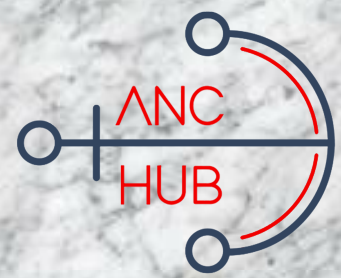


DATE	VENUE	GST-SST 2.0. WHAT'S NEXT? REGISTRATION NOW BEFORE TOO LATE
01.08.2018	Kota Kinabalu	<i><b>ENDED : 4,500 Participants Attended</b></i>
02.08.2018	Kuching	
03.08.2018	Johor Bahru	
04.08.2018	Penang	
05.08.2018	Kuala Lumpur	
10.08.2018	Kuantan	<a href="https://www.ticket2u.com.my/event/11458">https://www.ticket2u.com.my/event/11458</a>
12.08.2018	Alor Setar	<a href="https://goo.gl/XjTDWV">https://goo.gl/XjTDWV</a>
14.08.2018	Melaka (morning)	<a href="https://goo.gl/dm8SSw">https://goo.gl/dm8SSw</a>
14.08.2018	Melaka (afternoon)	<a href="https://www.ticket2u.com.my/event/11459">https://www.ticket2u.com.my/event/11459</a>
16.08.2018	Ipoh	<a href="http://t2u.asia/e/11460">http://t2u.asia/e/11460</a>
19.08.2018	Tawau	<a href="http://www.ticket2u.com.my/event/11539">http://www.ticket2u.com.my/event/11539</a>

# GST-SST 2.0. What's Next? |





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



**SQL**

Account

Payroll

[www.SQL.com.my](http://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。





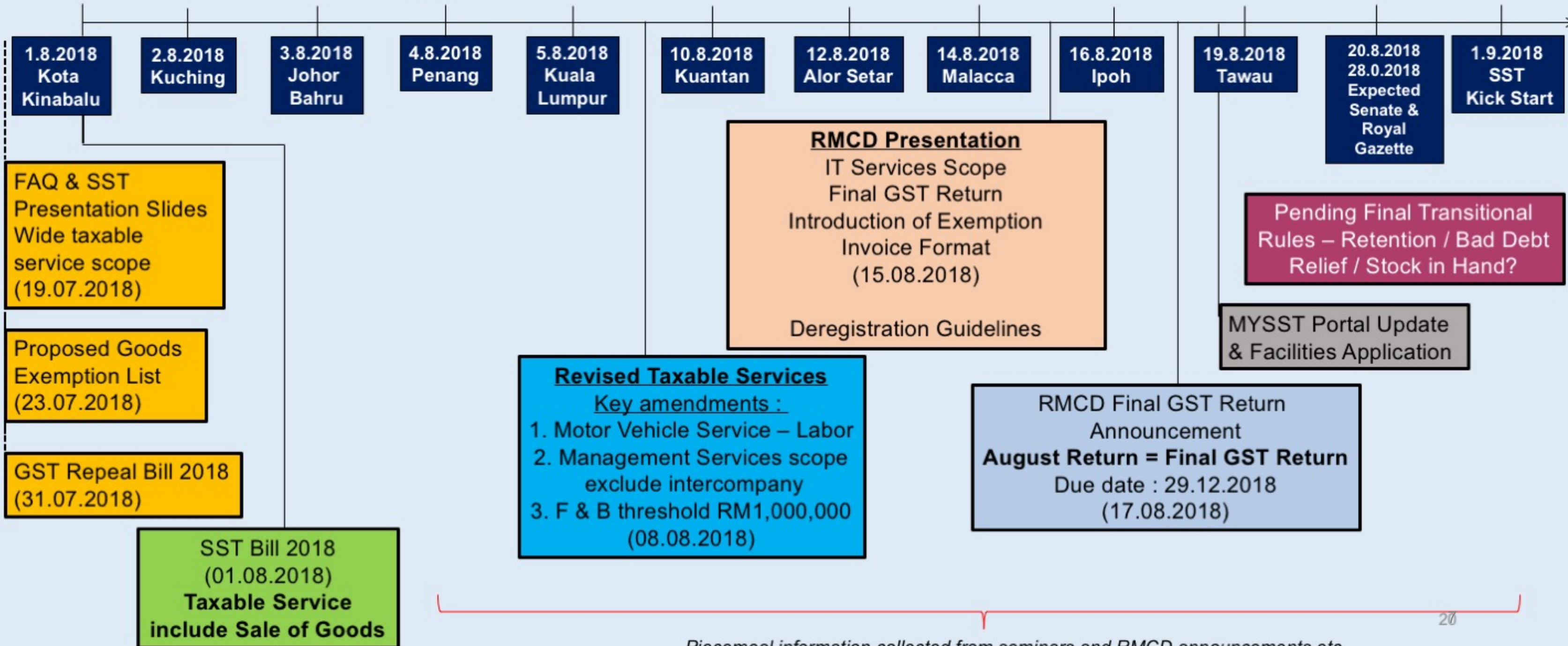
**Sales Tax Bill 2018**  
**Service Tax Bill 2018**  
**Repeal of GST Bill 2018**





# Road to SST Implementation

Seminars co organised by SQL and Song Liew @ ANC Hub





## 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

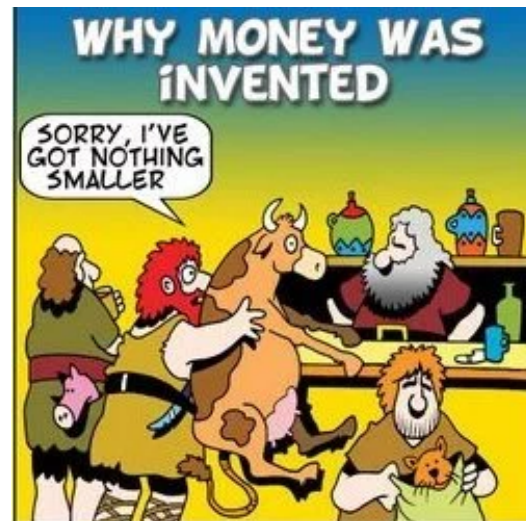
THE DIGITAL COIN



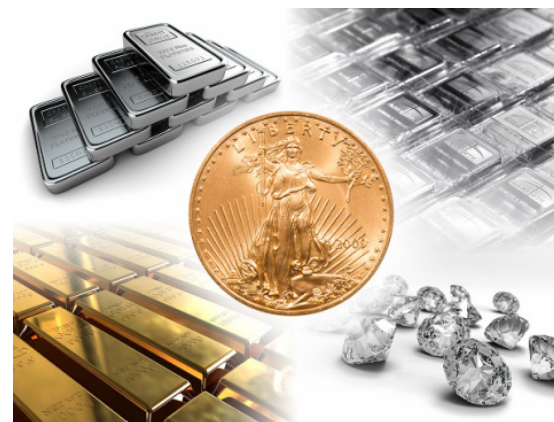
# World currency development



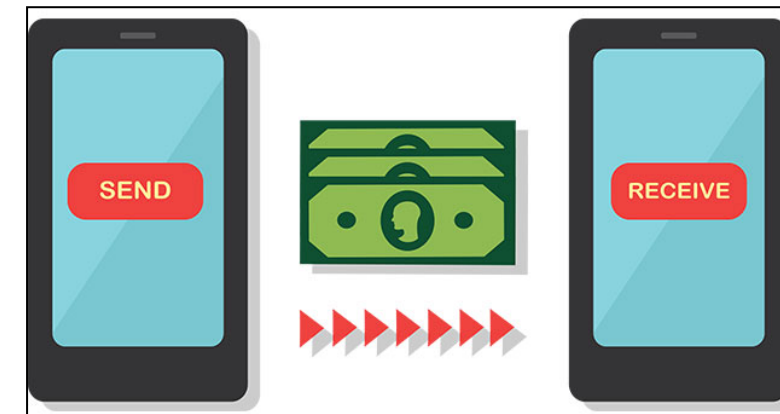
In ancient time, people used to exchange goods through barter system.



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

## Cryptocurrency Tax Law by Country



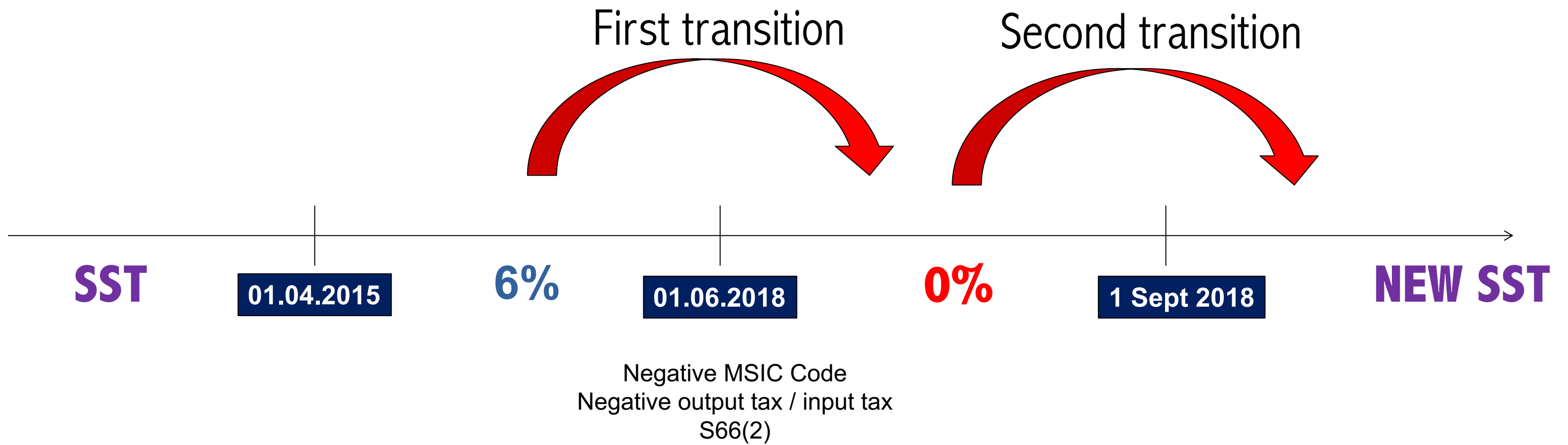


**Last government used strong methods, especially office raids, accompanied by security people armed with guns and weapons.**

**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.**







# S66(2) SUPPLY SPANNING CHANGE IN RATE

GST is now 6%

GST is now 0%

17.05.2018

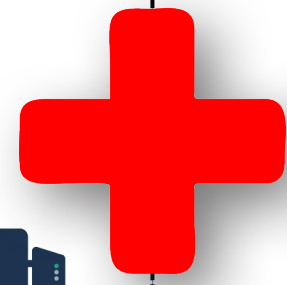
6%

01.06.2018

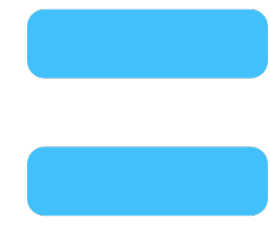
0%



Value of Supply



Value of Supply



**TOTAL VALUE OF SUPPLY**

Whichever is higher

Full or Part Payment Amount



Goods are still subject to GST at 6% under transitional provision.

