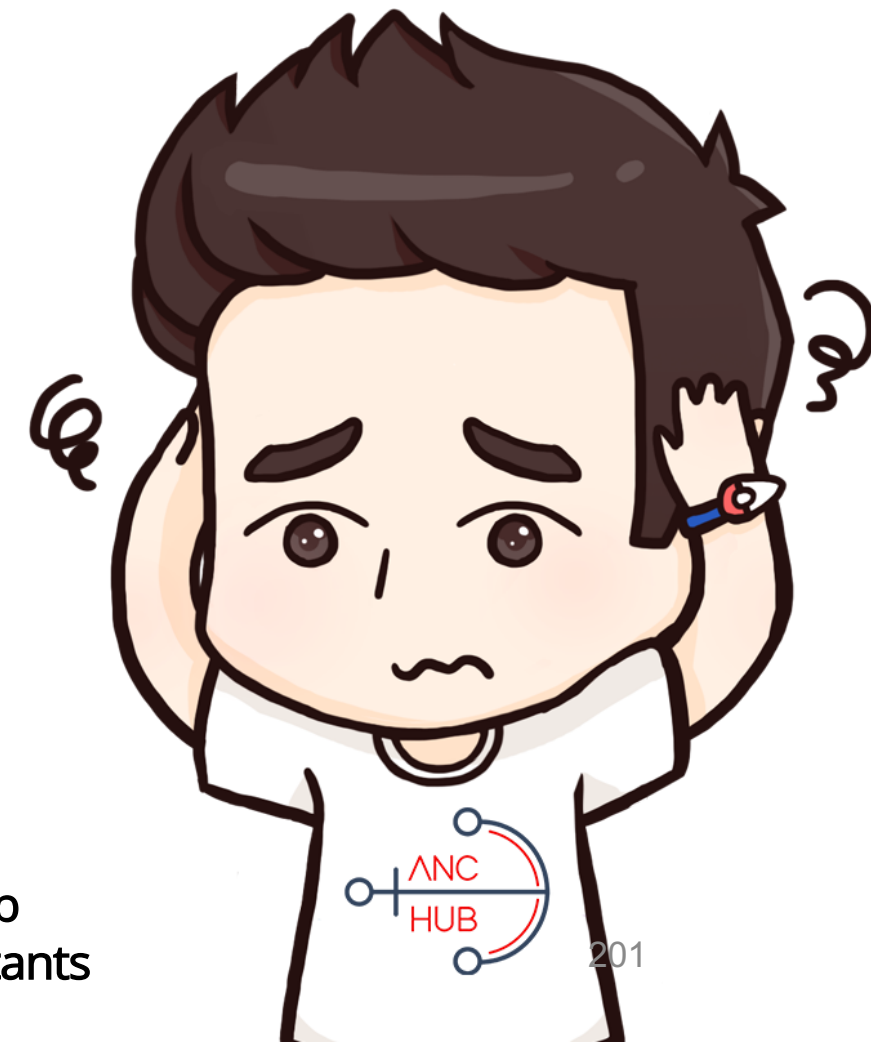


We are manufacturer of doors. Sometimes, due to stock shortage, we will source our doors from other suppliers and sell them to our customers.

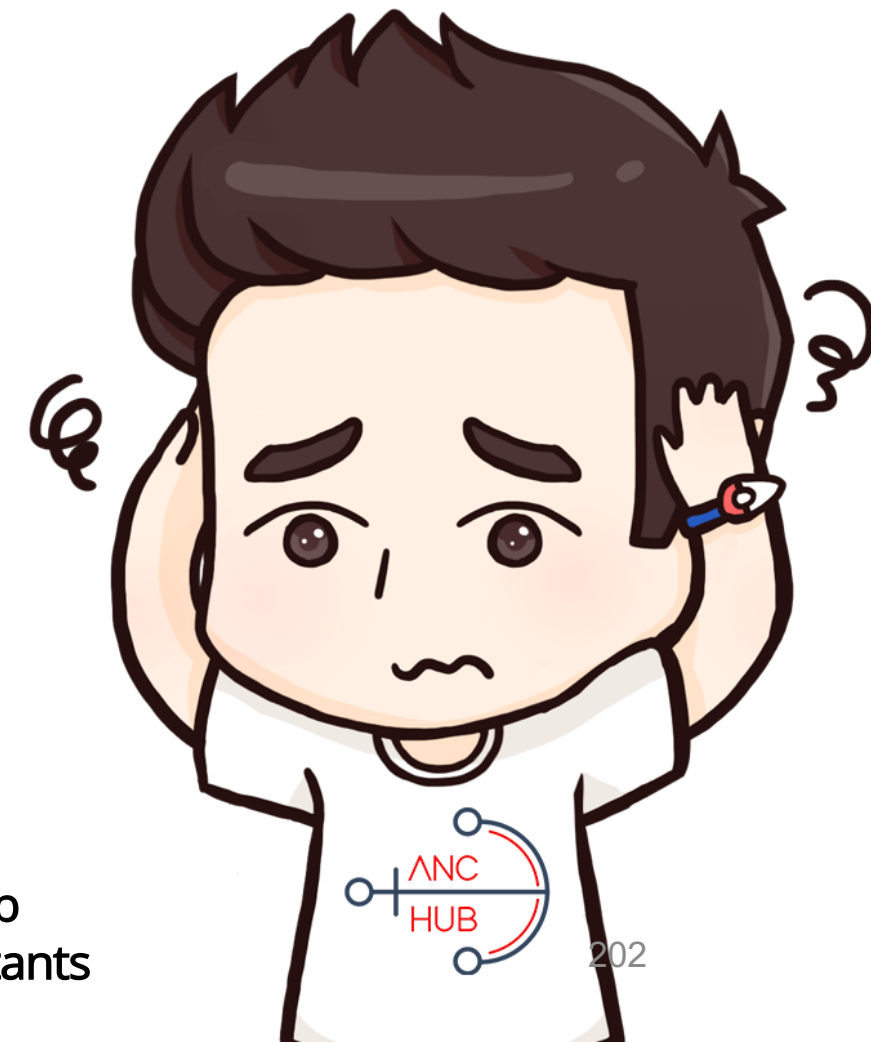
If manufacture subject to SST, trading is not subject to SST, then my customers will know I source from third party.



My company fabricate signboard. The process from design, fabricate and installation. Are we subject to SST?