Ref : s.66(2) GST Act



# CASE STUDY

GST is now 6%

GST is now 0%

17.05.2018

6%

01.06.2018

0%

Contract of Supply of Goods is RM100,000

**Tax Invoice**

RM 100k  
+ 6% GST =  
RM 106k

OR



Payment Received  
RM106,000

**Delivery  
Order**



Ref : s.66(2) GST Act

**SQL** Account

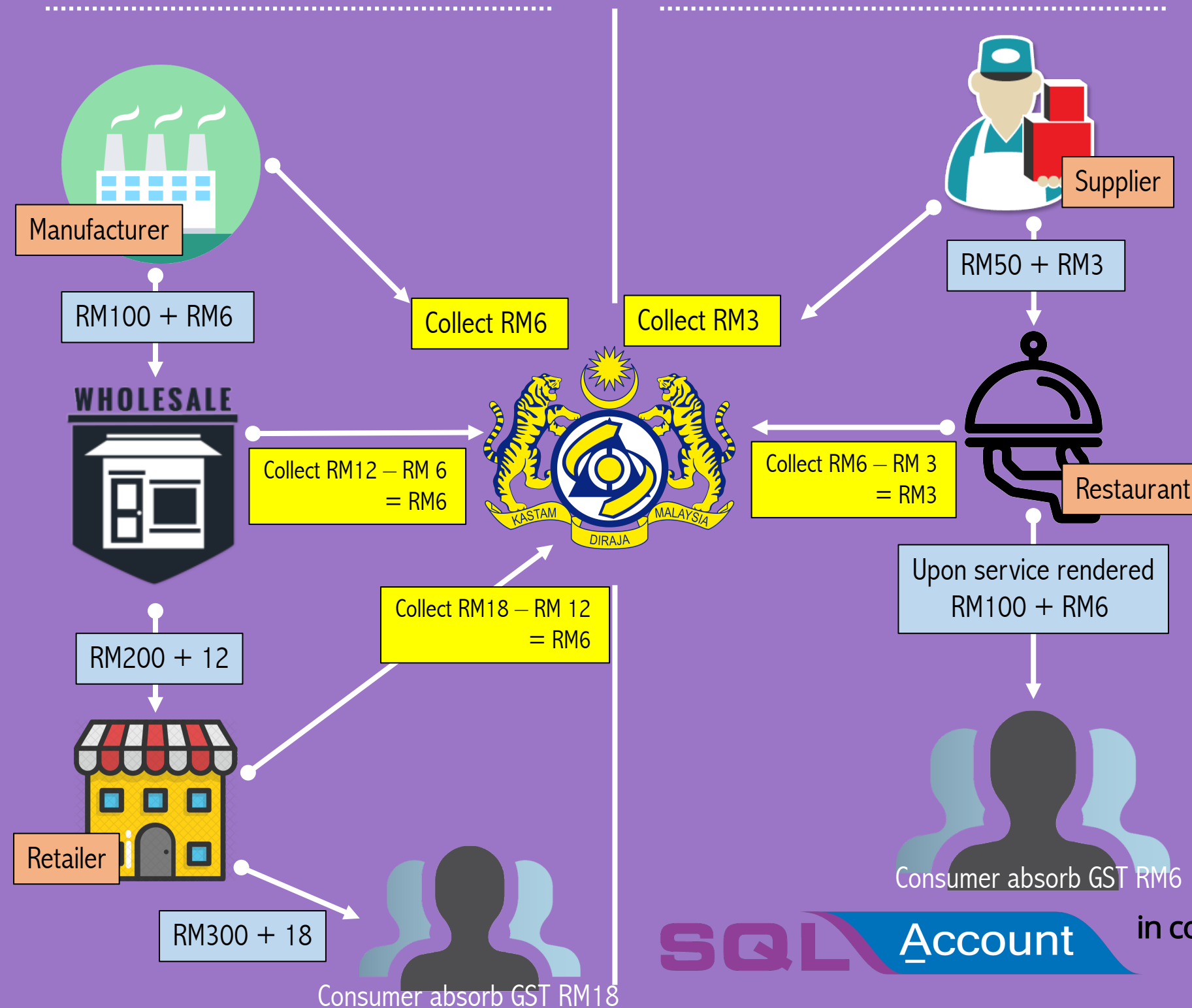
in collaboration  
with



Anc Hub  
Consultants

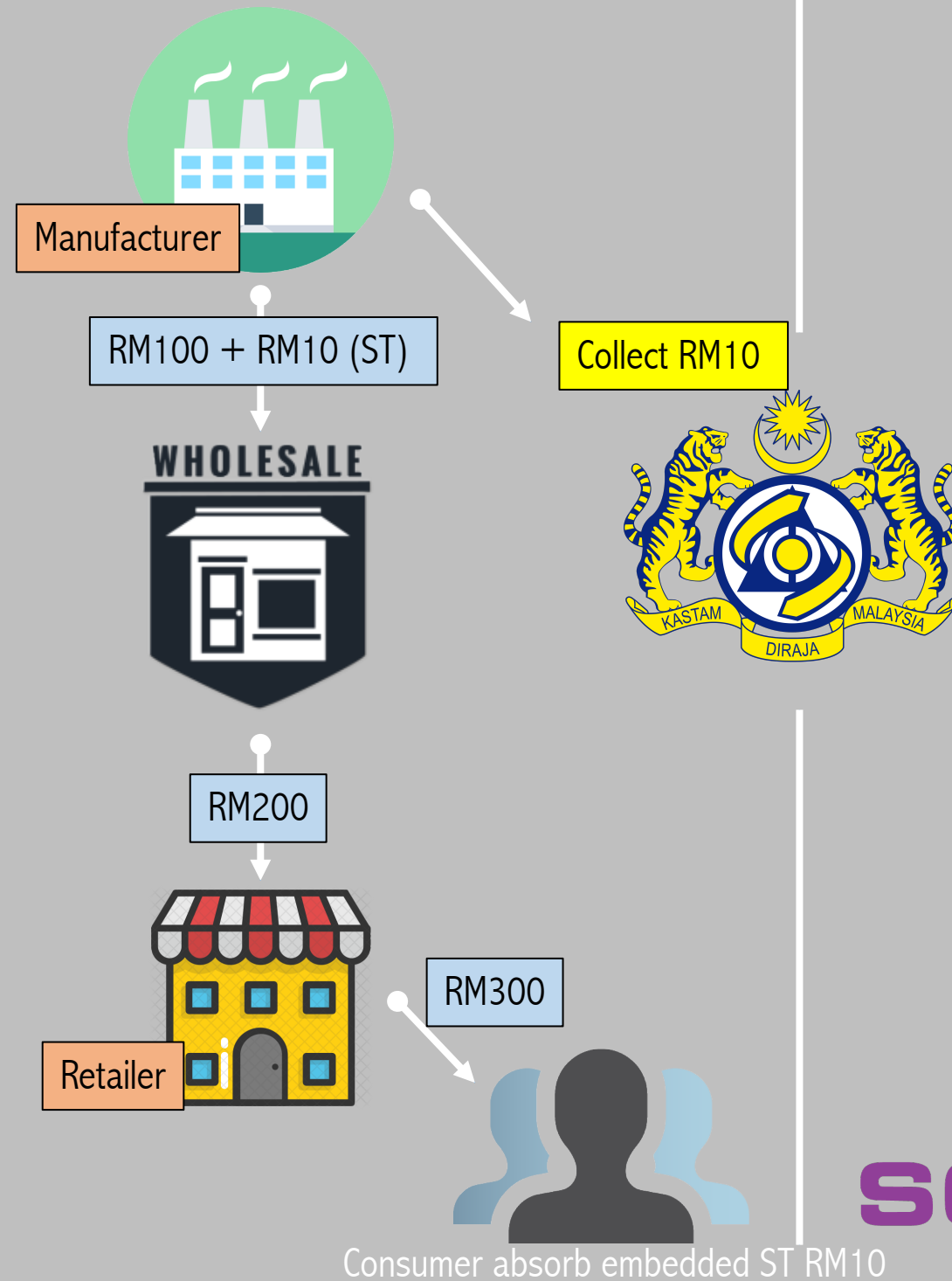


# Goods and Services Tax

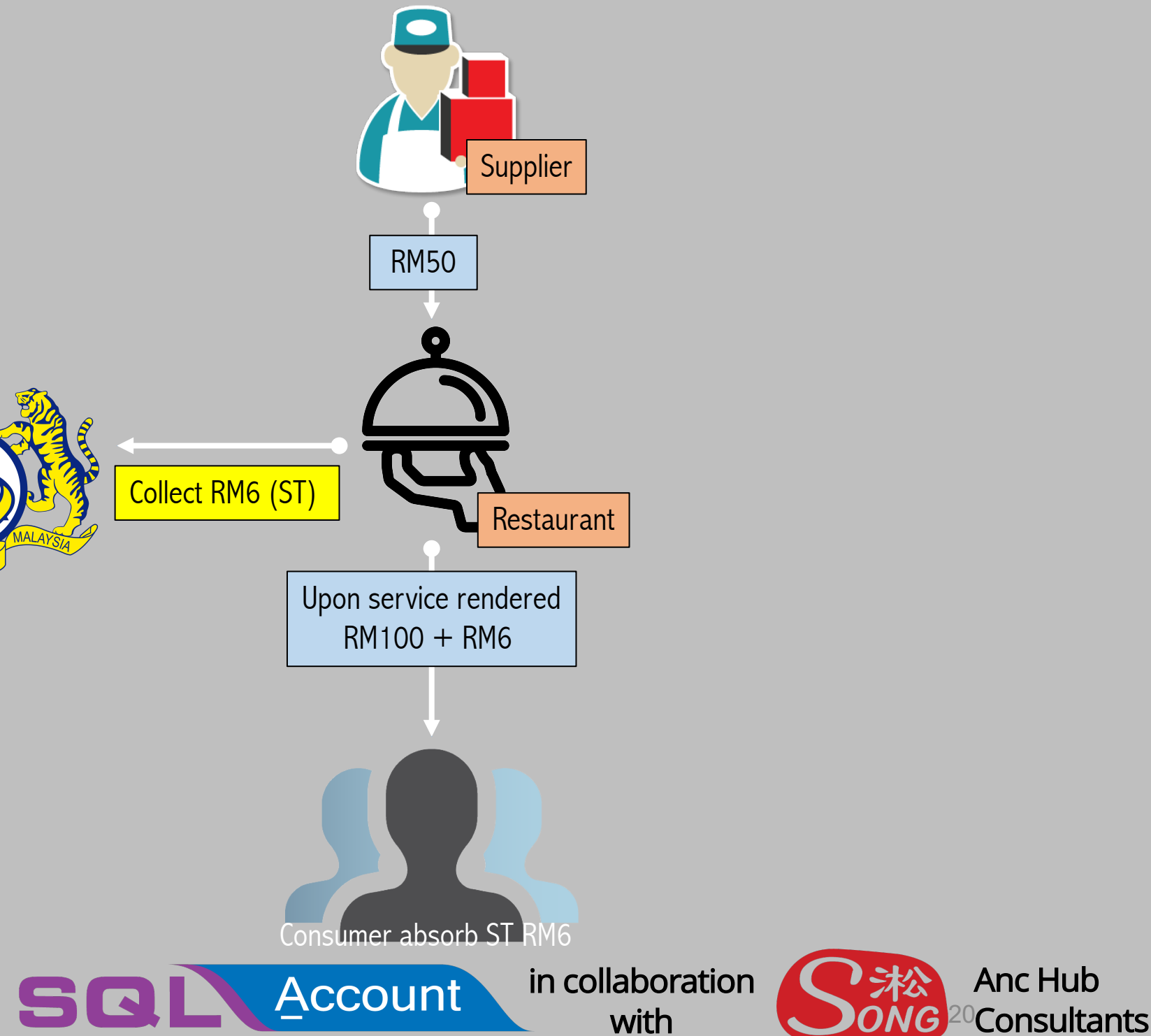




# Sales Tax



# Services Tax



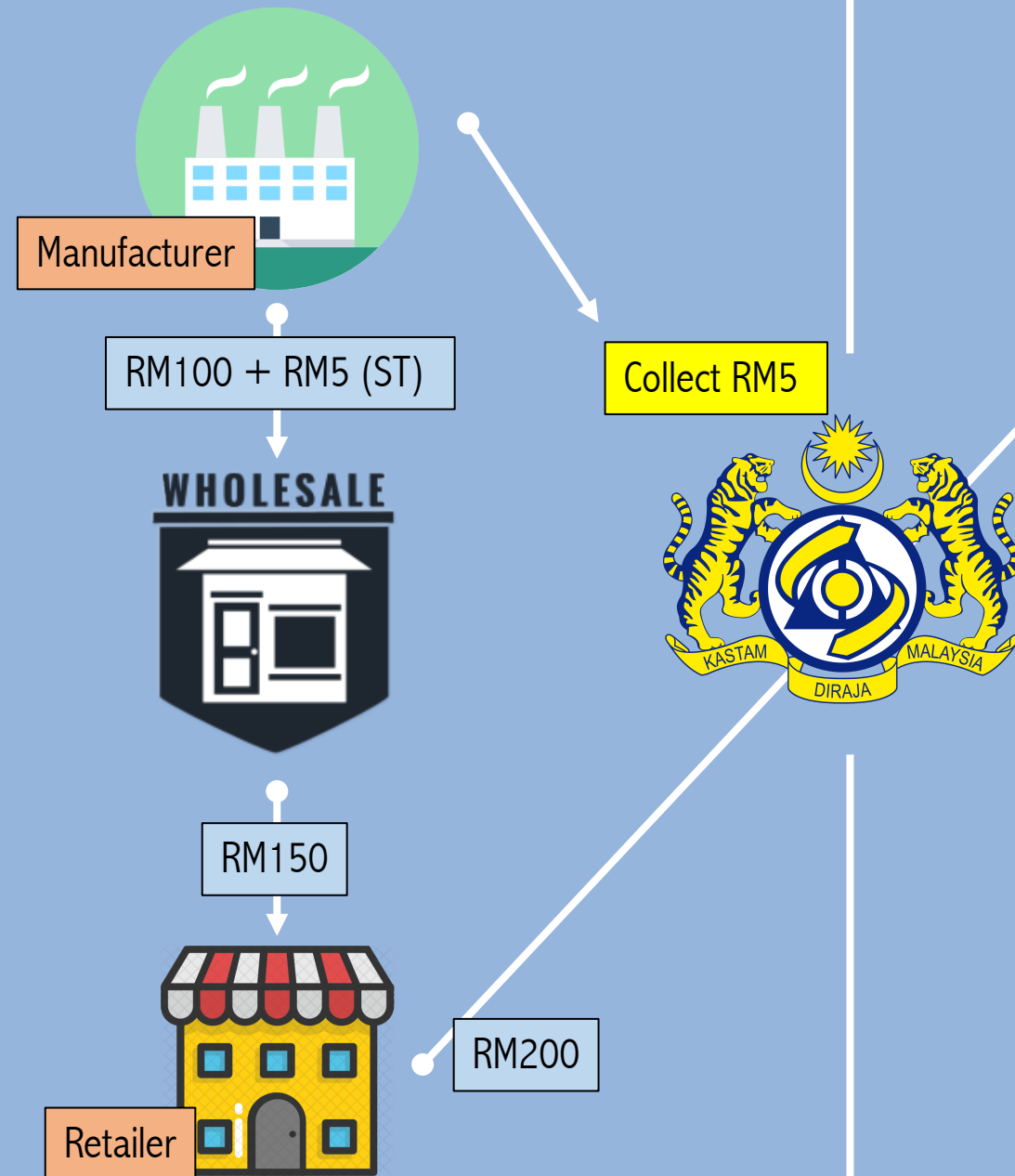


**Why SST was repealed in 2015?  
& since GST is more efficient  
and less loopholes**

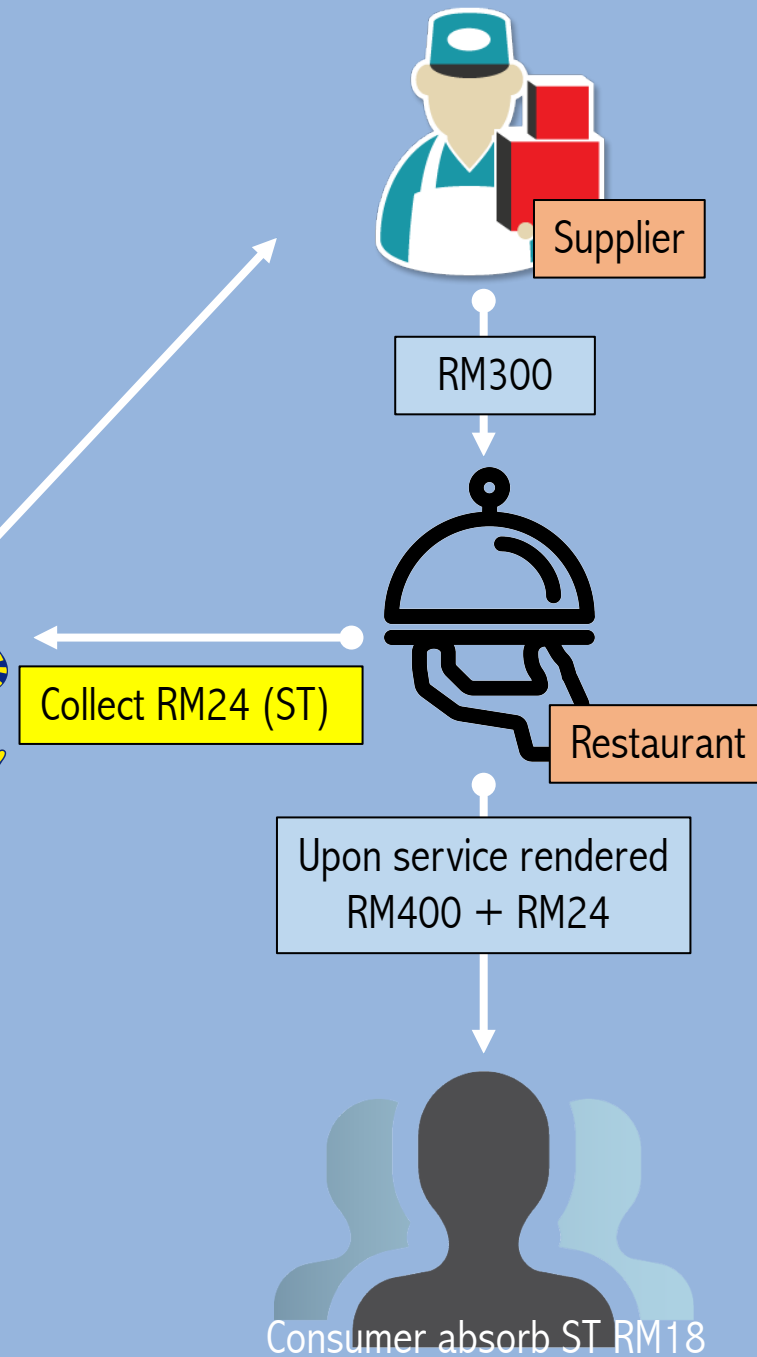




# Sales Tax



# 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.

# Scope of Tax

---

## Taxable Goods Manufactured :

- In Malaysia

- Taxable Person (Registered Manufacturer)
  - Sold or Disposed by him



**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**

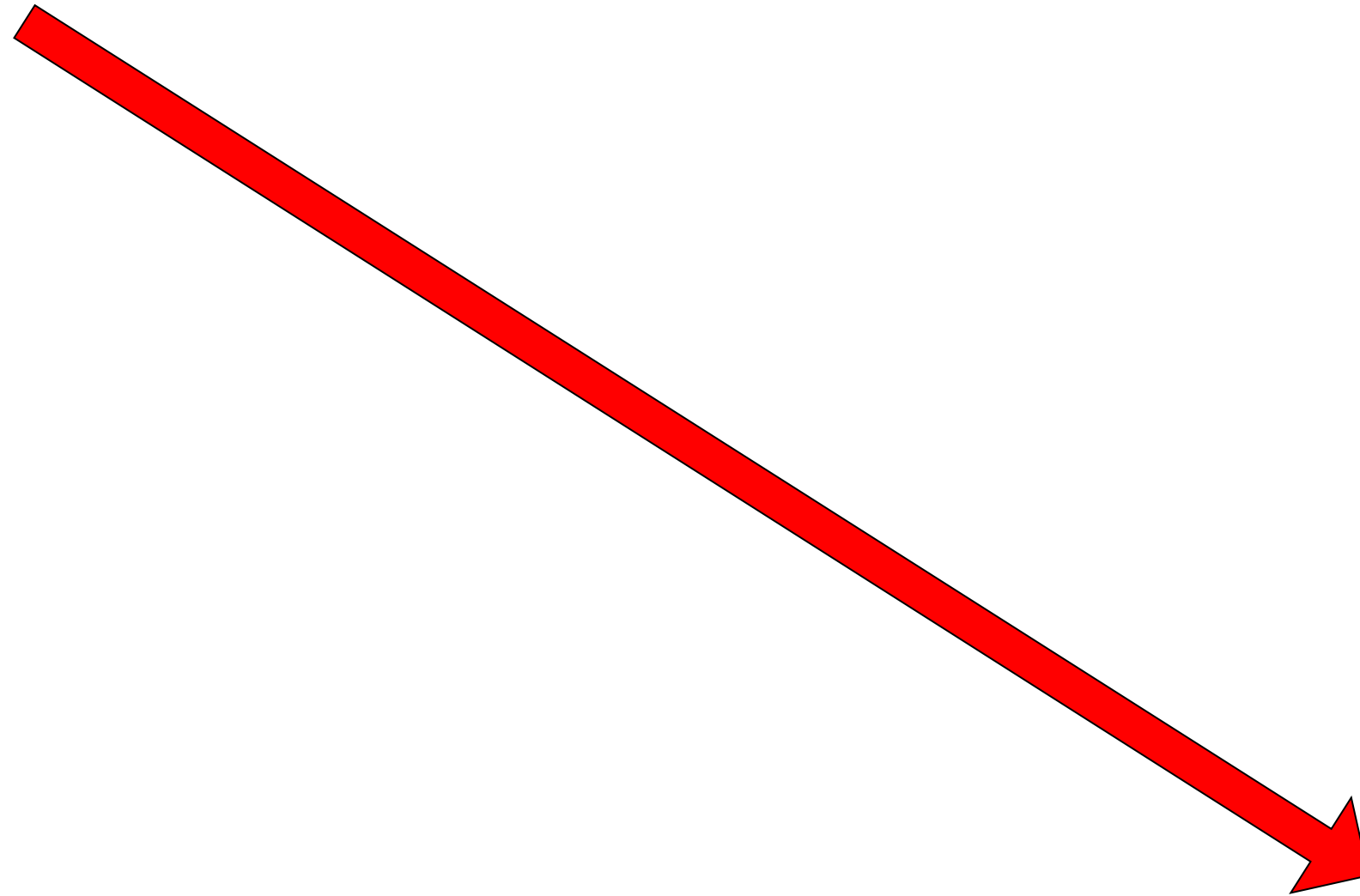
**FREE FROM FILING/COMPLIANCE FEE**





472k GST registrant

GST



SST

70k to 80k SST registrant



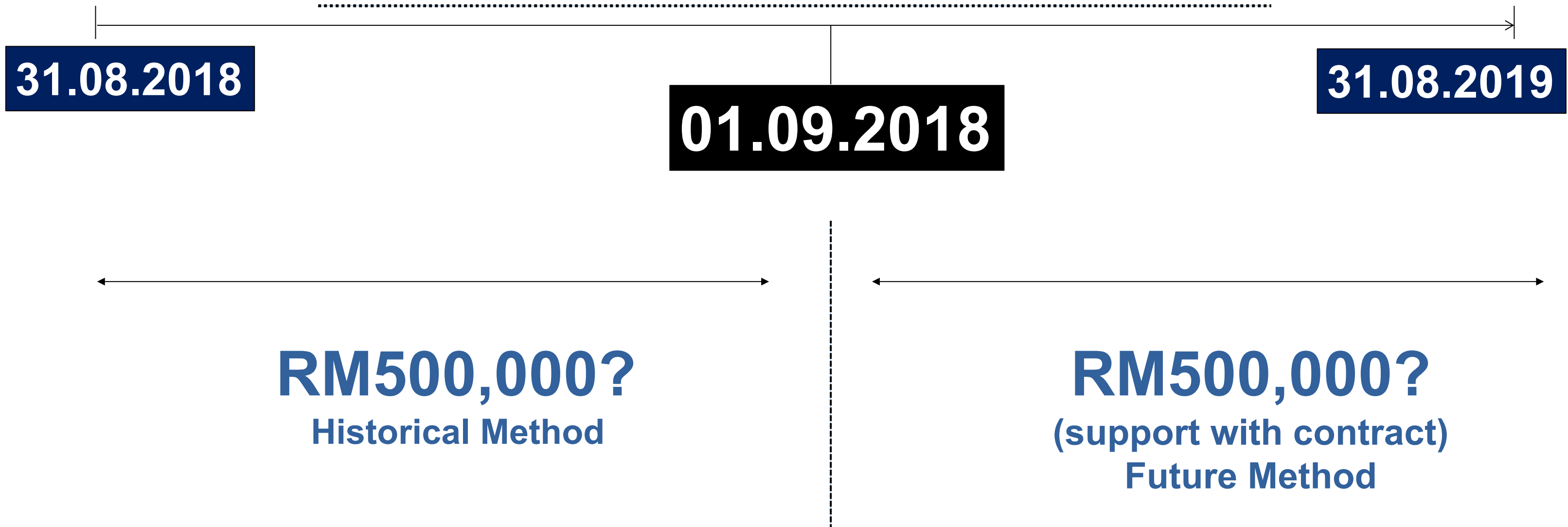
# Sales Tax Test 3 – Are You a Registered Person?

---

**RM500,000**

**Sales Value of Taxable Goods**

# Sales Tax Test 3 – Are You a Registered Person?



Ref : s.66(2) GST Act



**We went to customs officer and they  
told us calculation is based on turnover  
RM500,000.**

**Is that true?**

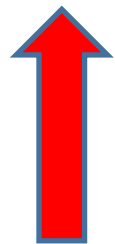


Manufacturer  
Turnover RM1,000,000

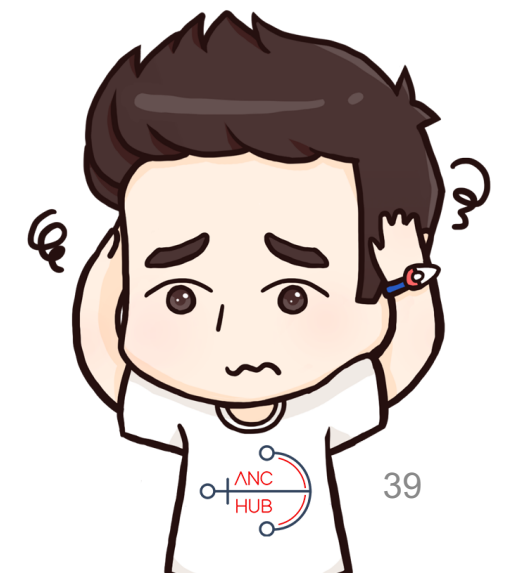
Sales of Taxable Goods  
RM400,000

Sales of Goods Exempted  
from Sales Tax  
RM350,000

Sales of Goods (Trading)  
RM350,000

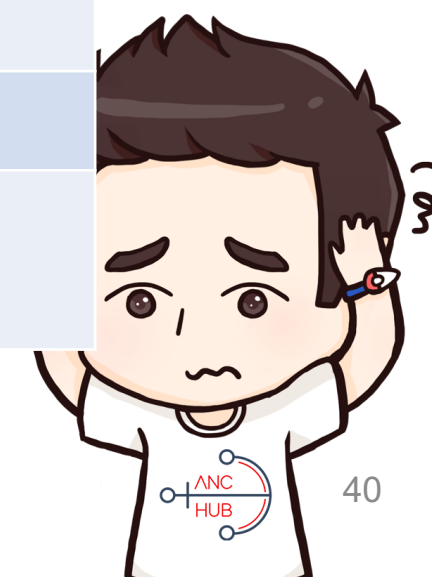


Not required to register





Deregistration Checklist (may vary according to different officer)	Tickbox
Authorisation Letter	
Appeal Letter stating reasons: 1. Incorrect MSIC Code used 2. Never hit 500k 3. Not supplying taxable goods 4. Not supplying taxable services	
Photo to prove retail	
SSM Incorporation documents	
Sample invoices with descriptions	
Special Exemption (FZ / LMW)	
Audited Financial Statement, Management Account	
Income Tax Forms – Form C / P / PT / B / M	
Submit hardcopy to customs control station & email to : daftarcjcp@customs.gov.my	



Manufacturer  
Turnover RM1,000,000

Sales of Taxable Goods  
RM600,000

Sales of Goods Exempted  
from Sales Tax  
RM350,000

Sales of Scraps /  
Fixed Assets / Rental Income  
RM350,000



Subject to Sales Tax

Not Subject to Sales Tax

Not Subject to Sales Tax



# 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 GST 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 Facilities