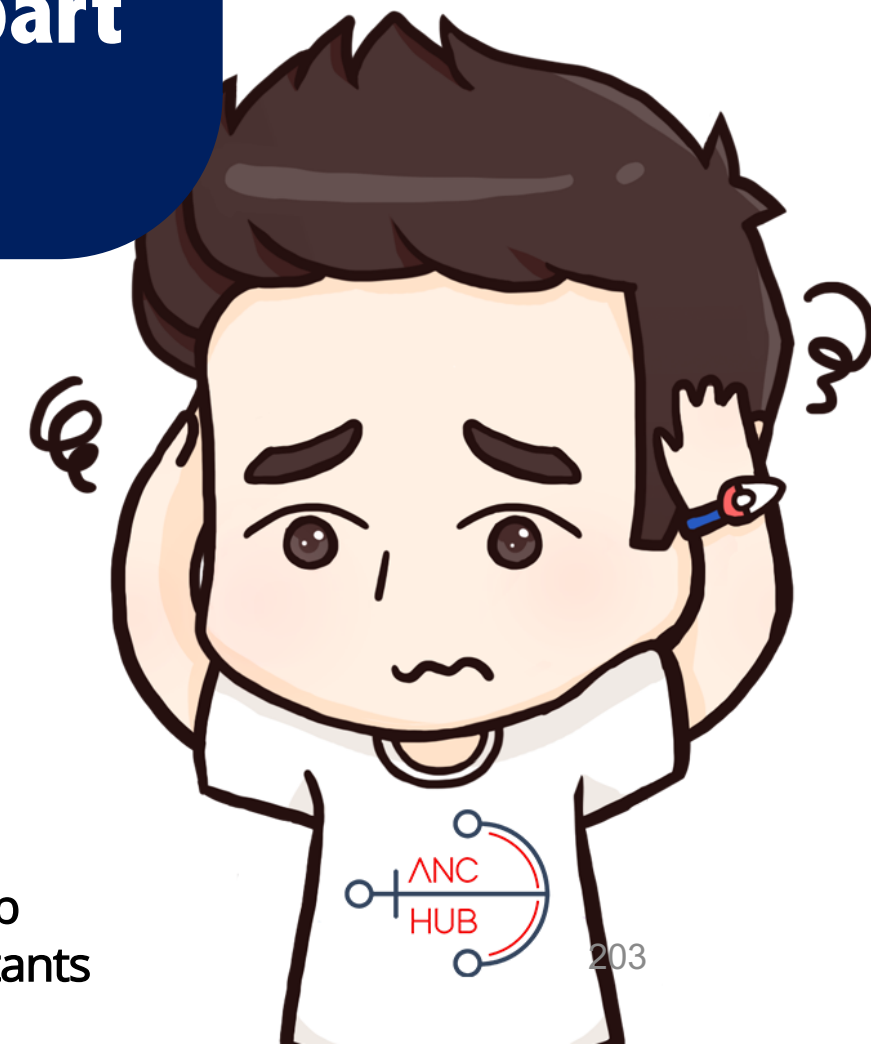
**We are in trading of health products. Recently registered for GST and our effective date is June 2018.
Do we continue submit GST? Our first return is June to August 2018**



Our customers haven't pay us after 6 months. Assuming invoice date April 2018.

Should we claim the input tax within 120 days?

If yes, what will happened when I receive the payment / part payment in 2019?



Pending Transitional Rules by RMCD

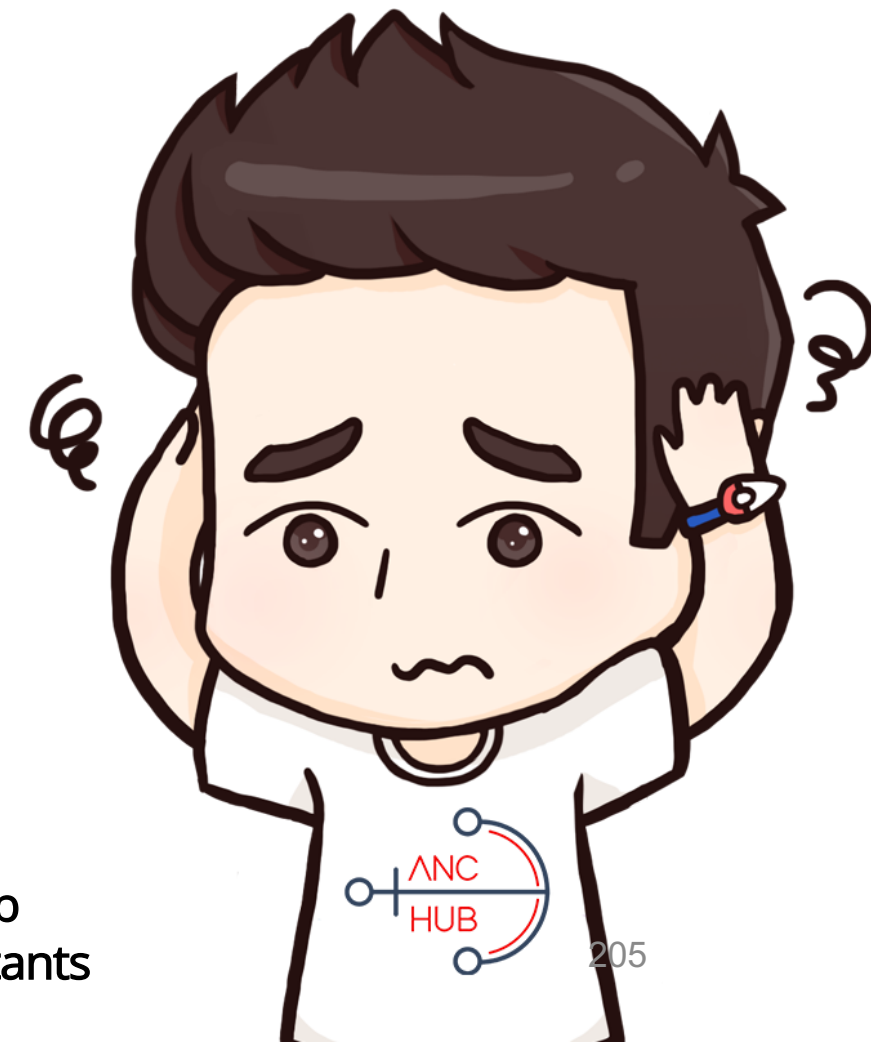
GST will still be applicable for these cases as pursuant to s4(1) of Repeal Bill.

**GST not applicable after 2019.
Whatever claim write off to profit / loss.**

**Pending confirmation from IRB
– Income Tax Act 1967.**

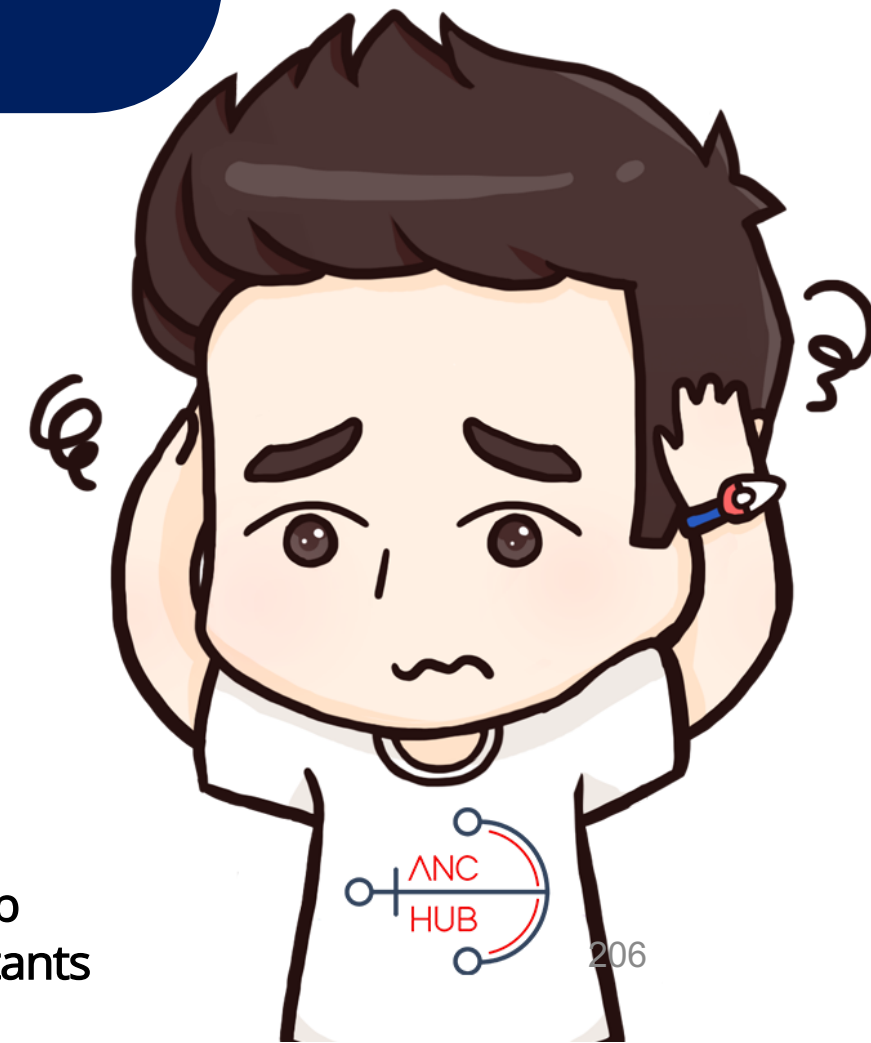
Trading of Motor Vehicle / Forklift. Are we subject to SST?

In addition, we also repair and service these vehicles. SST as well?

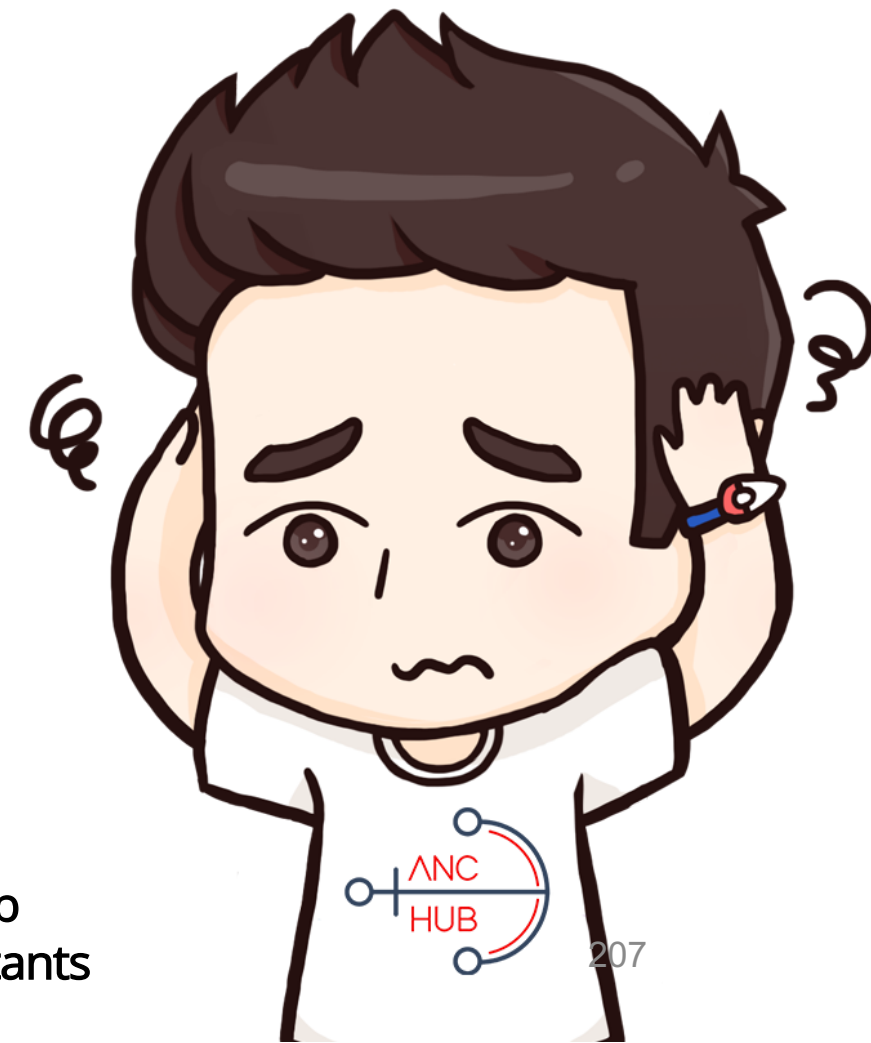


We are in tourism line. GST is claimable under tourism scheme.

How about SST? Is Tourist applicable for SST claim? If yes, how to apply?