## Sales Tax (Persons Exempted From Sales Tax) Order 2018

### Schedule C: Exemption for registered manufacturer

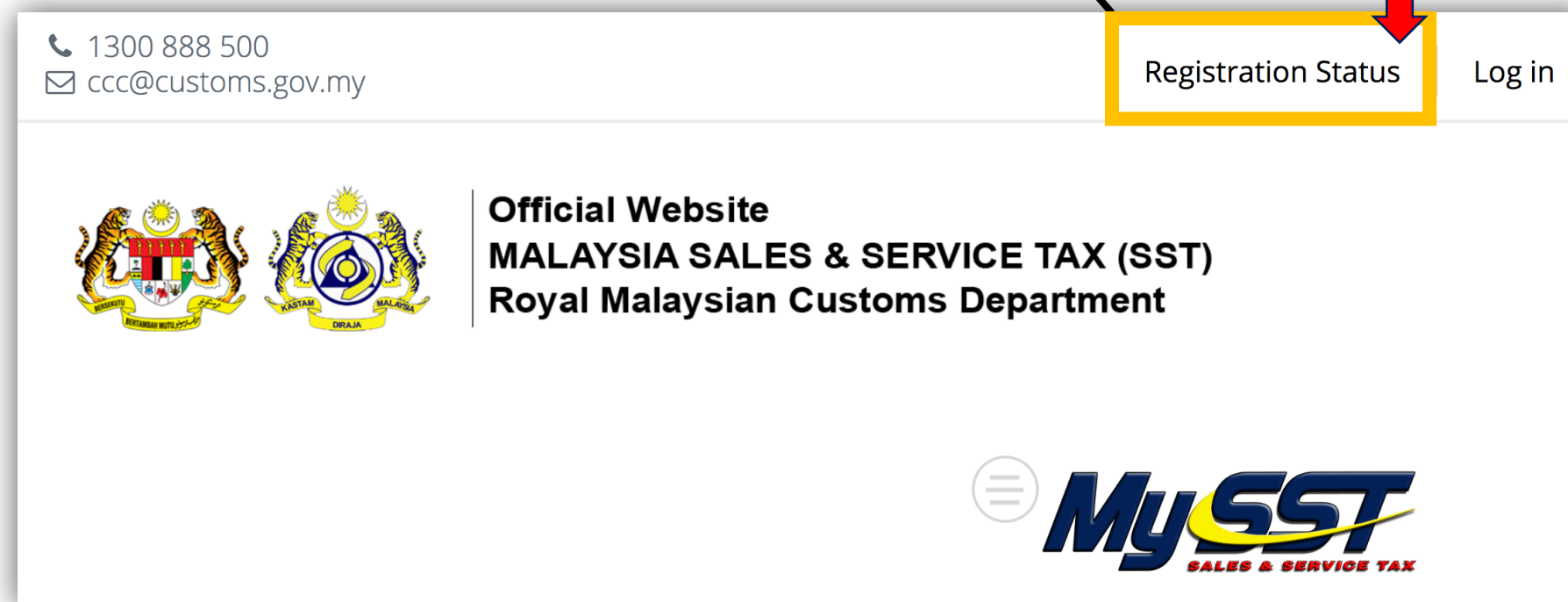


No	Persons	Goods Exempted
1.	Any registered manufacturer	Raw materials, components and packaging materials excluding petroleum
2.	Any registered manufacturer of petroleum product	Raw materials, components and packaging materials including petroleum to be used as raw material
3.	Any person acting on behalf of registered manufacturer	Raw materials, components and packaging materials excluding petroleum
4.	Any person acting on behalf of registered manufacturer of petroleum product	Raw materials, components and packaging materials including petroleum to be used as raw material
5.	Any registered manufacturer	Semi-finished taxable goods or finished taxable goods for subcontract work and subsequently returned after completion of work

**STEP 1**

**<https://mysst.customs.gov.my/>**

**STEP 2**



**SQL Account**

in collaboration  
with



Anc Hub  
Consultants

**Kemudahan ini disediakan untuk menyemak pendaftaran Cukai  
Jualan dan Cukai Perkhidmatan bagi orang berdaftar GST.**

*This Facilities was prepared to check Sales Tax and  
and Service Tax status for existing GST registrant*

**Sila pilih salah satu pilihan daripada senarai di bawah:-**

*Please Select one of the Choices:-*

Name of Registered Business

**STEP 3**

CHOOSE CO NAME/ GST NO / ROC

**Please enter the Name of Registered Business**

SONG LIEW SDN BHD

**STEP 4**

ENTER COMPANY NAME

**Sila masukan email yang berdaftar deng**

*Please enter your email registered with GST:-*

SONGLIEW@GMAIL.COM

**STEP 5**

ENTER GST EMAIL REGISTERED



I'm not a robot

**STEP 6**

TICK TO PROVE YOU ARE NOT ROBOCOP

Submit

**STEP 7**

PRESS SUBMIT







#### STATUS PENDAFTARAN SST

ANDA TELAH DIDAFTARKAN DIBAWAH **PERUNDANGAN CUKAI PERKHIDMATAN**

Sila semak e-mel anda **SONGLIEW@GMAIL.COM** mulai **1 Ogos 2018** bagi maklumat lanjut berhubung pendaftaran.

#### SST REGISTRATION STATUS

YOU HAVE BEEN REGISTERED UNDER **THE SERVICE TAX ACT**

*Please check you email at **SONGLIEW@GMAIL.COM** from **1 August 2018** onwards for more information regarding the registration*

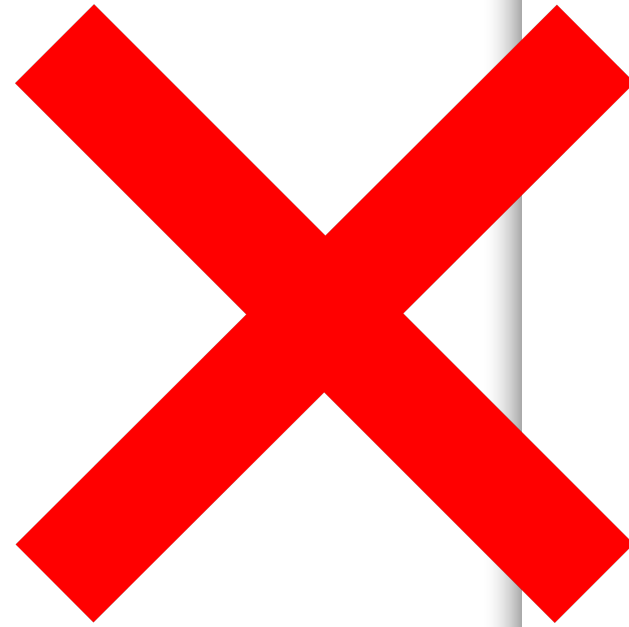
OK

**SQL** Account

in collaboration  
with



Anc Hub  
Consultants

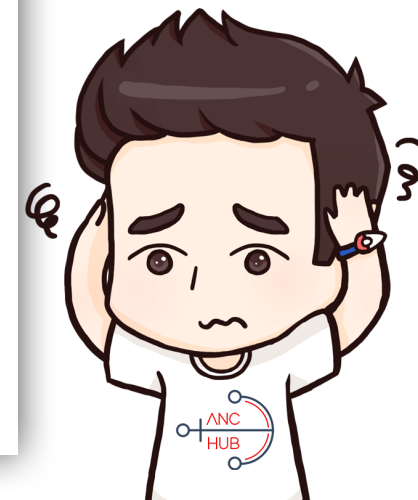


Harap Maaf

Tiada rekod ditemui

*We are sorry*

*No Record Found*



**CONTINUE CHECK TIME TO TIME**

**SQL** Account

in collaboration  
with



Anc Hub  
Consultant  
S

# 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 RM500,000 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?**



<b>87.03</b>		<b>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.</b>
	8703.21	<ul style="list-style-type: none"> <li>- Other vehicles, with only spark-ignition internal combustion reciprocating piston engine:</li> <li>- - Of a cylinder capacity not exceeding 1,000 cc:</li> <li>- - - Completely Knocked Down:</li> <li>- - - - Sedan</li> </ul>
	8703.21.15 00	<ul style="list-style-type: none"> <li>- - - - Other motor cars (including station wagons and</li> </ul>

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





**Is this Final? The proposed Sales Tax List**





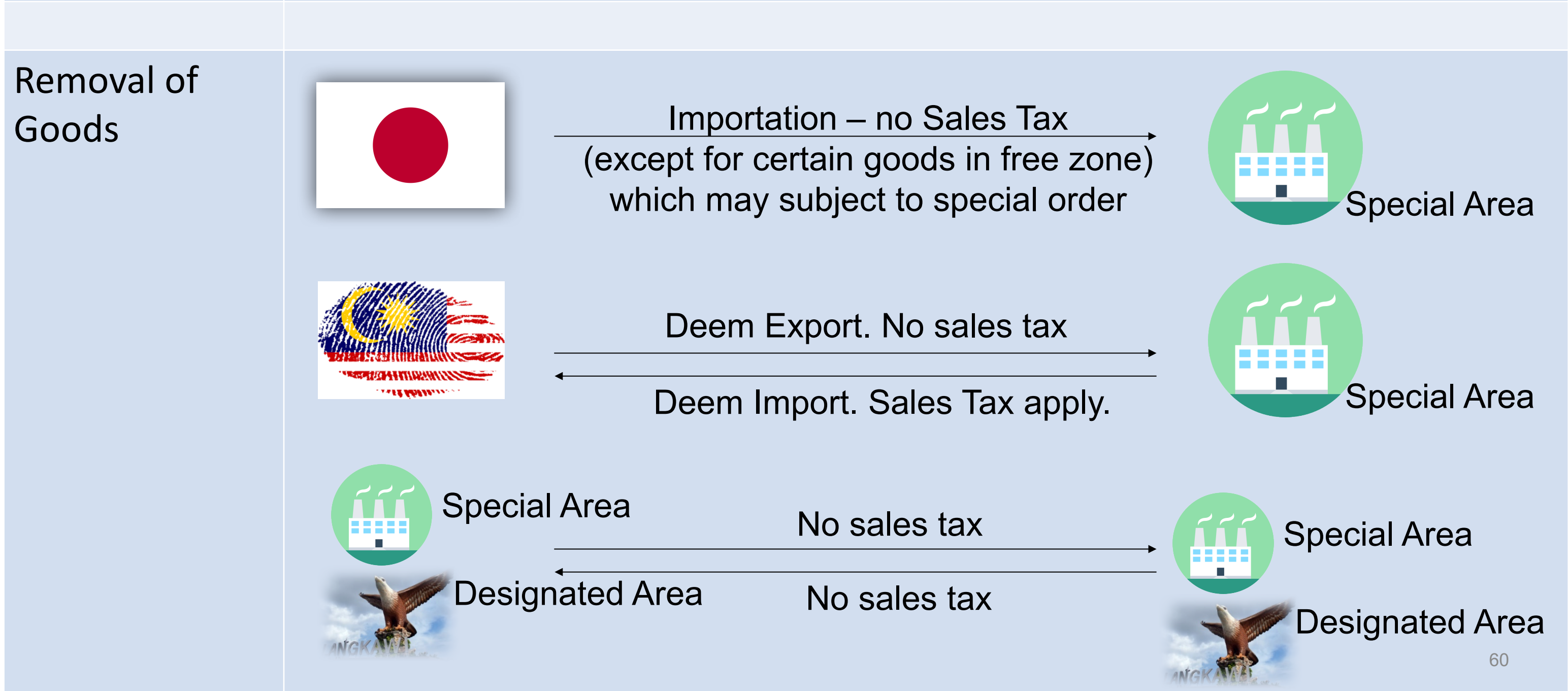


# SALES TAX SPECIAL RULE

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> <div>Deem export, no sales tax</div> <div>Deem import, subject to sales tax</div> <div>No sales tax</div> <div>No sales tax</div> </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)
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# SST ON IMPORTATION

## Example

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

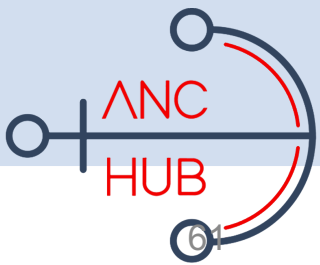
## Upon Importation by Forwarder

- 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

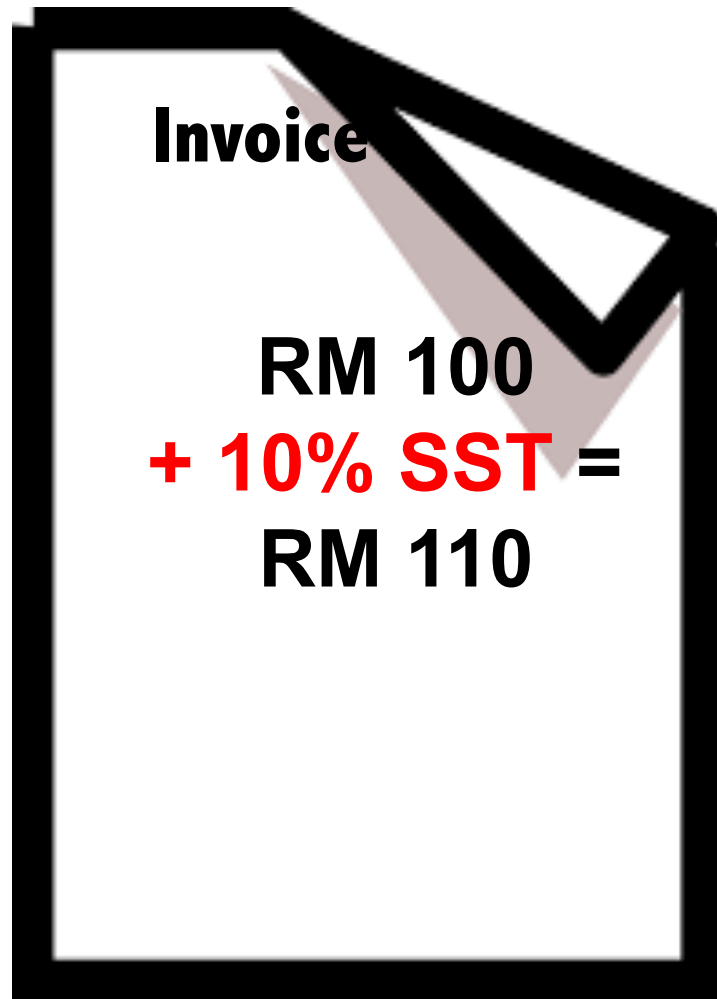
in collaboration  
with



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**



# Progressive or Periodic Agreement

S108(1) – where any sale of taxable goods is made under an agreement for a period or progressively over a period whether or not at regular intervals and that period begins 1 June 2018 and end after the effective date, the proportion of the sales which is attributed to the party of the period after the effective date shall be chargeable to sales tax.

(2) Where sale is made under a warranty whether expressed, implied or required by law and the value of warranty is included in the price of goods, no sales tax shall be charged.

(3) Shall not apply to a sale of goods where goods and services under GST act has been paid on the sale of goods to the extend covered by the invoice.

# 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



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%

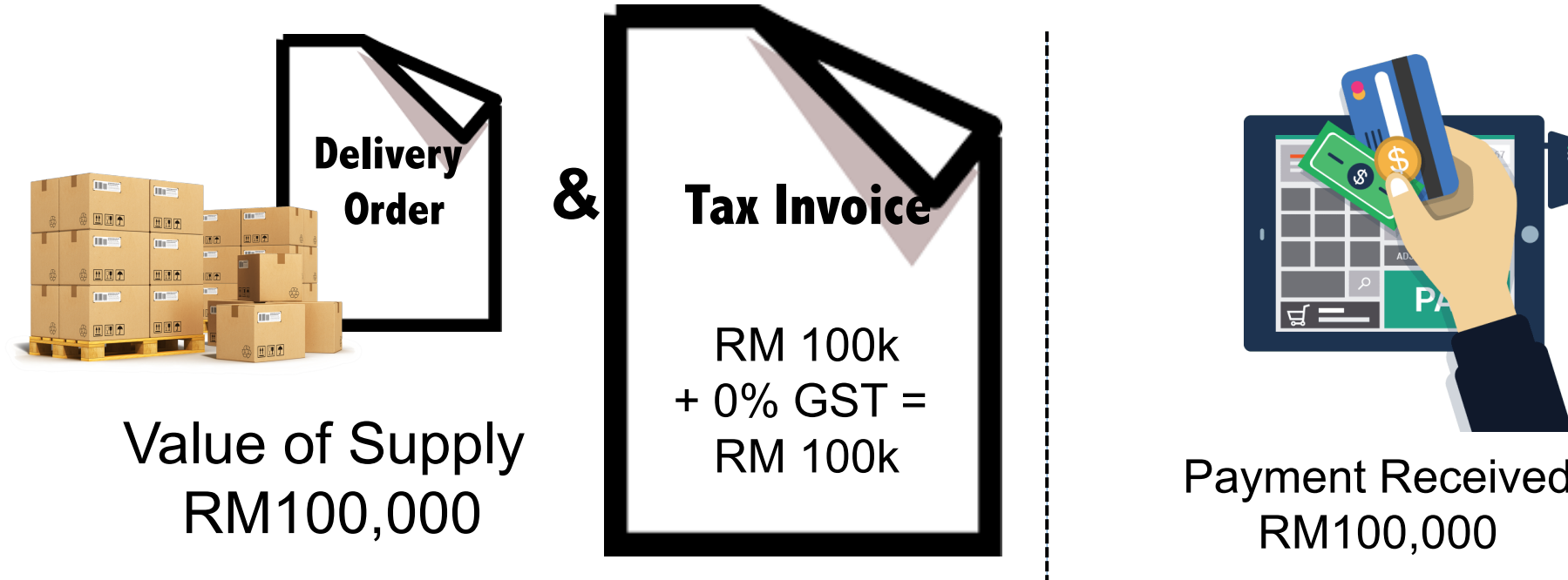
SST is now 10%

01.06.2018

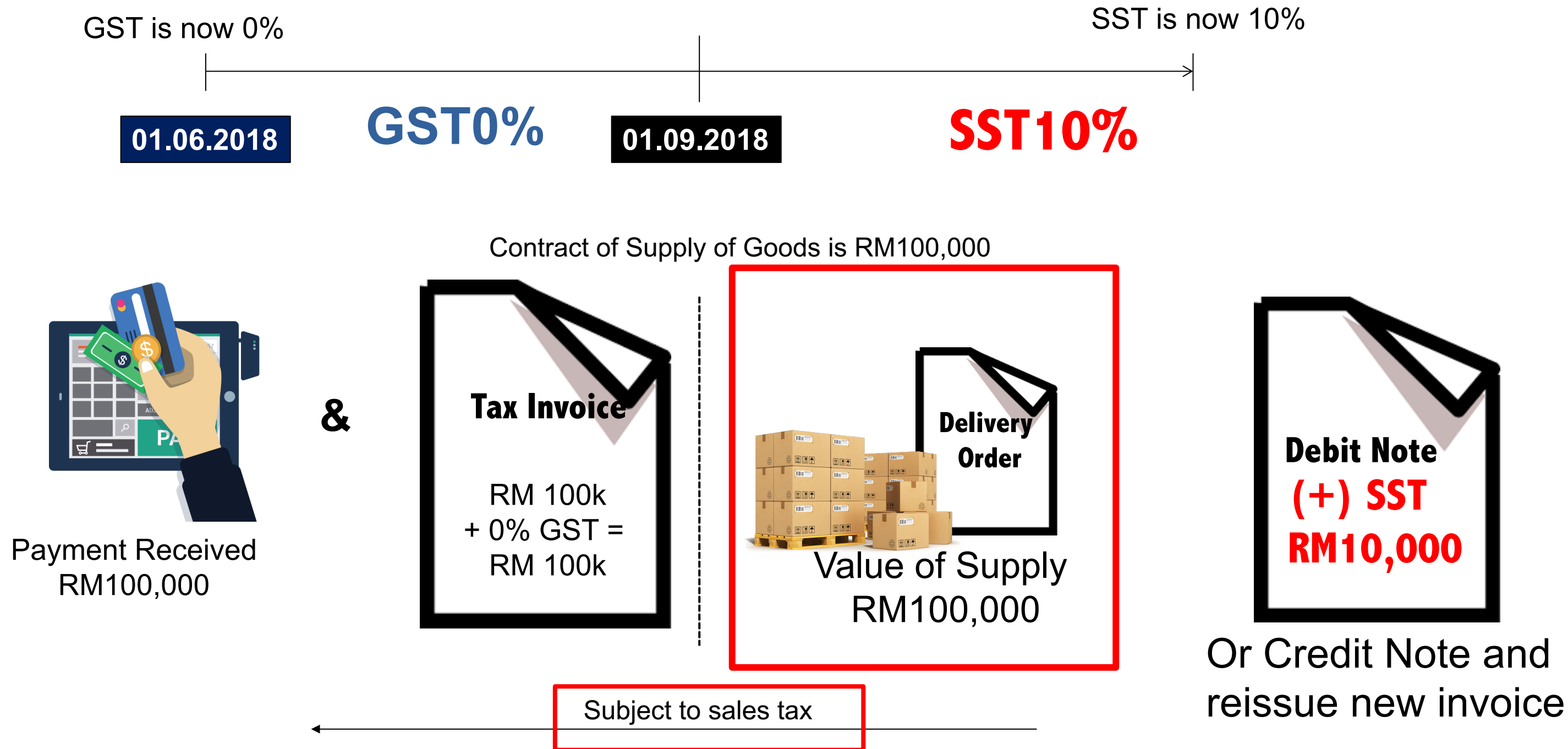
**GST0%**

01.09.2018

**SST10%**



# 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

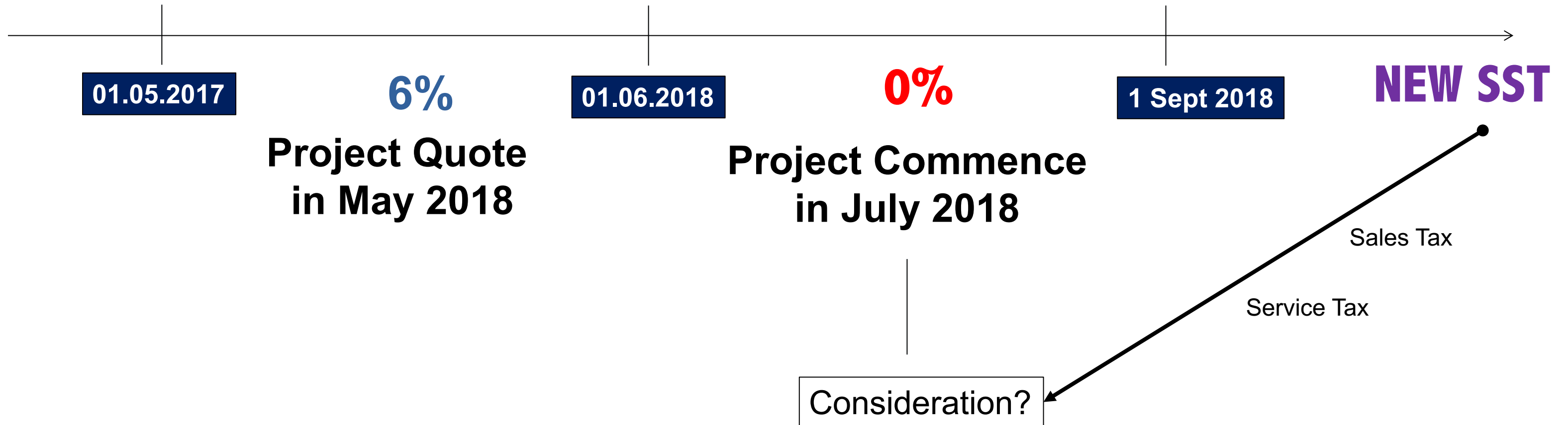
**SST10%** 01.09.2018

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 declare in GST-03

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%**

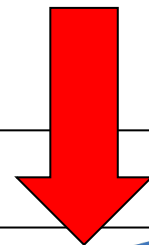
01.01.2018

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



# Topic 2 : ARE YOU SUBJECT TO SERVICE TAX?

SQL

Account

in collaboration  
with



Anc Hub  
Consultants

# Service Tax Test 1

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**Are You Carrying  
Business?**