We provide electrical parts installation for developers. Are we subject to SST?



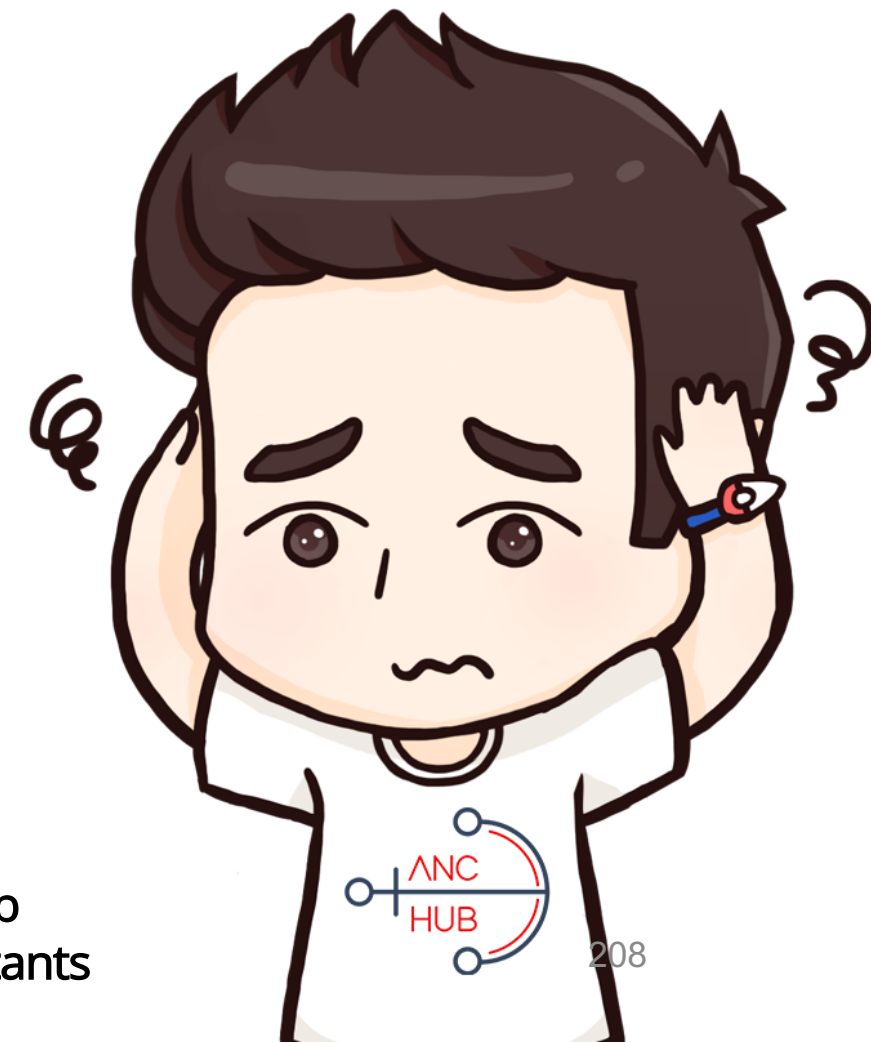
SQL Account

in collaboration
with



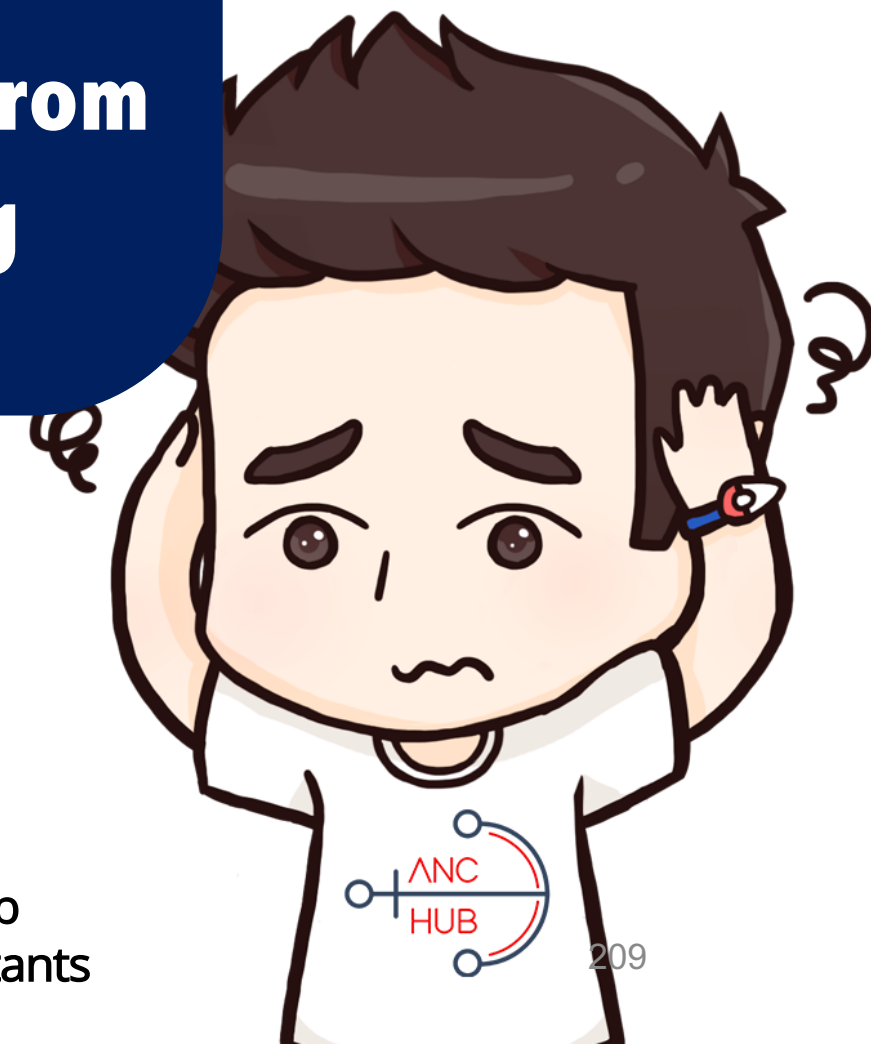
Anc Hub
Consultants

**Understand Export of goods is exempted from sales tax.
Do we need apply?**

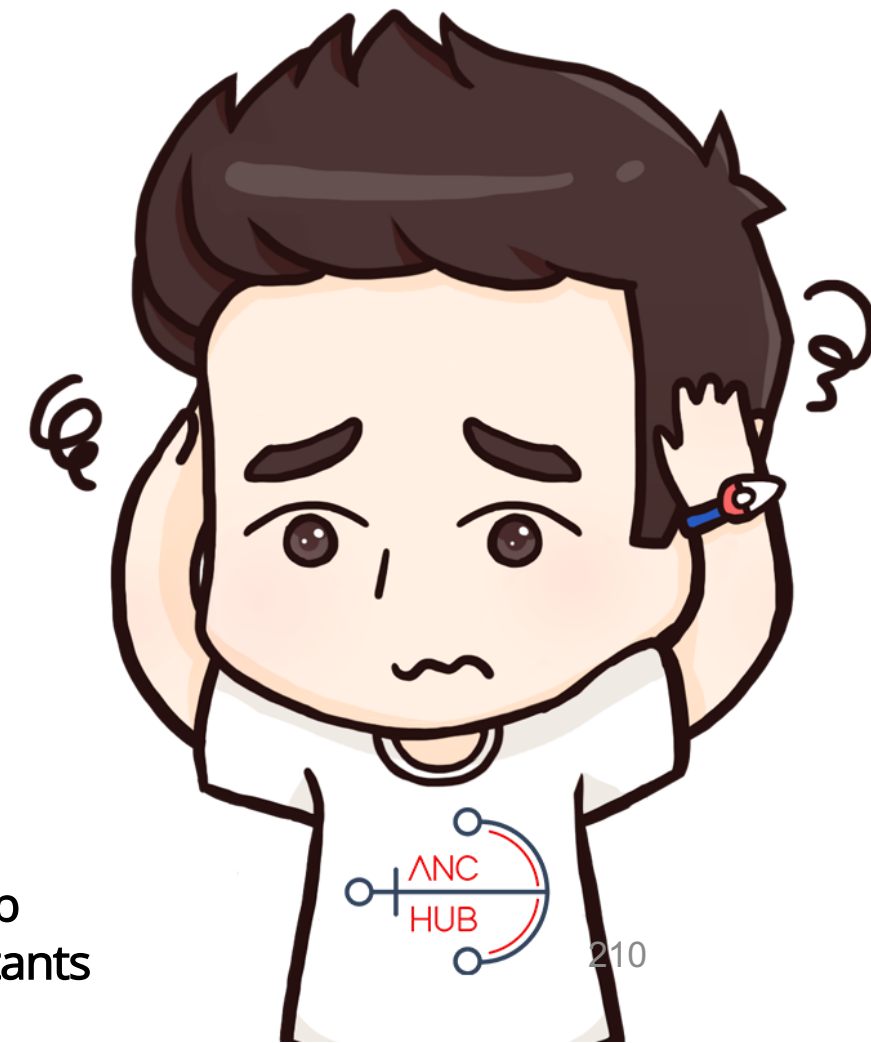


I achieved RM500,000 threshold and I am a GST registered company. We are in the business of providing engineering services, but we have put a wrong MSIC code in our GST Forms.

That could result in failure to receive a notification email from RMCD. If no notification received, can I pretend nothing happen and proceed as it is?



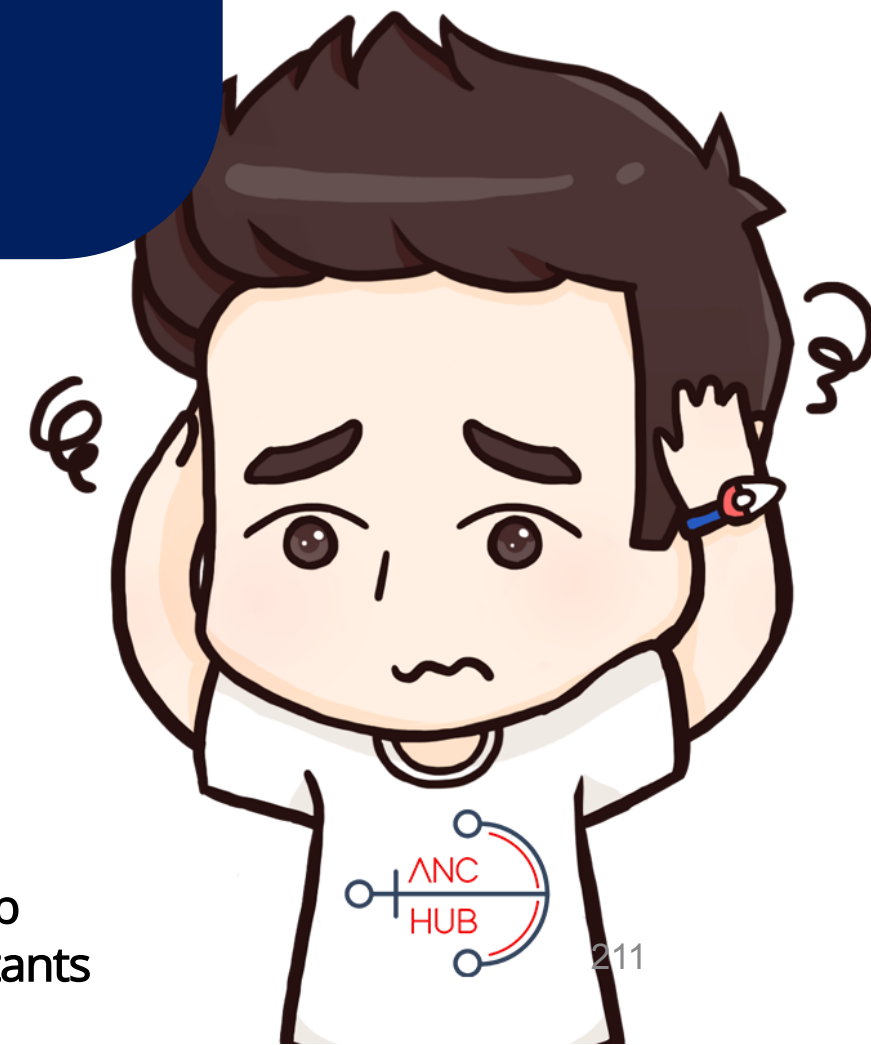
**Should I create many MSIC Code?
Since some of my functions are not subject to SST.**



We are expecting our retention sum to come in in 2019.

Certificate of work done was March 2018.

Is GST still applicable?