**By a taxable person & in Malaysia**

# Service Tax Test 2

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
1.	Hotel	>25 rooms	Accommodation: hotel, inns, lodging house, service apartment, homestay and any other similar establishment.	All services including sale of food, drinks and tobacco products.	RM 500,000
2.	Restaurant in hotel	>25 rooms	1. Operator of restaurant, bar, snack-bar, canteen, coffee house or any place which provides food and drinks <ul style="list-style-type: none"> <li>• eat-in or take-away</li> <li>• exclude canteen in an educational institution or operated by a religious institution or body.</li> </ul> 2. Caterer. 3. Food court operator.	All services including prepared or served food or drinks; and sale of tobacco products, alcoholic and non-alcoholic beverages.	RM 1,000,000
3.	Restaurant in hotel	<25 rooms and threshold exceed RM300,000			
4.	Restaurant outside hotel	RM3,000,000			



# Service Tax Test 2

## LIST OF PROPOSED TAXABLE SERVICES

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
5.	Night club	No threshold	1. Night club, dance hall, cabaret 2. First, second or third class public house or first or second class beer house 3. Health or wellness centre 4. Massage parlour or similar places	All services including sale of food, drinks and tobacco products.	RM 500,000
6.	Private club	RM300,000	Private club	All services including sale of food, drinks and tobacco products.	RM 500,000
7.	Golf club and driving range	No threshold	Golf club and driving range	All services including sale of food, drinks and tobacco products.	RM 500,000
8.	Private hospital (on ward and food charges only)	RM300,000	<b>Not taxable service</b>		

# Service Tax Test 2

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
9.	Insurance (B2B only)	No threshold	Insurer or takaful operator	1. General insurance or takaful B2B and general insurance or takaful B2C excluding medical insurance or takaful 2. Excludes <ul style="list-style-type: none"> <li>a. Insuring or takaful coverage of risks relating to the transport of passengers or goods outside Malaysia</li> <li>b. Insuring or takaful coverage of risks incurred on granting credit relating to the export of goods, services or investments outside Malaysia</li> <li>c. Insurance contract or takaful certificate to cover risks outside Malaysia</li> </ul>	RM 500,000
10.	Telecommunication and Paid-TV		Telecommunication and paid television service provider	1. Telecommunication and related services excluding provisions of services to another telco provider. 2. Paid television broadcasting services	RM500,000
11.	Customs agent		Customs agent	Services of clearing goods from customs control	RM500,000

# Service Tax Test 2

## LIST OF PROPOSED TAXABLE SERVICES

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
12.	Advocates and solicitors		Advocates, solicitors and syarie lawyers	Legal services and other charges in connection to such services.	RM500,000
13.	Public accountant		Public accountant	Accounting, auditing, book keeping, consultancy or other professional services and other charges in connection to such services.	RM500,000
14.	Surveyors including registered valuers, appraisers or estate agents		Surveyors including registered valuers, appraisers or estate agents	Surveying services including valuation, appraisal, estate agency or professional consultancy services and other charges in connection to such services.	RM500,000
15.	Professional engineer		Professional engineer	Engineering consultancy or other professional services and other charges in connection to such services.	RM500,000

# Service Tax Test 2

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
16.	Architect		Architect	Architectural services including professional consultancy services and other charges in connection to such services.	RM500,000
17.	Management services		Management services excluding such services provided by: 1. the developer, joint management body or management corporation to the owners of a building held under a strata title; or 2. asset and fund managers	Management services and other charges in connection to the provision of management services including project management or project coordination	RM500,000
18.	Consultancy		Consultancy services excluding research and development companies	Professional consultancy services and other charges in connection to such services excluding: 1. Consultancy services relating to medical and surgical treatment provided by private clinics or specialist clinics; or 2. consultancy services in connection with goods or land outside Malaysia or where the subject matter relates to a country outside Malaysia	RM500,000



# Service Tax Test 2

## LIST OF PROPOSED TAXABLE SERVICES

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
19.	Employment agency	RM150,000	Employment agency	Employment services excluding— 1. secondment of employees or supplying employees to work for another person for a period of time; or 2. employment outside Malaysia	RM500,000
20.	Private agency		Private agency	Provision of guards or the protection or security of person, property or business excluding such services to guard or protect the above which is situated outside Malaysia	RM500,000
21.	Parking operator		Parking operator	Provision of parking spaces for motor vehicles where parking charges are imposed	RM500,000

# Service Tax Test 2

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
22.	Motor vehicles service or repair		Operator of motor vehicle service or repair centre or provider of motor vehicle service or repair	Provision of general servicing, engine repairs and tuning, changing, adjusting and fixing of parts, wheel balancing, wheel alignment or body repairs including knocking, welding or repainting of motor vehicles.	RM500,000
23.	Courier service operator	RM150,000	Courier service operator	<p>Courier delivery services for documents or parcels not exceeding 30 kilograms each excluding such services for documents or parcels:</p> <ul style="list-style-type: none"> <li>(i) from a place outside Malaysia to a place outside Malaysia;</li> <li>(ii) from a place within Malaysia to a place outside Malaysia; or</li> <li>(iii) from a place outside Malaysia to a place within Malaysia</li> </ul> <p>and includes the provision of courier delivery services within Malaysia that forms parts of the service referred to in subparagraphs (ii) and (iii) where the service is provided by the same person</p>	RM500,000

# Service Tax Test 2

## LIST OF PROPOSED TAXABLE SERVICES

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
24.	Hire and drive car	RM300,000	Hire-and-drive passenger motor vehicle and hire-passenger motor vehicle licensed by Land Public Transport Commission, Commercial Vehicles Licensing Board Act 1987 and Tourism Vehicles Licensing Act 1999	Provision of hire-and-drive or hire-passenger motor vehicle services including hire of passenger motor vehicle with or without chauffeur	RM500,000
25.	Veterinary		<b>Not taxable service</b>		
26.	Advertising		Advertising	Provisions of all advertising services excluding provision of such services for promotion outside Malaysia	RM500,000

# Service Tax Test 2

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
27.	Credit card or charge card services	No threshold	Credit card or charge card services provider regulated by Bank Negara Malaysia	Provision of credit card or charge card services through the issuance of a principal credit card, principal charge card, supplementary credit card or supplementary charge card, whether or not annual subscription or fee is imposed excluding fuel card and charge card in a closed community e.g. education institution or a sports club by its students or members	No threshold
28.			Betting and gaming provider involving bettings, sweepstakes, lotteries, gaming machines or games of chance	<ol style="list-style-type: none"> <li>1. Betting and gaming services involving bettings, sweepstakes, lotteries, gaming machines or games of chance.</li> <li>2. Conducting tournaments involving bettings, sweepstakes, lotteries, gaming machines or games of chance.</li> <li>3. Conducting or allowing the conduct of a card game or any other game by the casino operator</li> </ol>	RM 500,000



# Service Tax Test 2

## LIST OF PROPOSED TAXABLE SERVICES

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD
29.			Transmission and distribution of electricity provider	Provision of electricity to any domestic consumer excluding for the first 600 kWh for a minimum period of twenty-eight days per billing cycle consumed by that consumer	RM 500,000
30.			Airline operator licensed under section 35 of Malaysian Aviation Commission Act 2015 [Act 771] or air service permit under section 36 of Malaysian Aviation Commission Act 2015	Domestic passenger air transport service and all services in connection with such services excluding the air transport route as specified under the Rural Air Services Agreement	RM 500,000
31.			Information technology (IT) services provider	All types of IT services excluding: 1. sale of goods in connection with the provision of IT services; 2. IT services in connection with goods or land outside Malaysia or where the subject matter relates to a country outside Malaysia.	RM 500,000

# Service Tax Test 2

## LIST OF PROPOSED TAXABLE SERVICES

NO	1975 - MARCH 2015		1 <sup>st</sup> SEPT 2018		
	ESTABLISHMENT	THRESHOLD	SERVICE PROVIDER	TAXABLE SERVICES	THRESHOLD

The services provided by the service provider from number 12-17 exclude the said services if provided in connection with:

- a) goods or land outside Malaysia or where the subject matter relates to a country outside Malaysia; or
- b) any statutory fees paid to the government or statutory body



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





## Taxable IT Services

Develop and provide software

Develop and provide computer system

Maintenance of data, system or software

Creation and maintenance of webpage

Update or renewal of data, system or software

Charge on usage of cloud services

Data centre services

Subscription of data

Security of data, system or software

Administrative fee for data, system or software

Advisory or consultation for data, system or software

Advisory or consultation for system development





## Non Taxable IT Services

Maintenance of physical goods, computers, hardware and server

Charge on storage of hardware and server

Security of hardware and server

Leasing or rental of computer, hardware and server

Call centre







# SERVICE OF PREPARATION OF FOOD & BEVERAGE





**No mention Mamak pun.**

**Mamak need service tax?**



# Service Tax Test 3 – Are You a Registered Person?

---

**RM500,000**

**Sales Value of  
Prescribed Services**



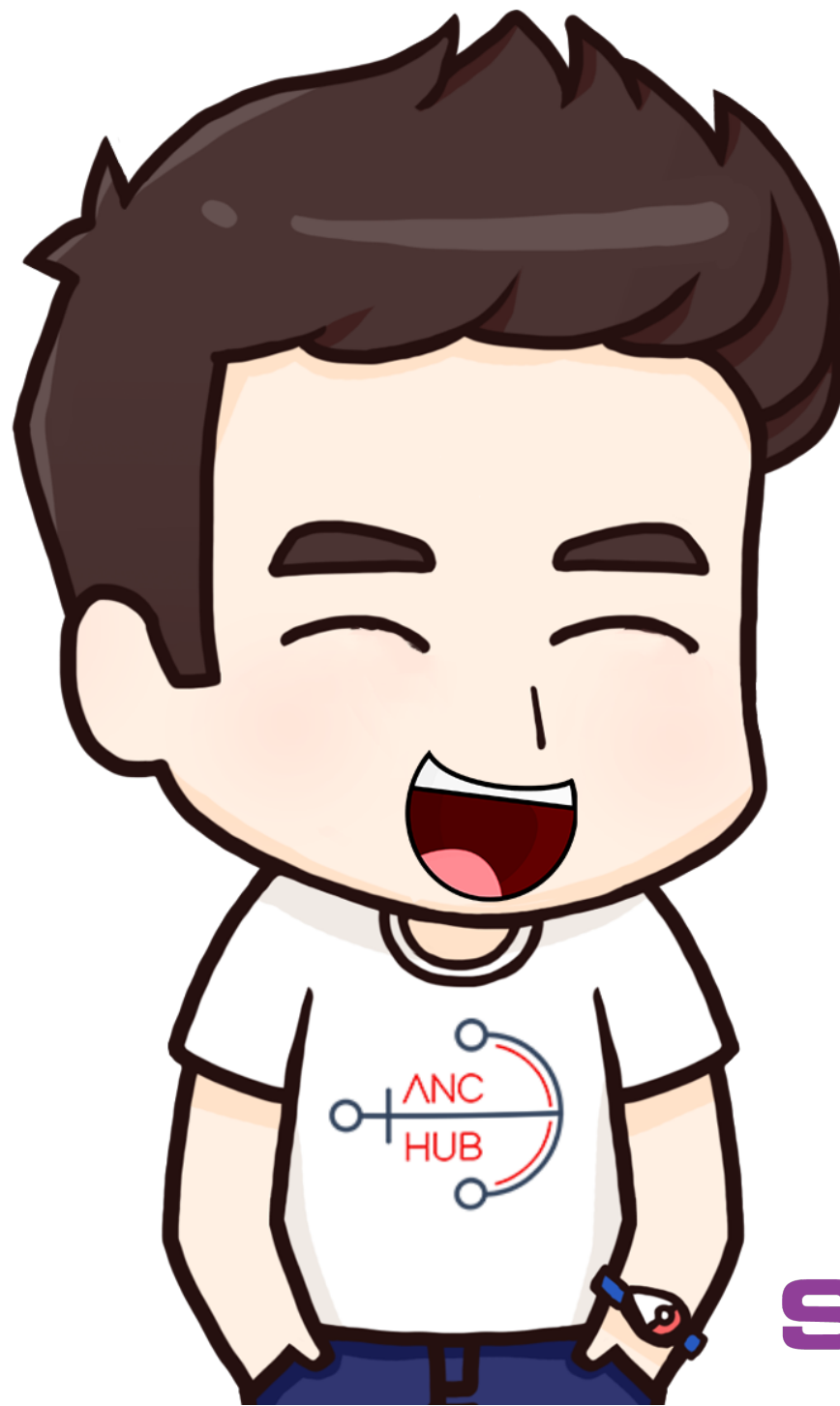
**If only service portion, can we list down each and every item including screws / nails / lubricant etc used in the invoice?**



# 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

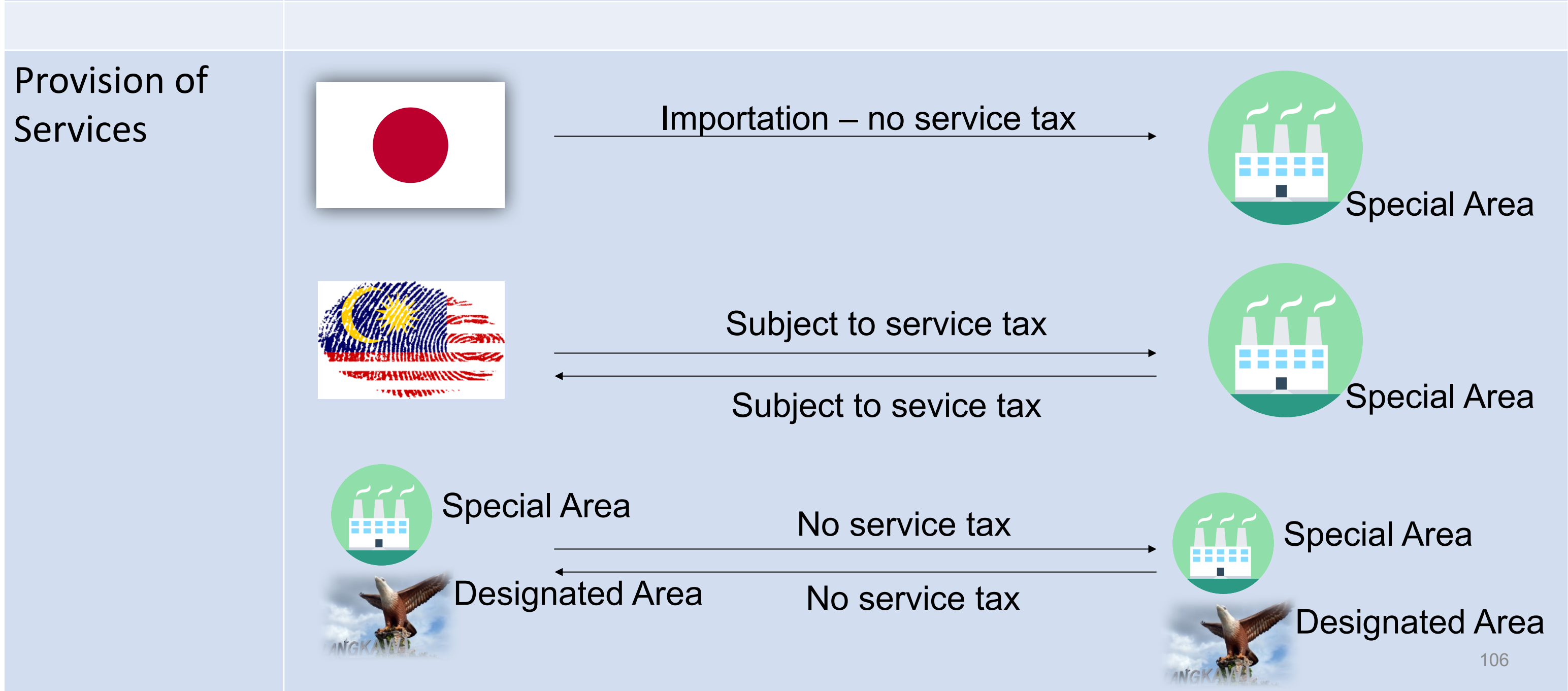
SPECIAL RULES - TREATMENT IN DESIGNATED AREA (DA)

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



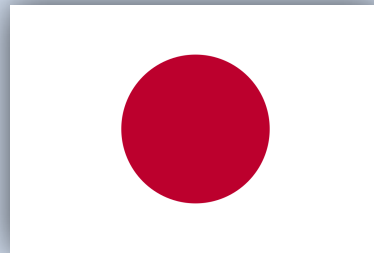
SPECIAL RULES - TREATMENT IN SPECIAL AREA (SA)

Special Area	Licensed Warehouse, Free Zone, Licence Manufacturing Warehouse and Joint Development Area (JDA)
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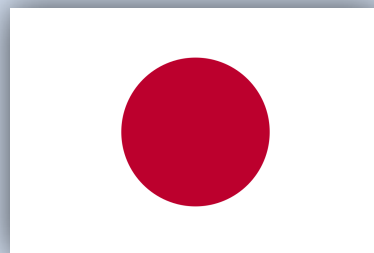


## SPECIAL RULES – CROSS BORDER SERVICES

### 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

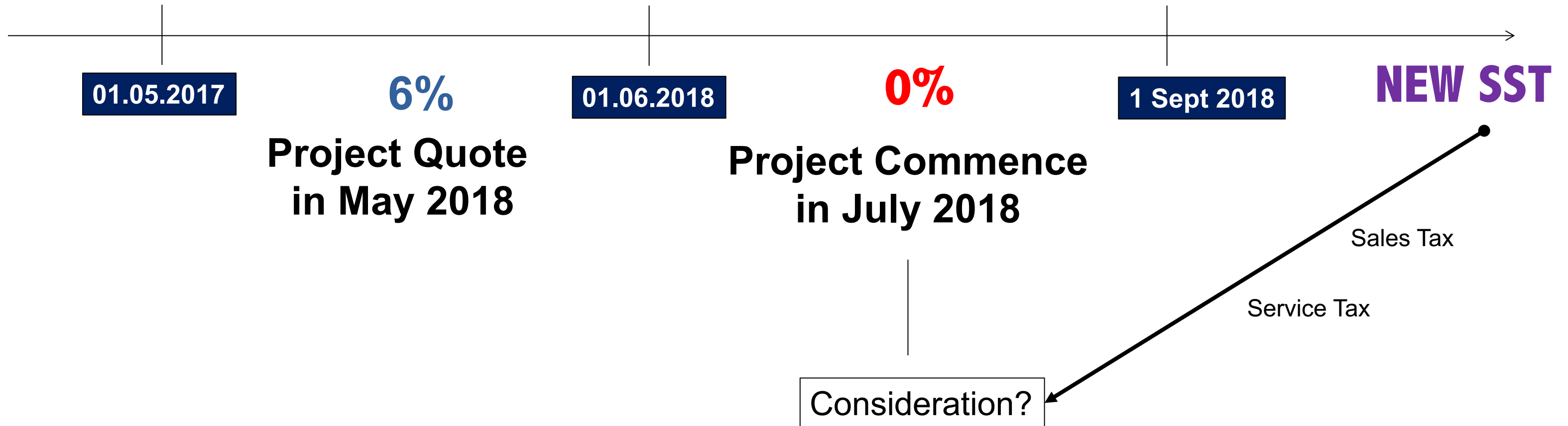
RM50  
(-) 6%  
SST RM3

**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**

# Progressive or Periodic Agreement

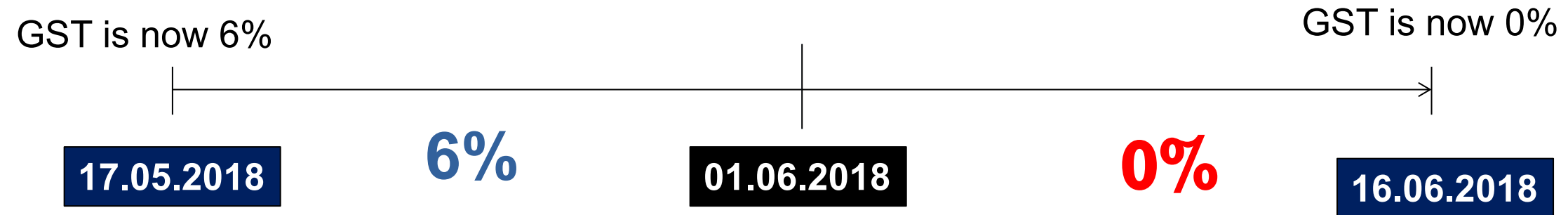
S93(1) - where any taxable service is provided under an agreement for a period of progressively over a period whether or not at regular intervals and that period begins before 1 June 2018 and ends after the effective date, the proportion of service which is attributed to the part of period after the effective date shall be chargeable to service tax.