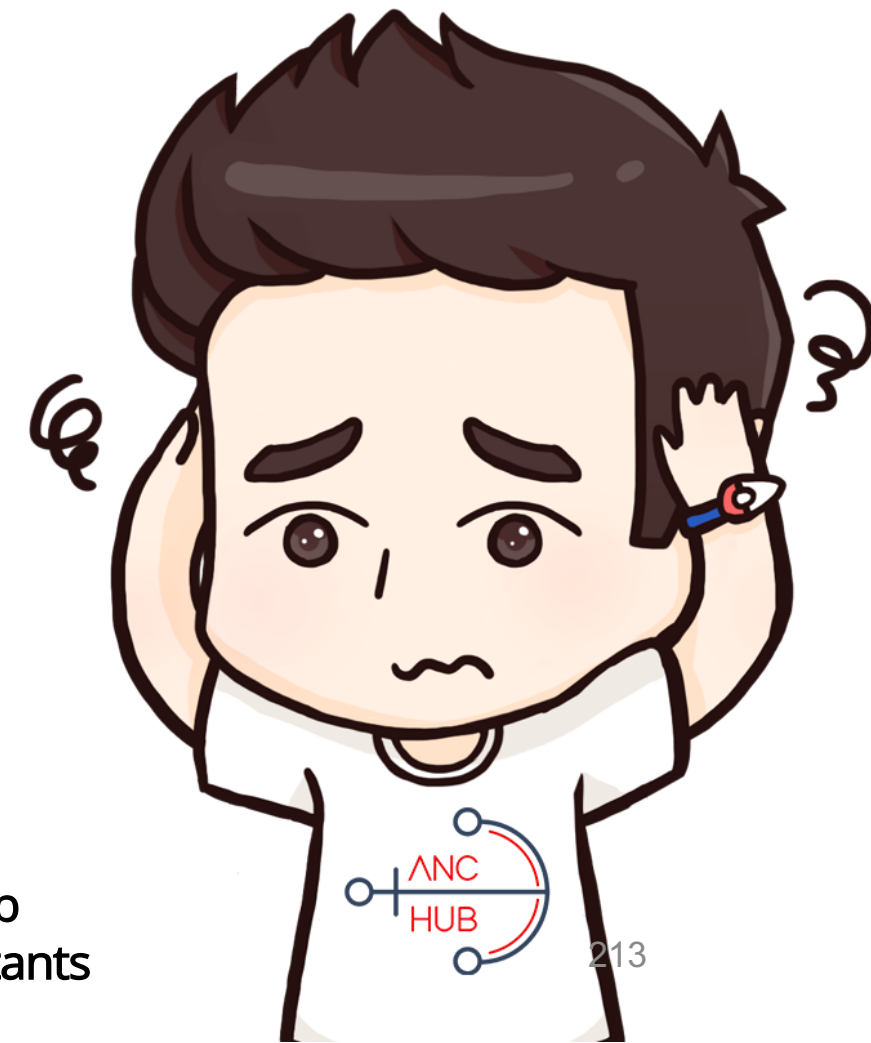
Pending Transitional Rules by RMCD

GST will still be applicable for these cases as pursuant to s4(1) of Repeal Bill.

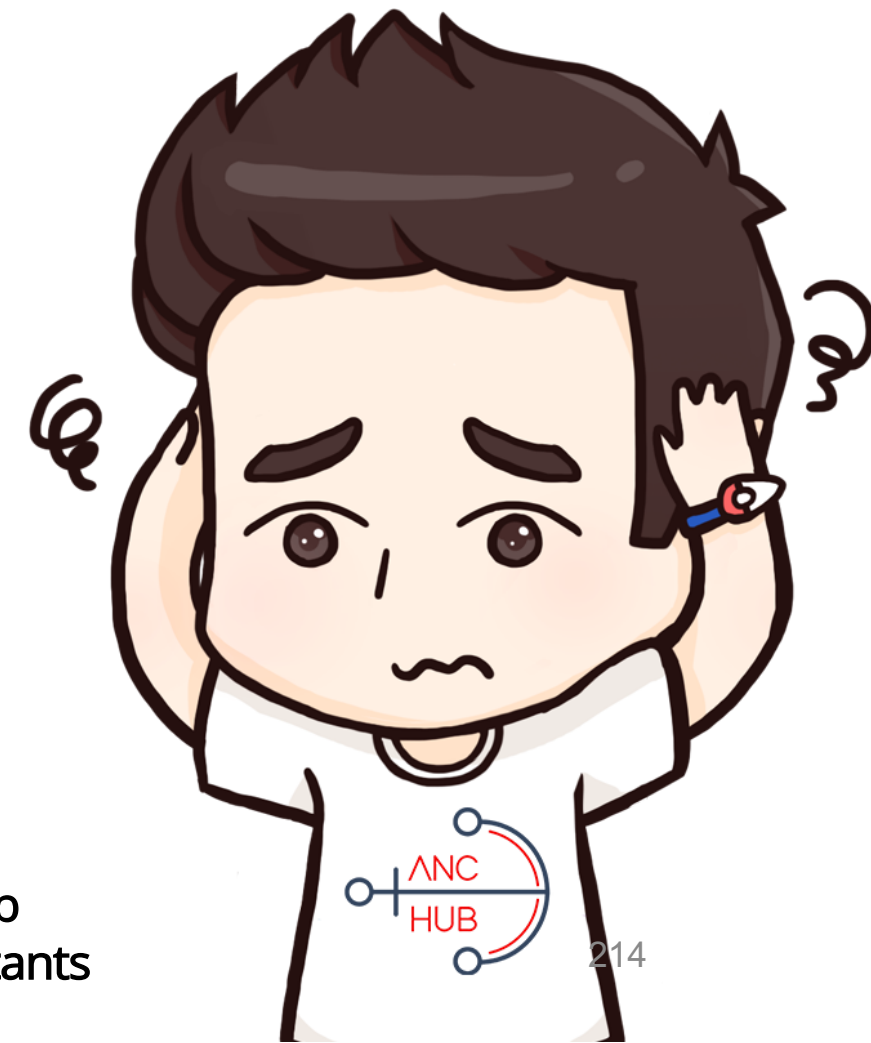
**GST not applicable after 2019.
Whatever claim write off to profit / loss.**