(2) Services provided under (1) shall be taken to be made continuously and uniformly throughout the period of that agreement

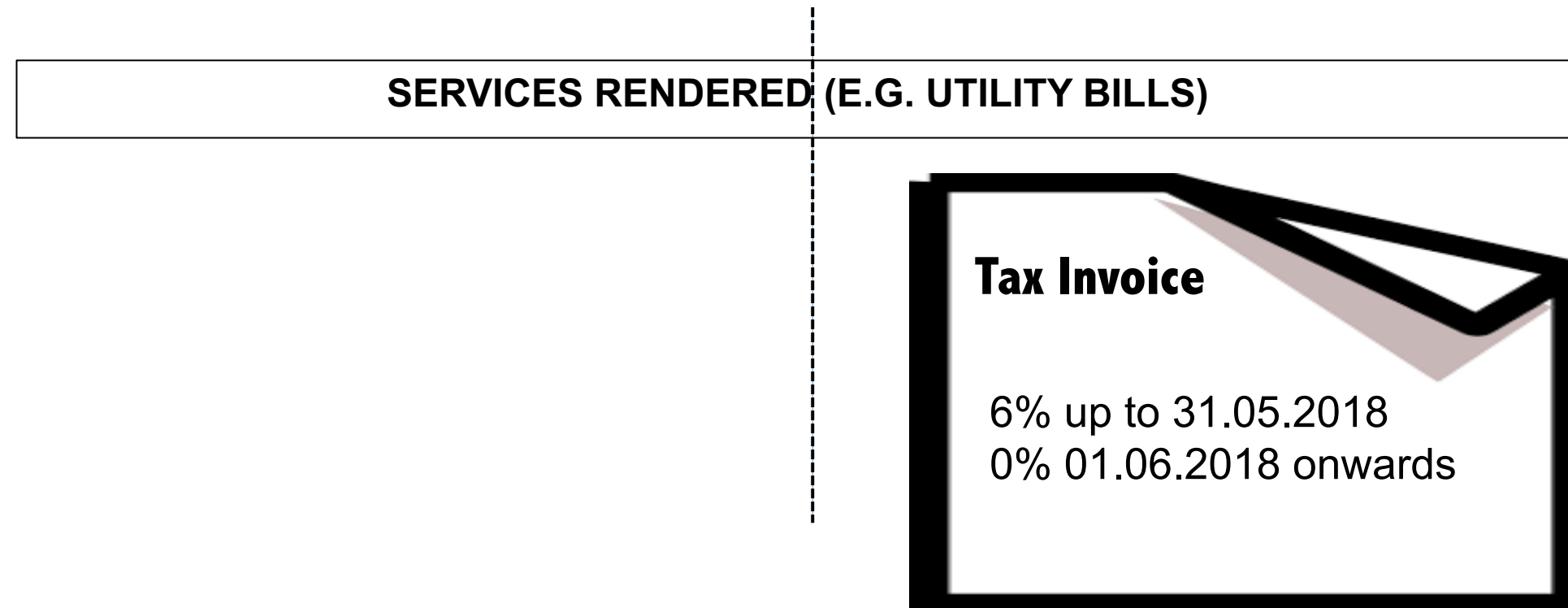
(3) Where services referred to (1) is provided under a warranty, no service tax is chargeable.

(4) - (1)(2) shall not apply where GST has been paid on the services.

# 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

+ Payment

### Tax Invoice

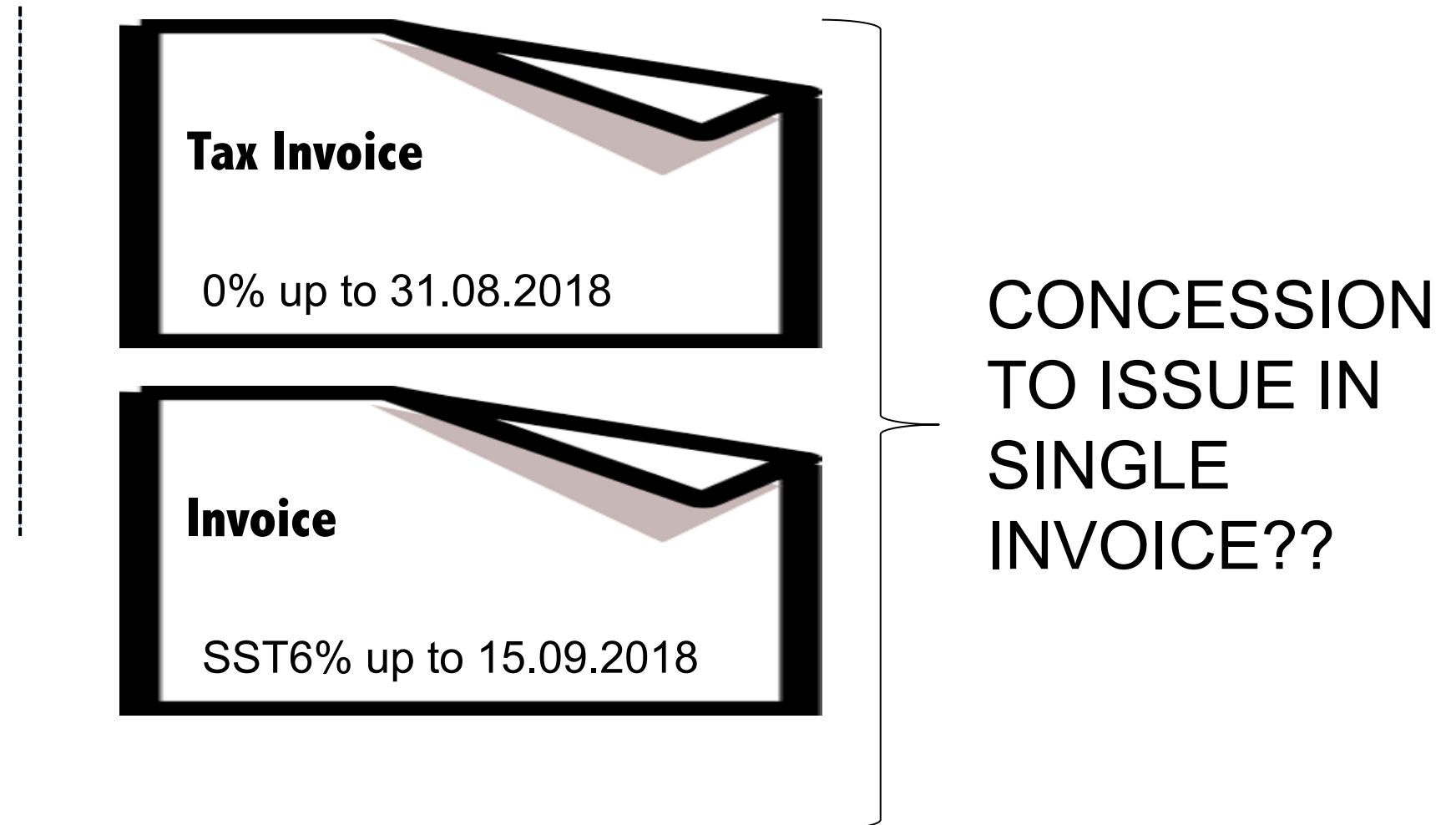
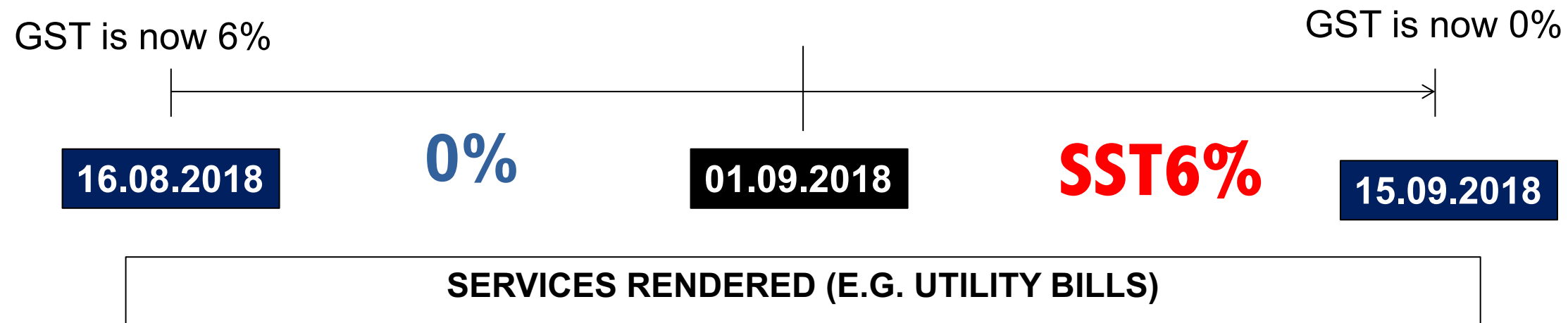
For period from :  
0% 01.01.2018 to 31.12.2018

RM1,000 + GST RM60

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.

RM200

RM500

RM300

**Services  
Rendered**



**Tax Invoice**

GST6% up to 31.05.2018  
GST0% 01.06.2018  
to 31.08.2018

**Invoice**

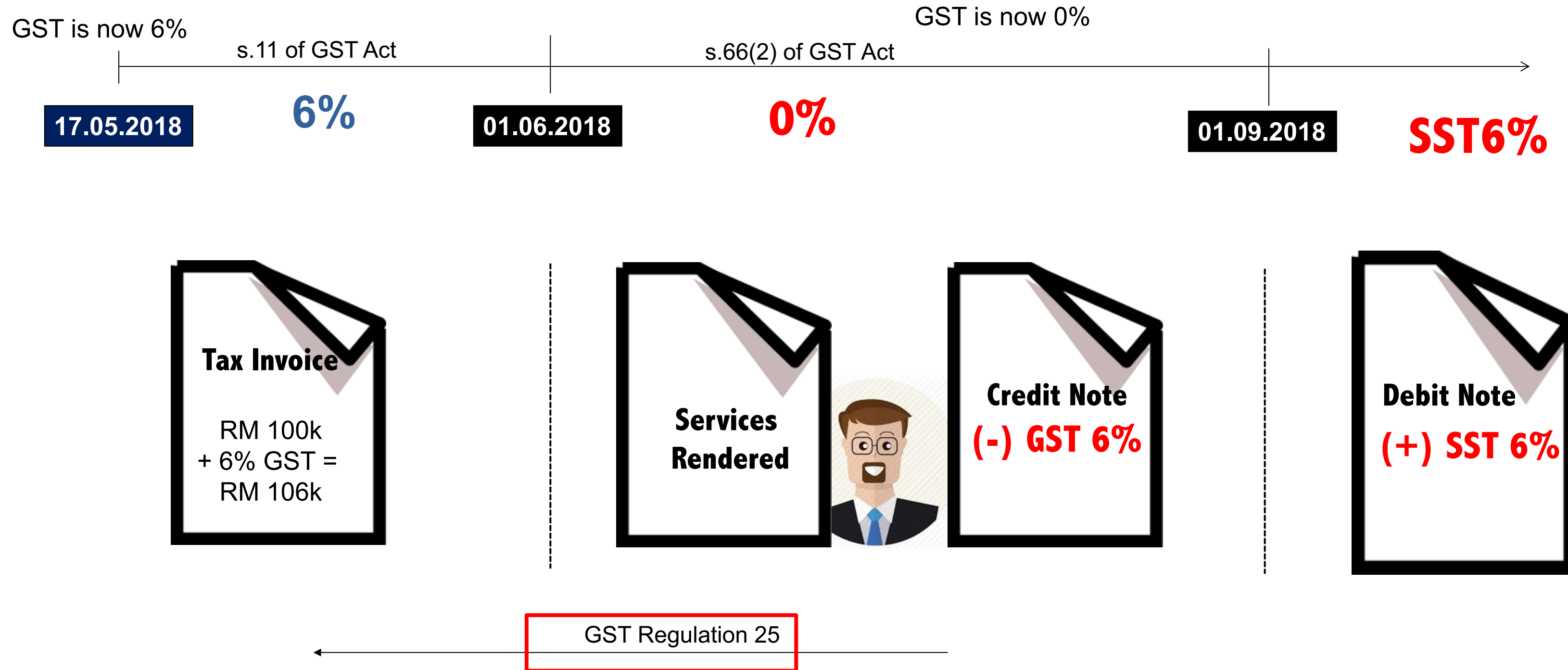
SST6% up to 31.12.2018

**OR**

**Debit Note**  
**(+) 6%**  
**SST RM18**

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?

I have taxable goods of RM400,000 & taxable service RM510,000. Should I register for SST?

## 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.

Yes. Register for Taxable Service



# 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?

# 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.



**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?**



# 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



PAYMENT NOT RECEIVED		
	Sept 2019	Oct 2019
Taxable (after 12 months)	RM 100	-

SQL Account

in collaboration  
with



Anc Hub  
Consultants



**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 <sup>st</sup> 30 days period	10%
2 <sup>nd</sup> 30 days period	15%
3 <sup>rd</sup> 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 <sup>st</sup> offence	10 x Tax / 20 x Tax / 5 years imprisonment / both
2 <sup>nd</sup> 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  
4<sup>th</sup> 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.



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?



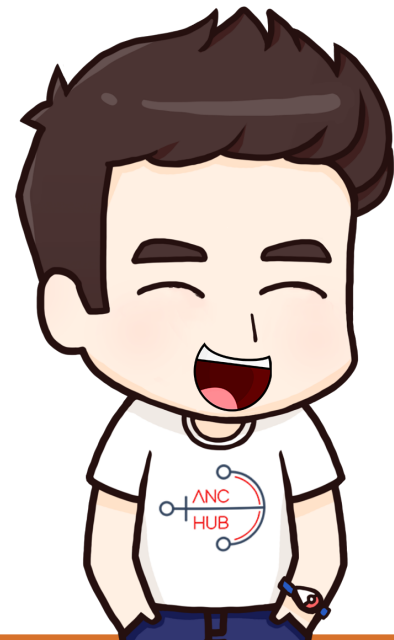


# COMMON TRANSITIONAL GST6-0 CASE 3

0%

01.06.2018

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)	
<b>PROBLEM : TAP CANNOT ACCEPT (NEGATIVE) AMOUNT !</b>		

## 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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in collaboration with



Anc Hub Consultants

# COMMON TRANSITIONAL GST6-0 CASE 4

01.06.2018

30.06.2018

0%

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?



SQL

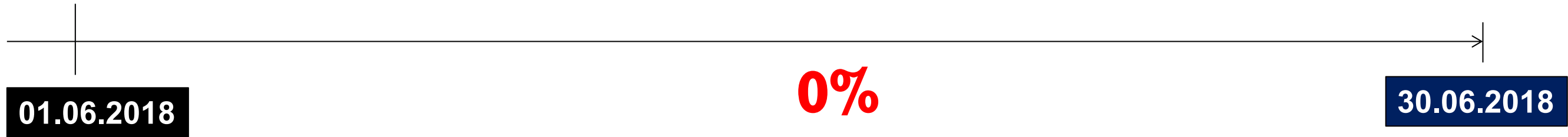
Account

in collaboration with



Anc Hub Consultants

# 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

CHANGE TO 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



Anc Hub Consultants

# 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](mailto:admin@anchub.com.my)

If you need assistance in preparing the impact study report.

For General Queries : Please go to [www.facebook.com/AncHubConsultants/](https://www.facebook.com/AncHubConsultants/)

**PREPARE FOR FULL FORCE GST AUDIT**

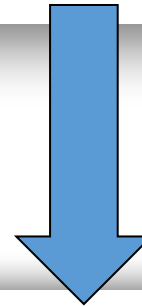
**6% / 0% NO LONGER IMPORTANT**

# 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

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## ARRANGEMENT OF CLAUSES

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### *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.

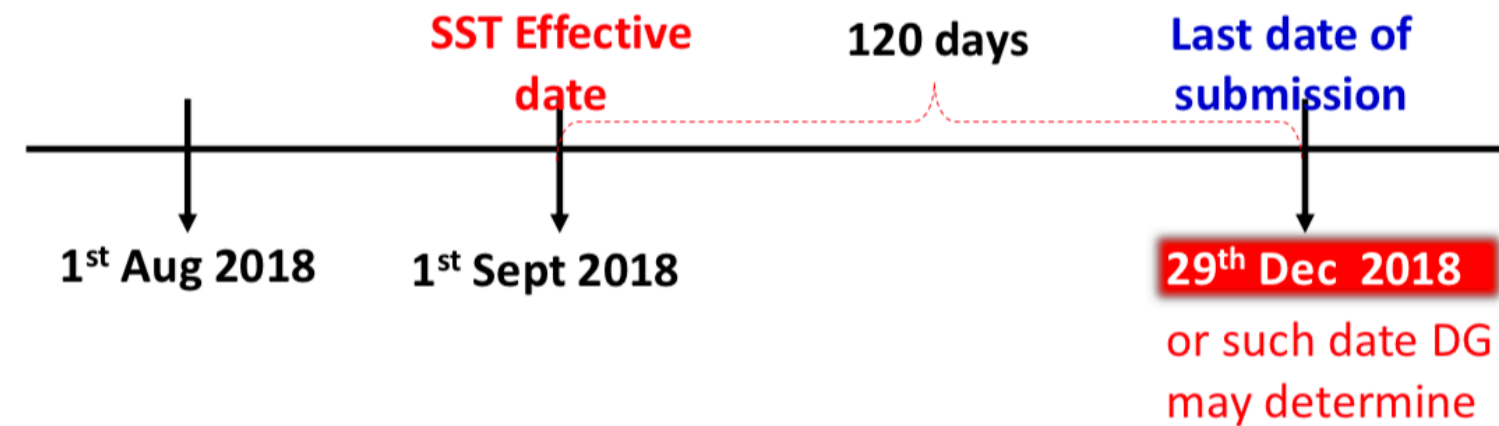
**When is my Final GST Return ?**



# Submission of Final GST return



## When to submit GST-03 Final Return



Taxable Period	Normal GST return	Final GST return
monthly	August	August
Three monthly	June - August	Jun – August
	July - September	July – August
	August - October	August

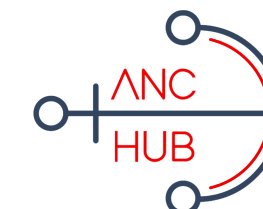
Tuan Faizulnudin Hashim – Deputy Director of Customs (15.08.2018)

**SQL Account**

in collaboration  
with



of



# CASE STUDY 1

I am Monthly Taxable Period.