**Pending confirmation from IRB
– Income Tax Act 1967.**

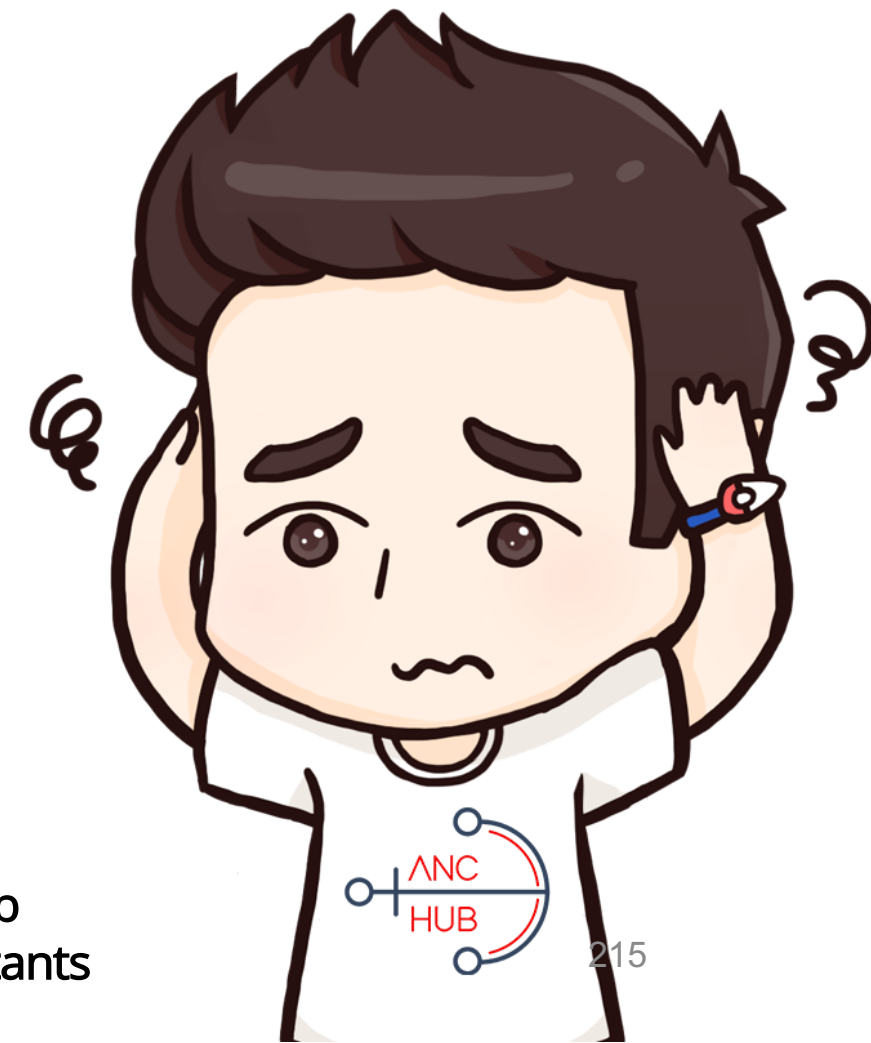
If we fulfilled the required criteria to register as SST, but not automatically registered. Need charge SST on 1 September 2018?



We have received advance payment from our clients. Should we account for service tax ? Or should we wait until we issue our invoice?



Is driving school required to charge service tax?



My Company main activities are jellyfish manufacturer + importer + exporter.

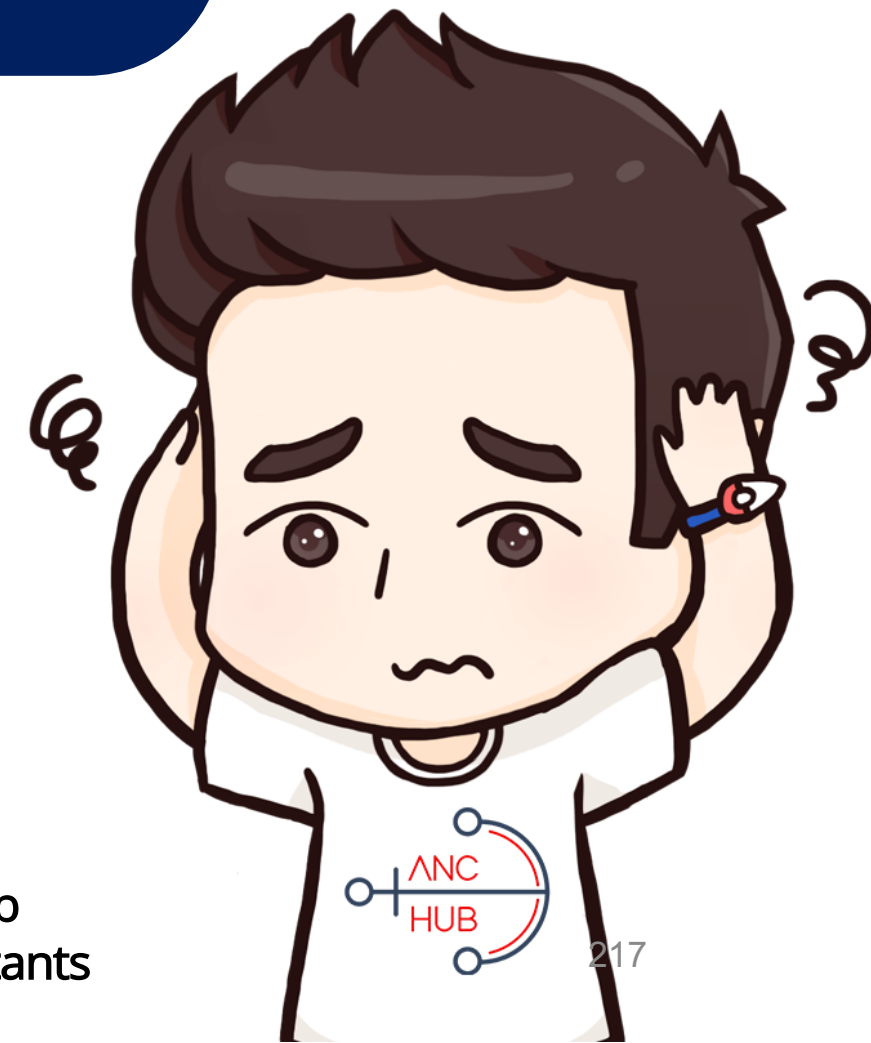
According to zero rate supply order, our product is zero rated under “0308.30 300 dried, salted or in brine jellyfish”

**Latest proposed goods exempted, we cannot find the above, except the code below:
0308.30.5000 smoked
Am I taxable person?**



Restaurant need to charge SST?