0%

SST

31.07.2018

31.08.2018

01.09.2018

29.12.2018

Taxable Period – July 2018		
	July 2018	
Sales	RM 300	RM100
Output Tax	RM 0	RM6
Tax Code	SR 0%	SR 6%



Submission – August 2018		
GST-03	Submit in August 2018	Tax Code
5(a)	RM 100	SR6%
	RM 300	SR0%
5(b)	RM 18	

Taxable Period - August 2018		
	August 2018	
Sales	RM 300	RM100
Output Tax	RM 0	RM6
Tax Code	SR 0%	SR 6%

Extended  
(Initially 30 September 2018)

Submission by 29 December 2018		
GST-03	Submit in 29 December 2018	Tax Code
5(a)	RM 100	SR6%
	RM 300	SR0%
5(b)	RM 18	





## CASE STUDY 2

I am Quarterly Taxable Period – June to August 2018

0%

SST

31.08.2018

01.09.2018

30.09.2018

29.12.2018

### Taxable Period

	June 2018	July 2018	August 2018
Sales	RM 100	RM 200	RM 300
Output Tax	RM 0	RM 0	RM 0
Tax Code	SR 0%	SR 0%	SR 0%

### Initial submission by 30 Sept 18

	June - August 2018
Sales	RM 600
Output Tax	RM 0
Tax Code	SR 0%

Extended

(Initially 30 September 2018)

### Submission by 29 December 2018

GST-03	Submit by 29 December 2018	Tax Code
5 (a)	RM 600	SR0%
5(b)	RM 18	



## CASE STUDY 3

I am Quarterly Taxable Period – July to September 2018

0%

SST

31.08.2018

01.09.2018

31.10.2018

29.12.2018

### Taxable Period

	July 2018	August 2018	September 2018
Sales	RM 100	RM 200	
Output Tax	RM 0	RM 0	
Tax Code	SR 0%	SR 0%	

### Initial submission by 31 Oct 18

	July 2018	August 2018	September 2018
Sales	RM 100	RM 200	RM 300
Output Tax	RM 0	RM 0	RM 0
Tax Code	SR 0%	SR 0%	SR 0%

Extended

(Initially 31 October 2018)

### Submission by 29 December 2018

GST-03	Submit by 29 December 2018	Tax Code
5 (a)	RM 600	SR0%
5(b)	RM 18	



## CASE STUDY 4

I am Quarterly Taxable Period – August to October 2018

0%

SST

31.08.2018

01.09.2018

30.11.2018

29.12.2018

### Taxable Period

	August 2018	September 2018	October 2018
Sales	RM 100		
Output Tax	RM 0		
Tax Code	SR 0%		

### Initial submission by 30 Nov 18

	August - October 2018
Sales	RM 100
Output Tax	RM 0
Tax Code	SR 0%

Extended

(Initially 30 November 2018)

### Submission by 29 December 2018

GST-03	Submit by 29 December 2018	Tax Code
5 (a)	RM 600	SR0%
5(b)	RM 18	



## CASE STUDY 5

I am Quarterly Taxable Period – August to October 2018

0%

SST

31.08.2018

01.09.2018

30.11.2018

29.12.2018

### Taxable Period

	August 2018	September 2018	October 2018
Sales	RM 100		
Output Tax	RM 0		
Tax Code	SR 0%		

### Initial submission by 30 Nov 18

	August - October 2018
Sales	RM 100
Output Tax	RM 0
Tax Code	SR 0%

Extended

(Initially 30 November 2018)

### Submission by 29 December 2018

GST-03	Submit by 29 December 2018	Tax Code
5 (a)	RM 600	SR0%
5(b)	RM 18	

Any invoices received during this period



# GST (Repeal) Bill 2018

s.6 – Person registered under GST Act shall furnish all supplies and pay GST tax due to DG by 120 days from appointed date (by 29.12.2018).

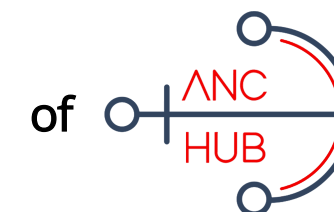
S.7 – Non GST registered person who is liable to pay GST shall furnish declaration and pay amount of GST to DG not later than thirty days after appointed date (by 30.09.2018)

s.8(1) – Any input tax under GST Act which has not been claimed before appointed date shall be claimed in the final GST return.

Subject to verification, audit or investigation. Any input tax claim shall be paid by DG **within six (6) years** from appointed date.



in collaboration  
with



## **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.

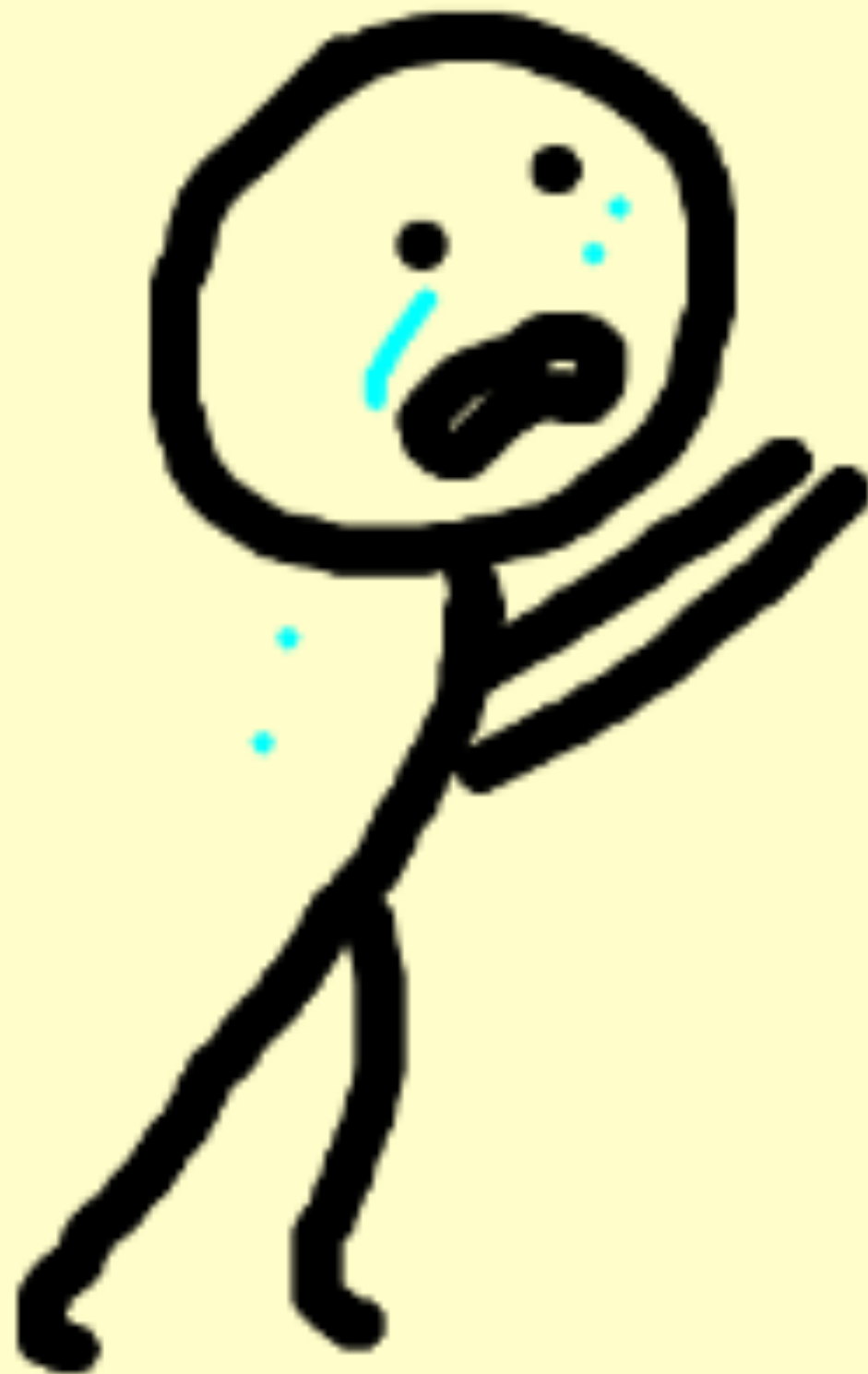
21 DAYS RULE	CLAIMING INPUT TAX	GIFT RULE	GST BAD DEBT RELIEF	IMPORTED SERVICES
TAX INVOICE	SPECIAL SCHEME ATS ATMS ETC	TAX CODES	GROUP REGISTRATION	ZERO RATED ITEMS VS RELIEF VS 6 % SUPPLY
MIX SUPPLIER	INPUT TAX APPORTIONMENT	CAPITAL GOODS ADJUSTMENT	LONG PERIOD ADJUSTMENT	DE MINIMIS RULE

SAYONARA~

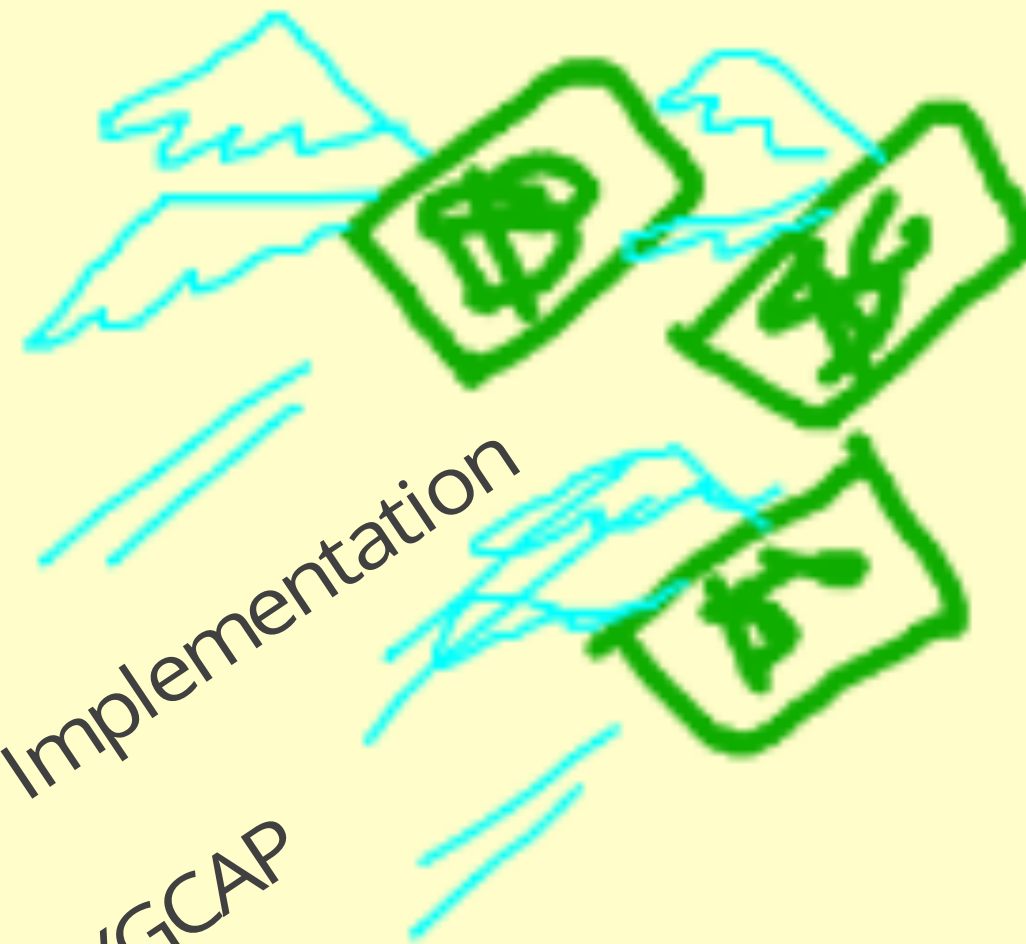
SEE YOU NEXT ELECTION?

G  
S  
T





GST Implementation  
MYGCAP



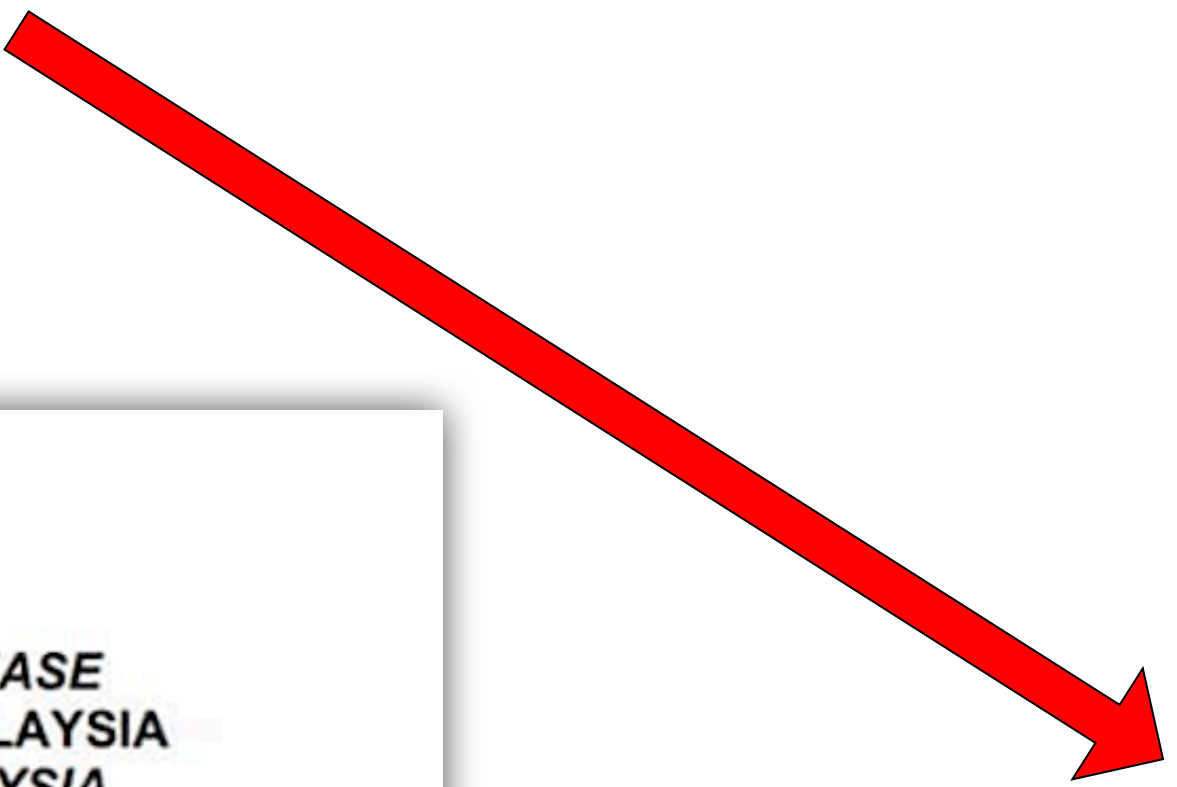
...千年道行一票丧...

**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%.**

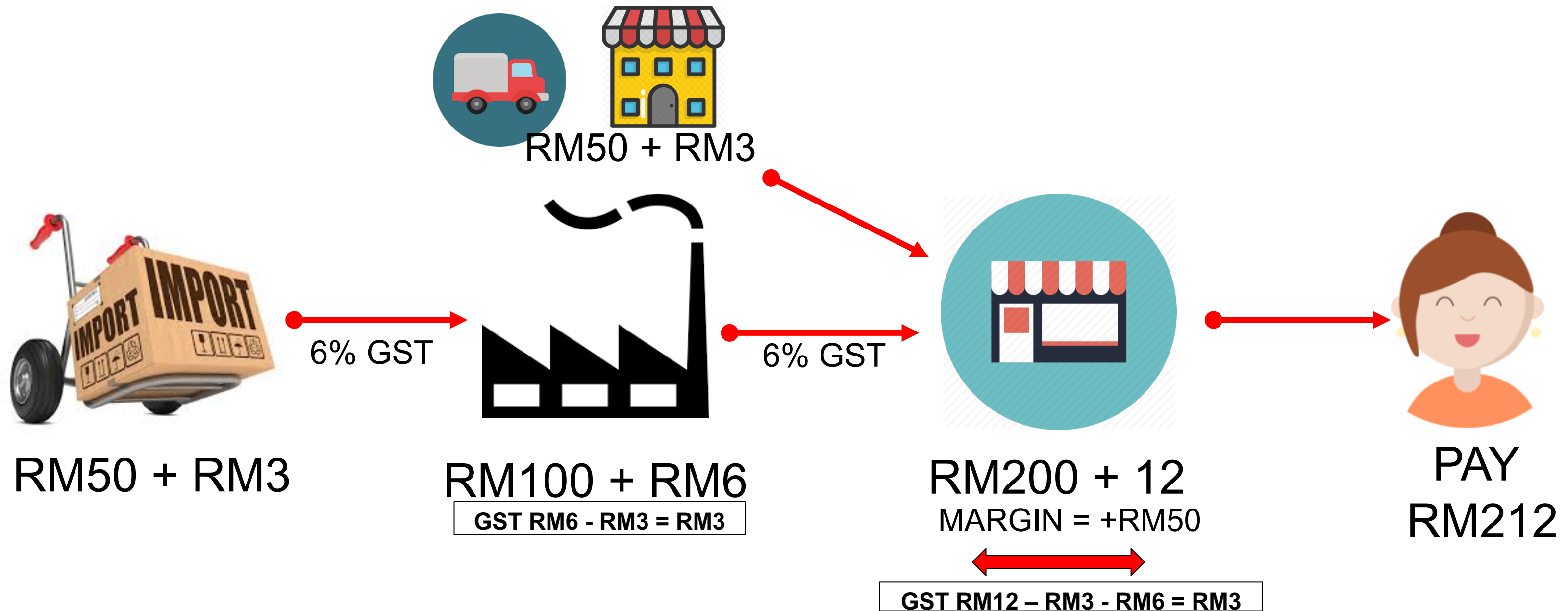


## **SIARAN MEDIA / MEDIA RELEASE**

**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.





**There is a GST refund owing of RM19.4 billion (accumulated 3 years), while the trust account now only has 1.486 billion.**

**Finance minister assured that the government would repay the GST refund by next year.**

**Because of Tax Holiday, hence no collection.**





**Do not blame Tax Holiday as it has been there for the past 3 years.**

**We now have to cover extra holes.**

...

**Since RMCD failed to refund, saman RMCD.**



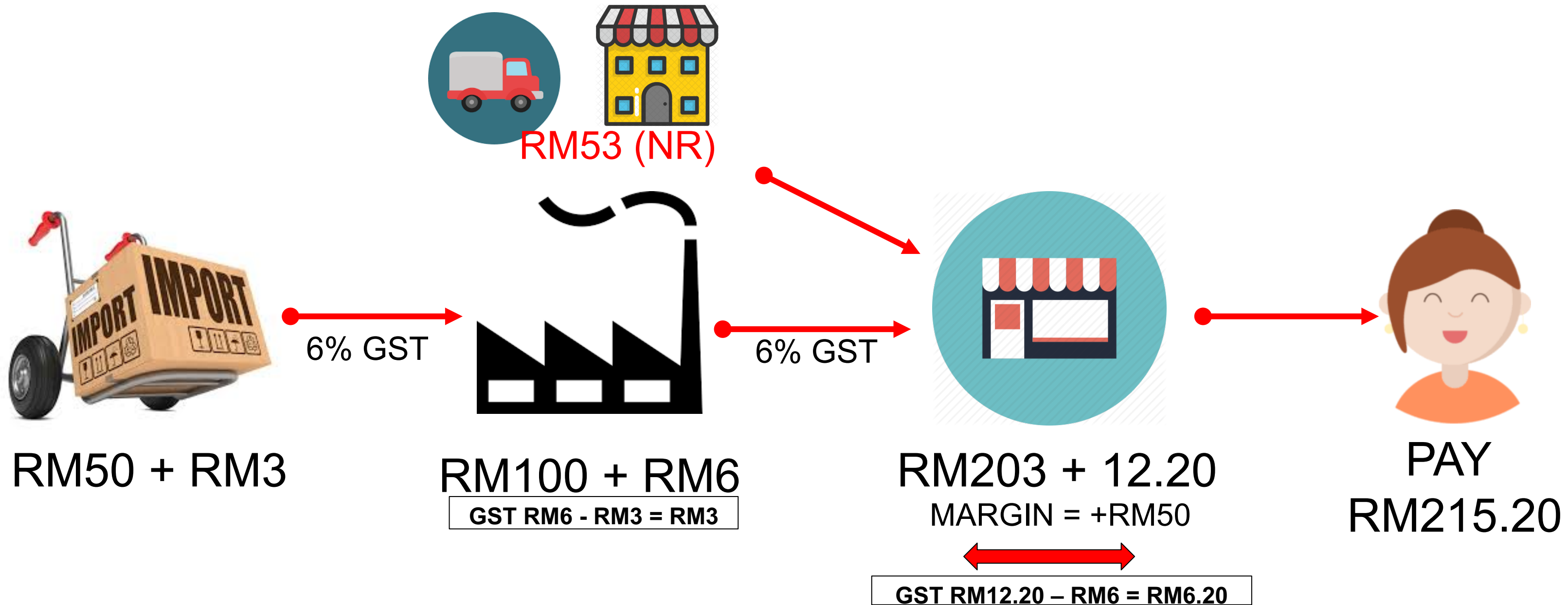


"I don't think that is sufficient which is why I lodged a report with the police today.