**We open 24/7. If my restaurant span over 31 August 2018
and 1 September 2018. How?**



REVISION

QUESTION

Are you subject to Sales / Service Tax?

- Are you carrying business?
- Are you manufacturer / service provided?
- Are you supplying taxable goods / services
- RM500k?
- Do you fall under any exemption (Sales Tax)

I am a manufacturer. My goods deliver after 1 September, payment already received in August. Do I need to charge Sales Tax?

I am a manufacturer. My goods deliver before 1 September, payment received in September. Do I need to charge Sales Tax?

I am a manufacturer. My invoice already issued in August, but goods deliver after September. How do I charge Sales Tax?

Is the exempt list provided final? How do I know whether there is an update?

ANSWER

Yes.

No.

Use Debit Note.

No. Check- SQL Estream HQ-Page.

REVISION

QUESTION

I come from these industries, am I subject to Sales Tax?

- Manufacturer
- Subcontractor manufacturer
- Retailer
- Wholesaler
- Construction
- Importer
- Developer

My services provided span over 1 September. Payment and invoice already issued before 1 June. Do I need to issue DN ?

My services rendered from 16/8 to 15/9. Do I need to charge Service Tax?

My invoice already issued in July in respect of services rendered until end of the year. What should I do?

Is the service provider list final? How do I find updates?

ANSWER

Yes

Yes

No

No

No

Yes (imposed on goods imported)

No

No

Yes

Use Debit Note.

No. Can check customs page.

YES

**TRANSITIONAL
RULES**

**TAXABLE
GOODS + 500K**

CHARGE GST / SST

YES

NO

DEREGISTER?

EMAIL ?

**TAXABLE
GOODS + 500K**

**SUBMIT 1ST SST
RETURN BY NOV18
&
LAST GST RETURN
WITHIN 120 DAYS
FROM 1.9.2018**

NO

**INCORRECT
MSIC CODE?
BUSINESS
ACTIVITY?**

REGISTER?

SALES TAX

YES

**TRANSITIONAL
RULES**

**TAXABLE
SERVICES + 500K**

CHARGE GST / SST

YES

NO

DEREGISTER?

EMAIL ?

**TAXABLE
SERVICES + 500K**

**SUBMIT 1ST SST
RETURN BY NOV18
&
LAST GST RETURN
WITHIN 120 DAYS
FROM 1.9.2018**

NO

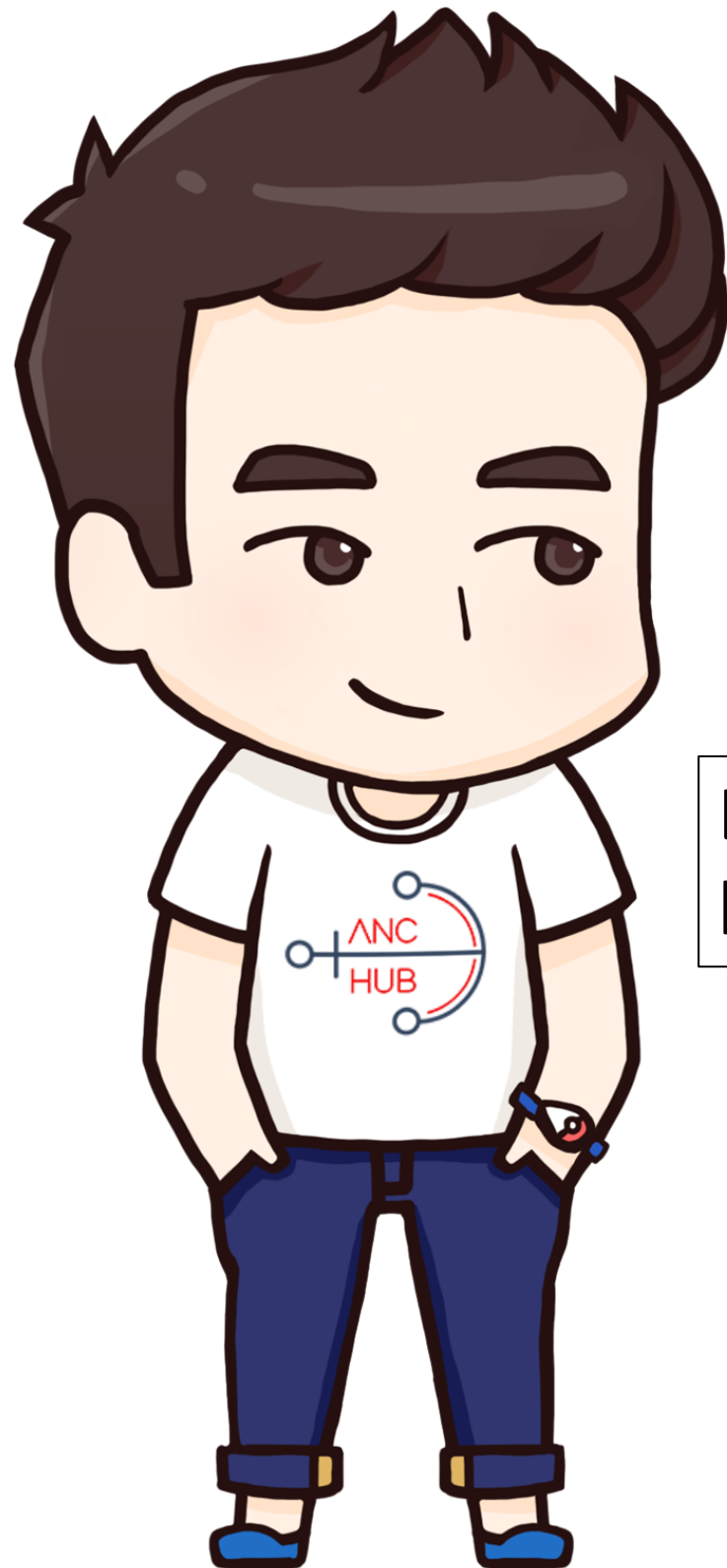
**INCORRECT
MSIC CODE?
BUSINESS
ACTIVITY?**

REGISTER?

SERVICE TAX

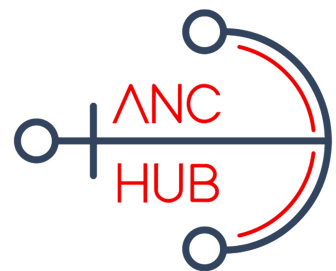


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