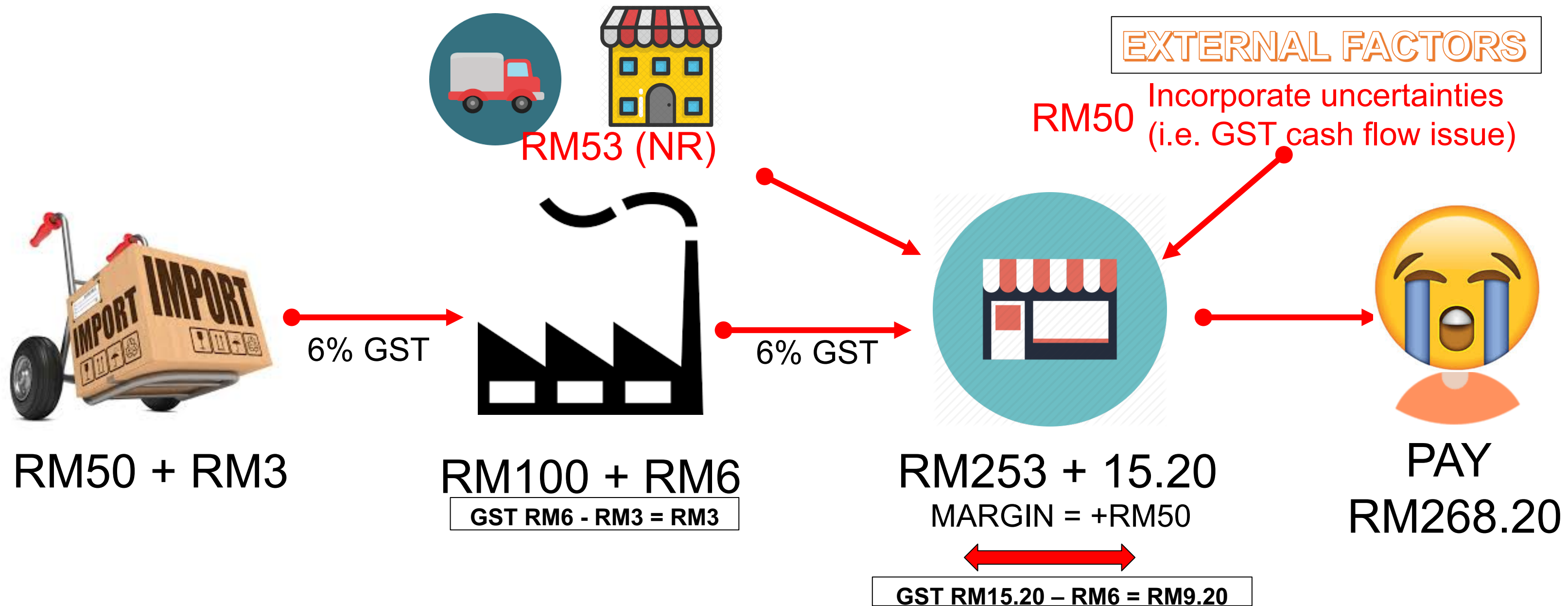


"I will lodge a report with the MACC (Malaysian Anti-Corruption Commission) tomorrow (Aug 10)," Khairy said.

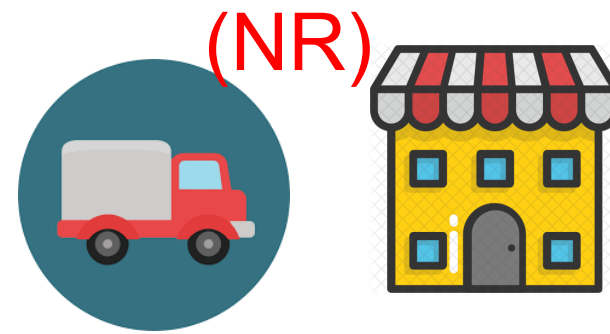
## GST TAXABLE GOODS FROM GST REGISTERED PERSON



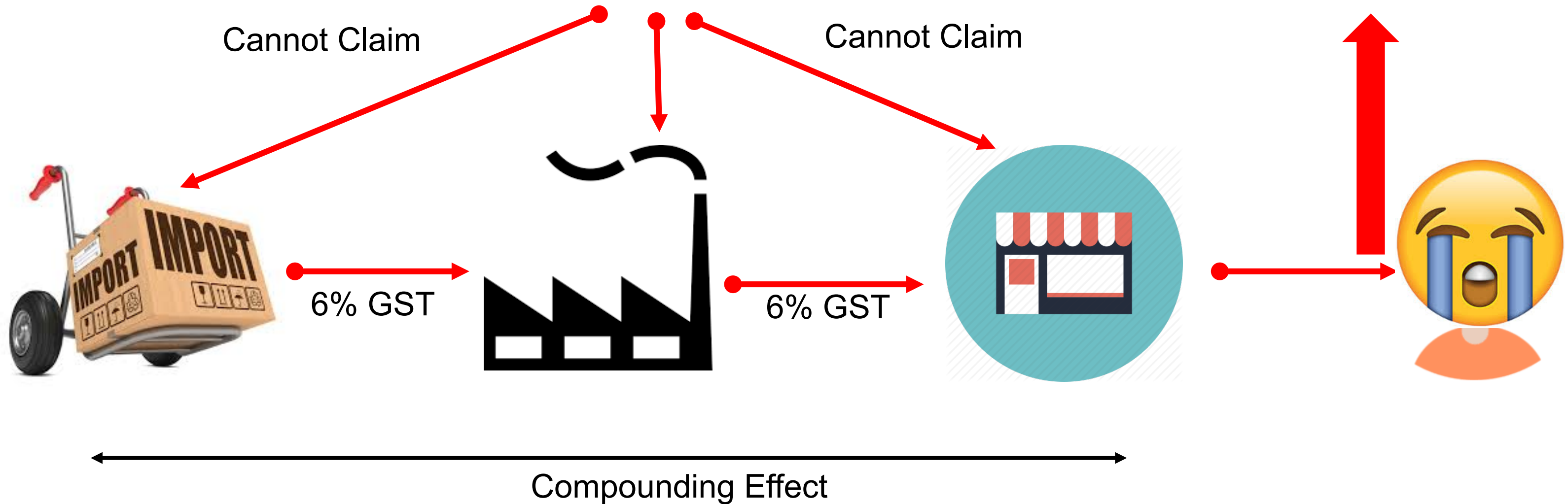
# GST TAXABLE GOODS FROM GST REGISTERED PERSON



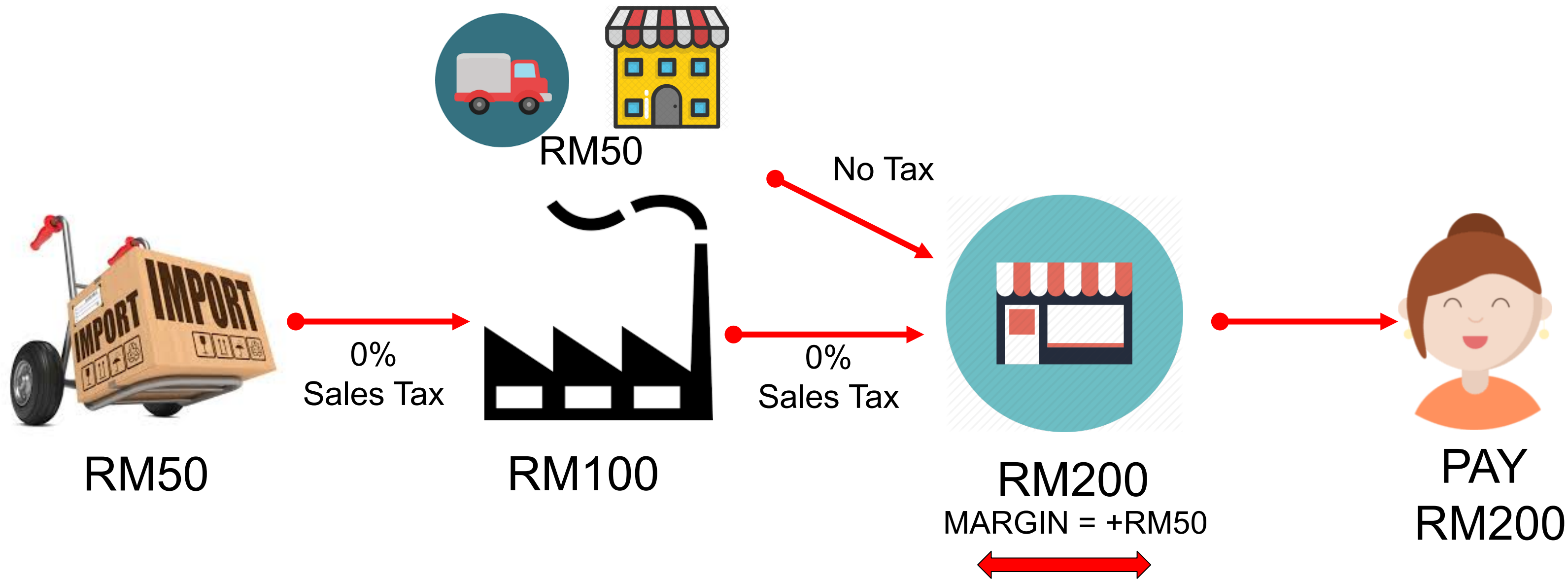




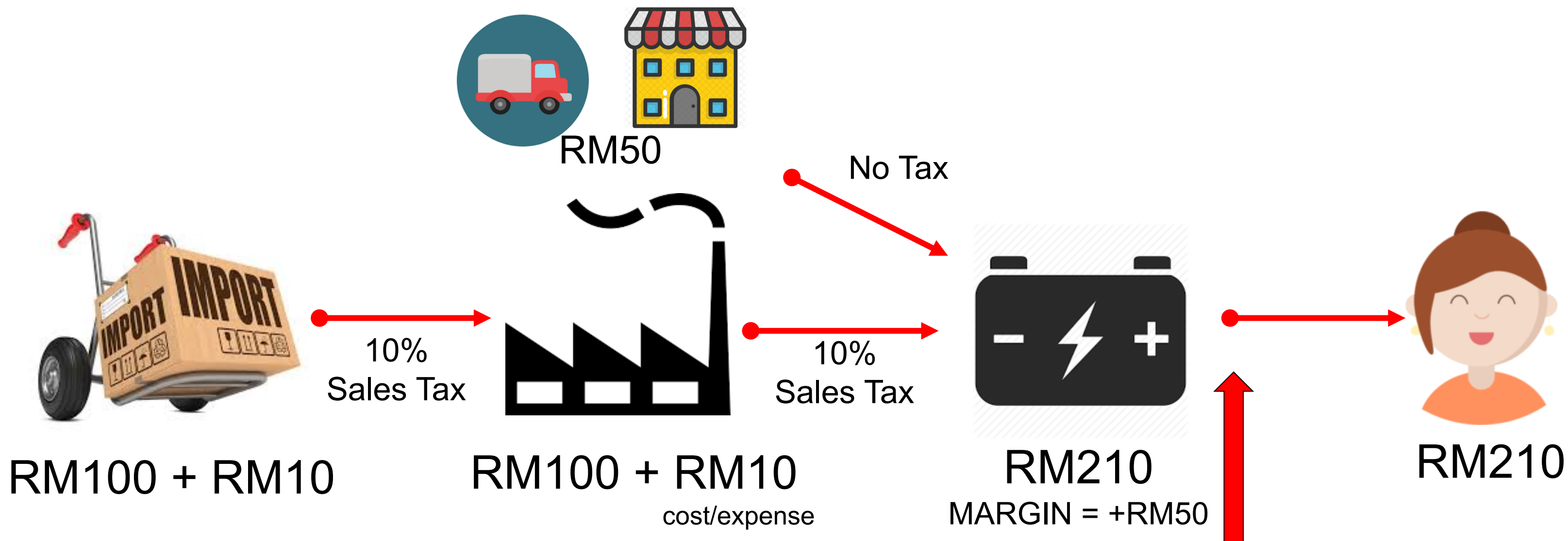
## EXTERNAL FACTORS / Compliance Cost



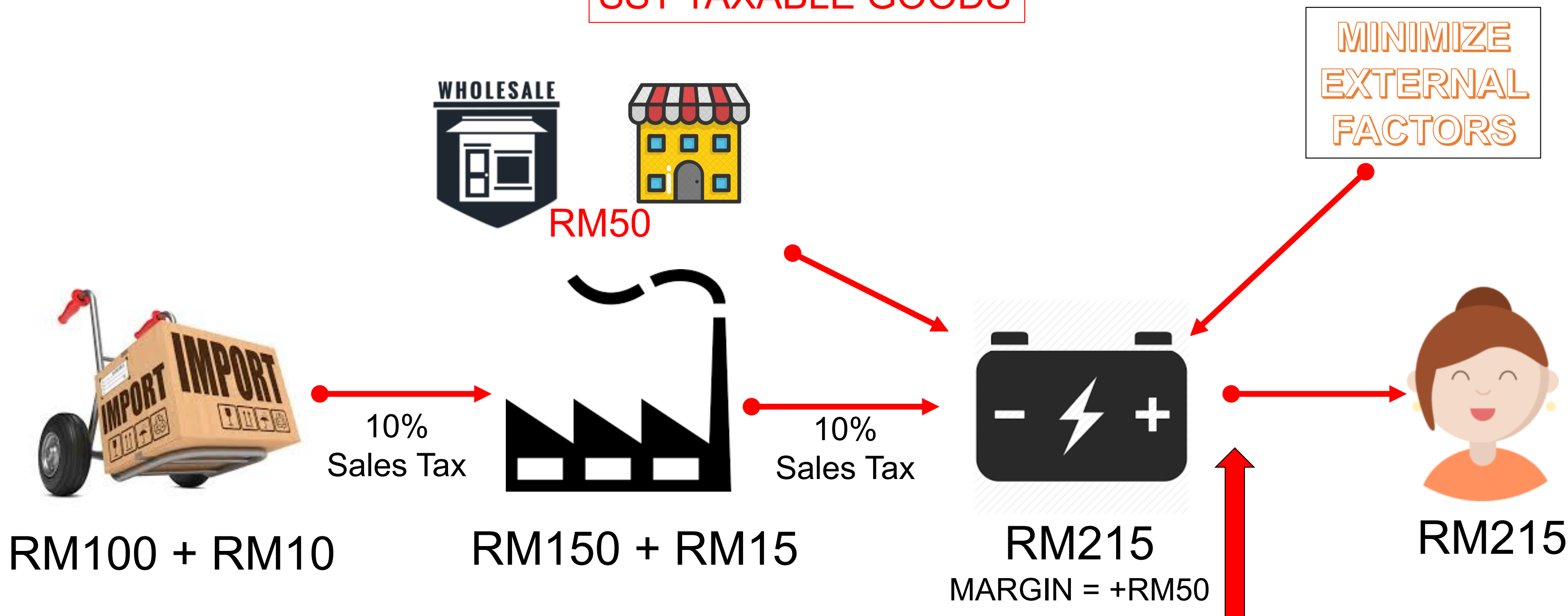
NON SST TAXABLE GOODS



## SST TAXABLE GOODS



SST TAXABLE GOODS



MINIMIZE  
EXTERNAL  
FACTORS

SCENARIO 6 vs  
SCENARIO 3

**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?**



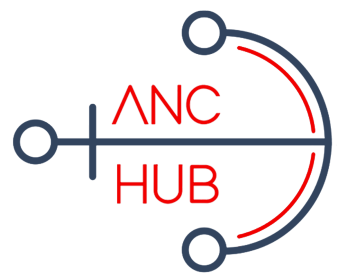




**WHAT ABOUT PROPERTY SEGMENT?**

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





# NEW COMMERCIAL PROPERTIES - OLD SST

SQL Account

in collaboration with

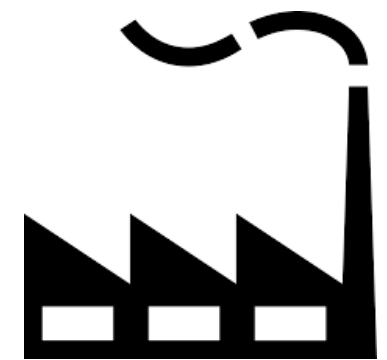


Anc Hub Consultants



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

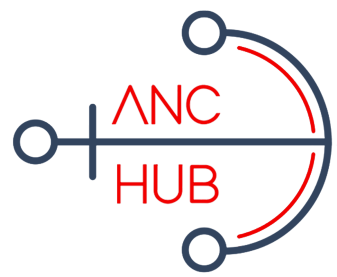
**ADD : MARKET FORCE DRIVEN**



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

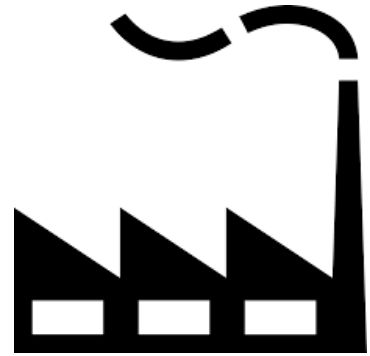


Anc Hub  
Consultants



Misc Charges  
50,000 + 3,000

6% GST



6% GST

Building Material  
100,000 + 6,000



6% GST

Engineering  
Services  
50,000 + 3,000



Margin 50,000  
GST Payable :  
15,000 – 12,000  
= RM3,000

Selling Price :  
RM250,000 + 15,000

**ADD : MARKET FORCE DRIVEN**

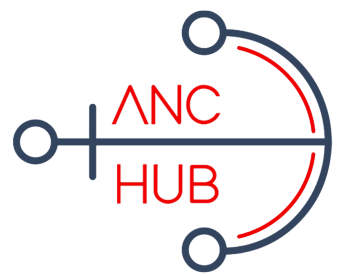


Non Claimable  
Purchase Price :  
RM265,000  
& No RPGT (after 5 years)



Claimable  
Purchase Price :  
RM250,000<sup>193</sup>  
& RPGT





# NEW COMMERCIAL PROPERTIES

Before 01.06.2018

SQL Account

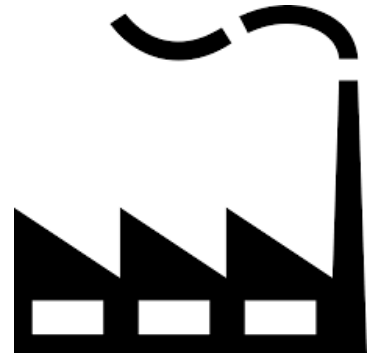
in collaboration with



Anc Hub Consultants



Misc Charges (NR)  
53,000



Building Material  
100,000 + 6,000

6% GST



Engineering Services  
50,000 + 3,000

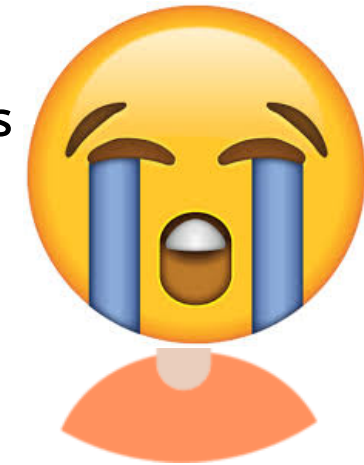
6% GST



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

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

**ADD : MARKET FORCE DRIVEN**



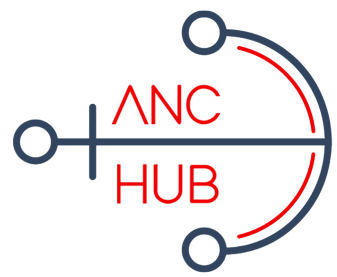
Non Claimable  
Purchase Price :  
RM268,180  
& No RPGT (after 5 years)

6% GST  
RM268,180

6% GST  
RM268,180



Claimable  
Purchase Price :  
RM253,000<sup>194</sup>  
& RPGT



# NEW COMMERCIAL PROPERTIES

After 01.06.2018

SQL Account

in collaboration with

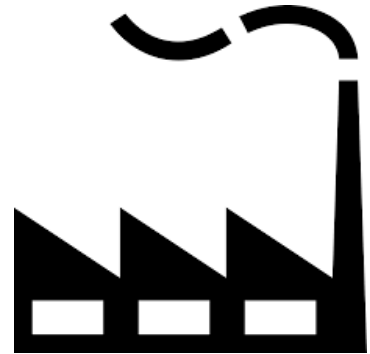


Anc Hub Consultants



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)

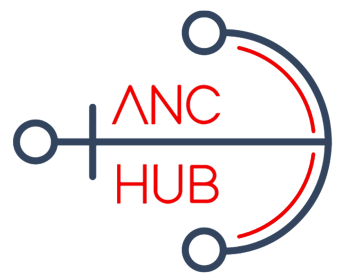
0% GST  
RM250,000



Purchase Price :  
RM250,000 & RPGT

0% GST  
RM250,000

**ADD : MARKET FORCE DRIVEN**



# NEW COMMERCIAL PROPERTIES - PROPOSED SST

**SQL Account**

in collaboration with

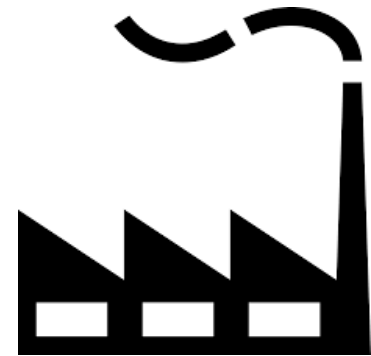


Anc Hub Consultants



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



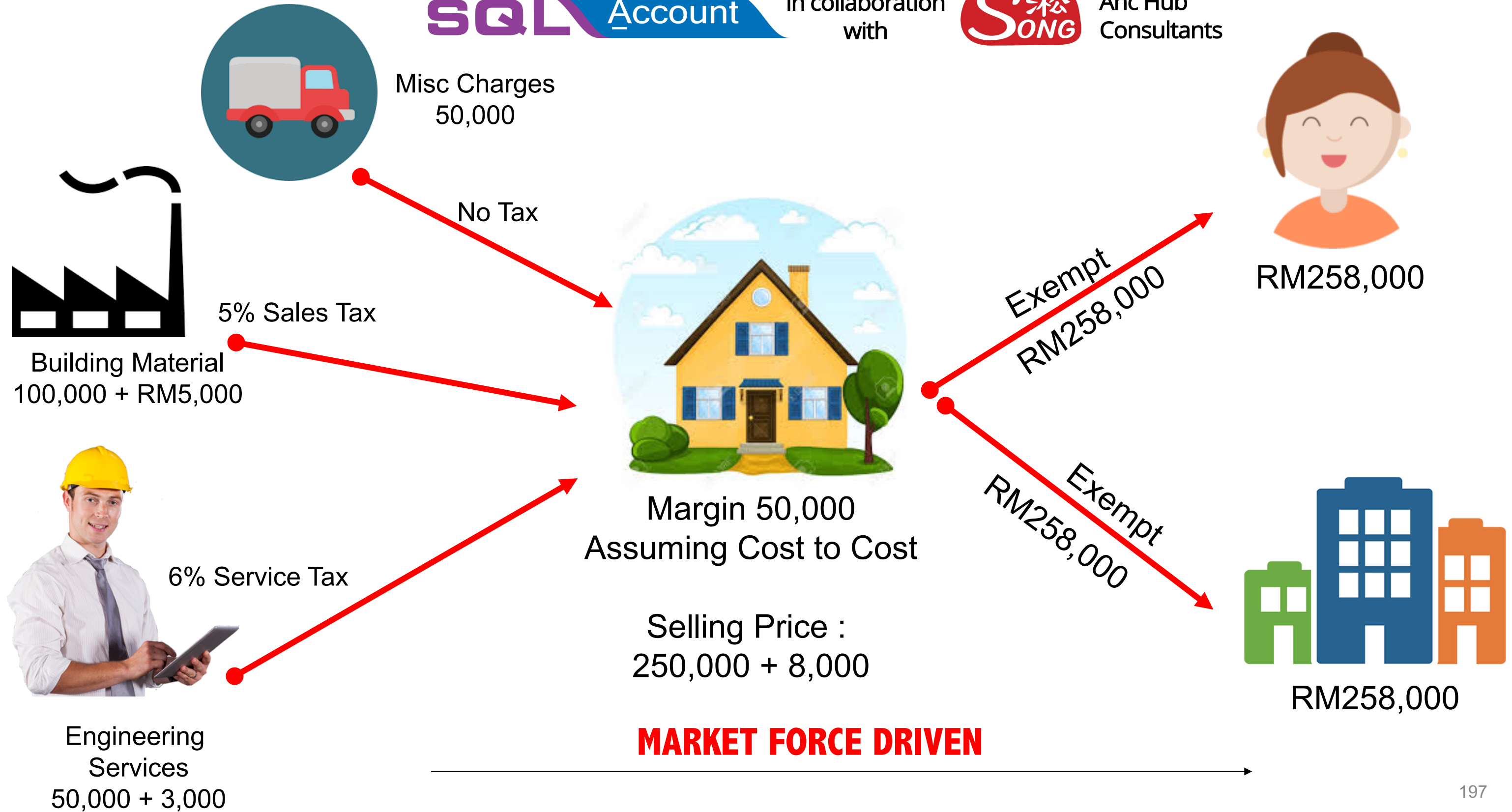
# RESIDENTIAL PROPERTIES – OLD SST

**SQL** Account

in collaboration  
with



Anc Hub  
Consultants





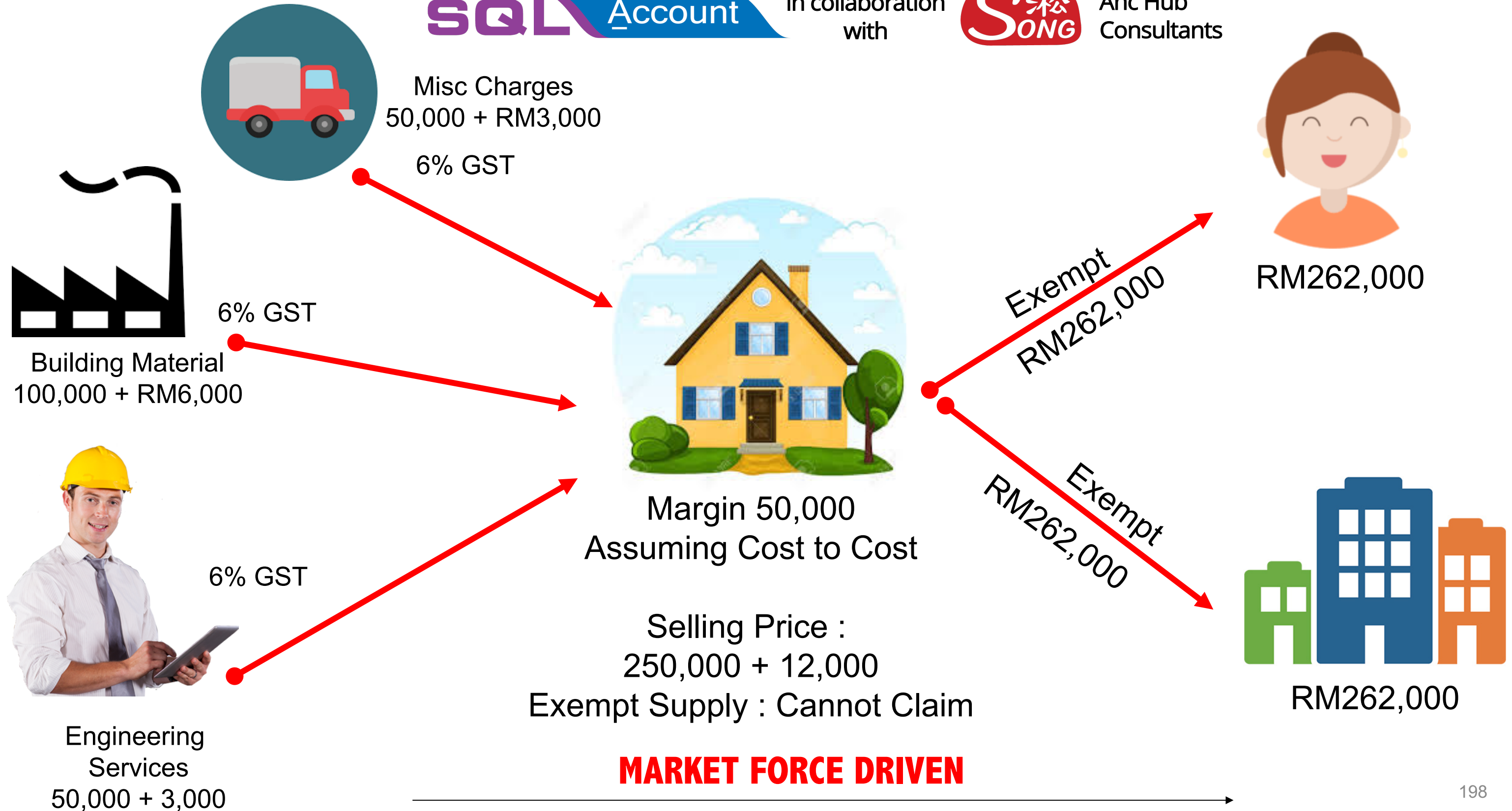
# RESIDENTIAL PROPERTIES – GST 6%

**SQL** Account

in collaboration  
with



Anc Hub  
Consultants



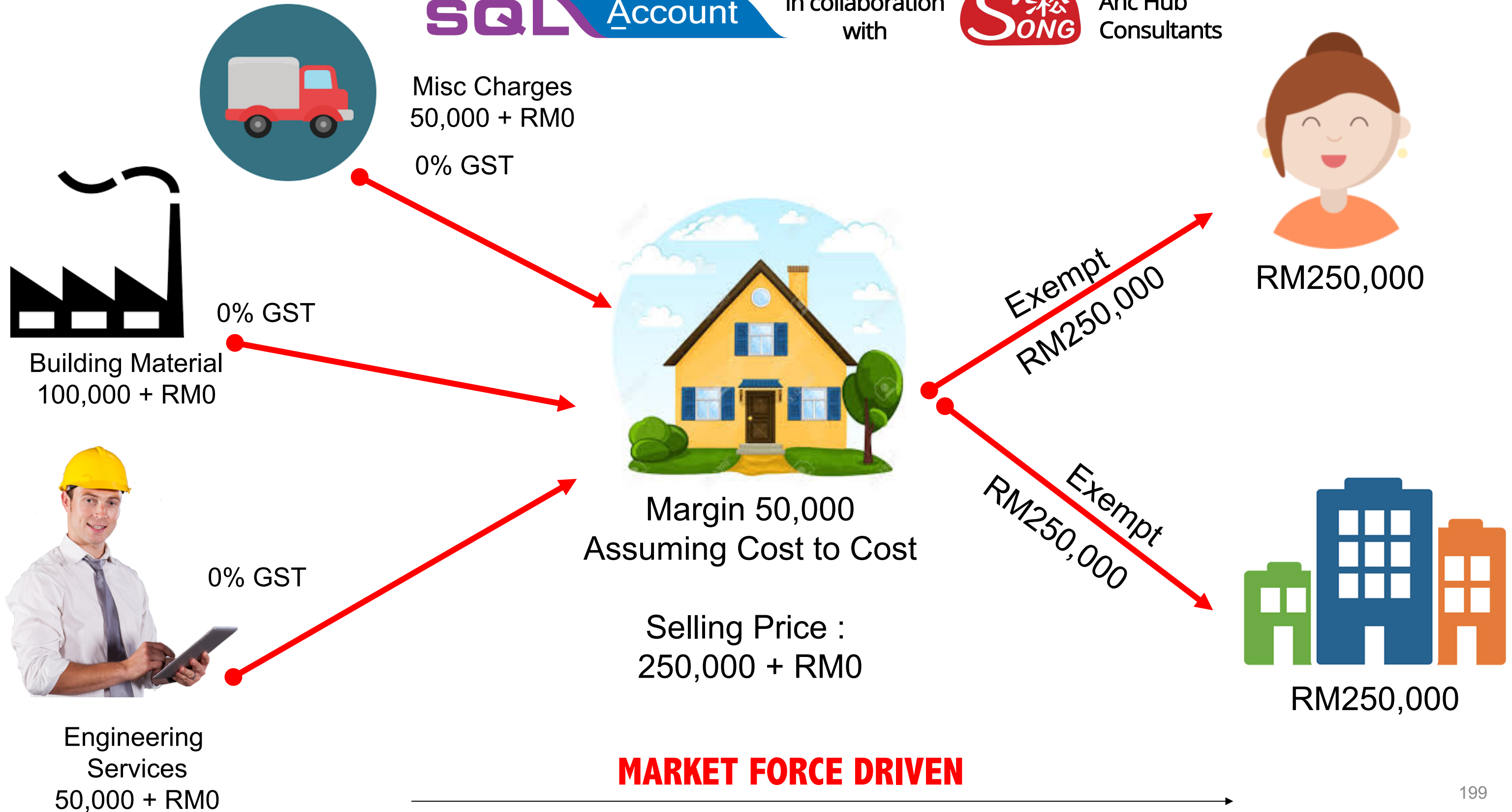
# RESIDENTIAL PROPERTIES – GST 0%

**SQL** Account

in collaboration  
with



Anc Hub  
Consultants



# RESIDENTIAL PROPERTIES – NEW SST

**SQL** Account

in collaboration  
with



Anc Hub  
Consultants



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

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



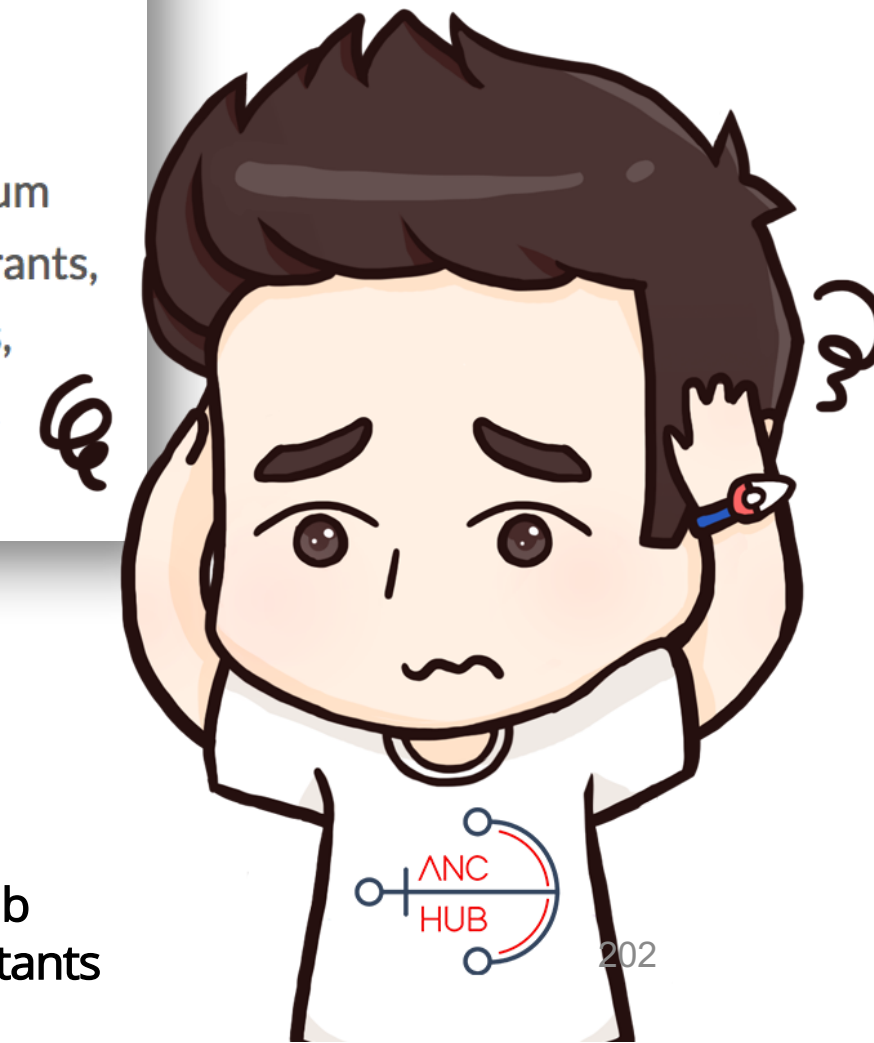


## 6. What are the goods that are subject under this Regulation?

### 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

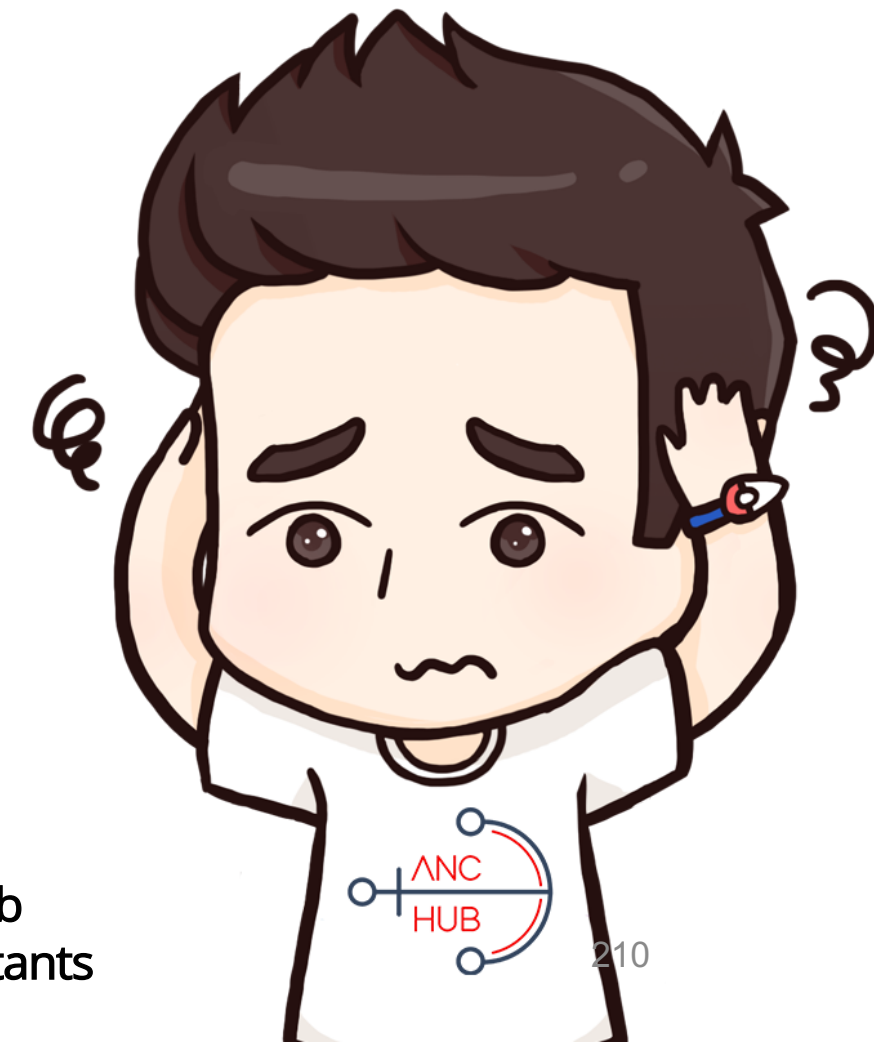
# FREQUENTLY ASKED QUESTIONS



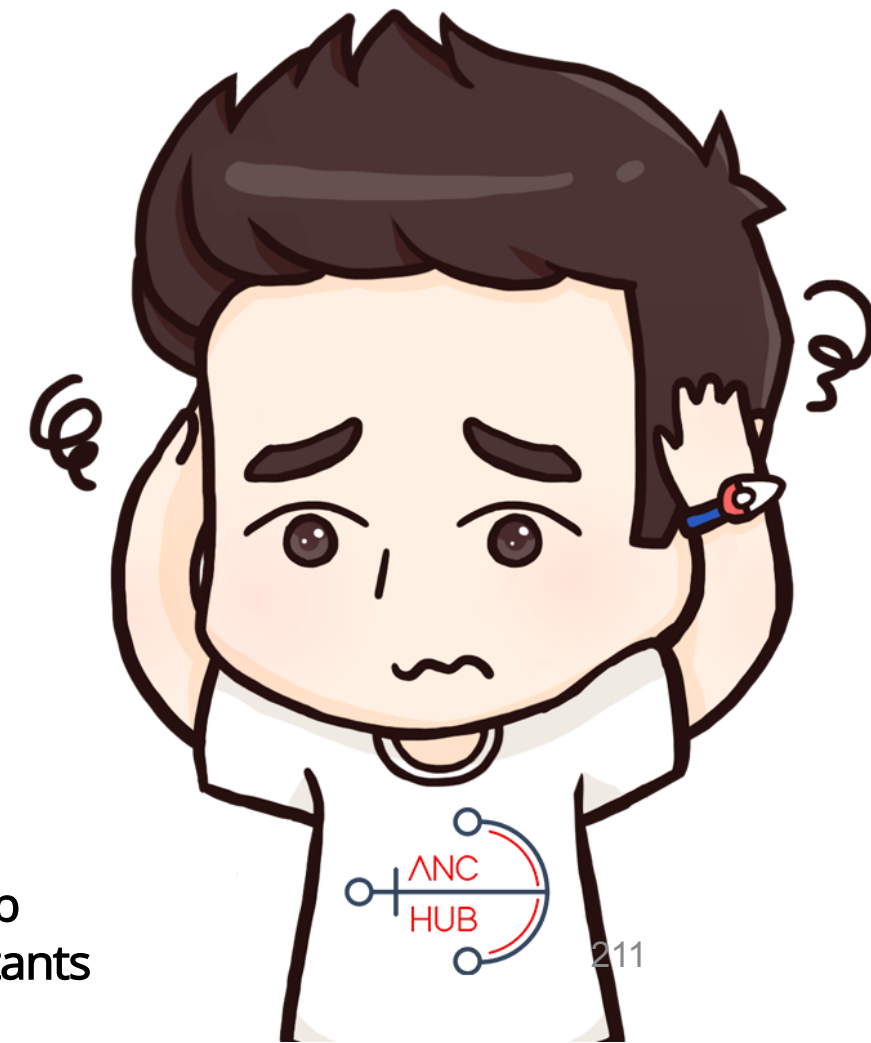
**I achieved RM500k revenue due to the current tax holiday.**

**Should I register GST ?**

**Yes.**



**My company manufacture bread and sell to our retails.  
Should we register SST?**



msic.stats.gov.my/bi/carianDeskripsi.php?validation\_rule=

1

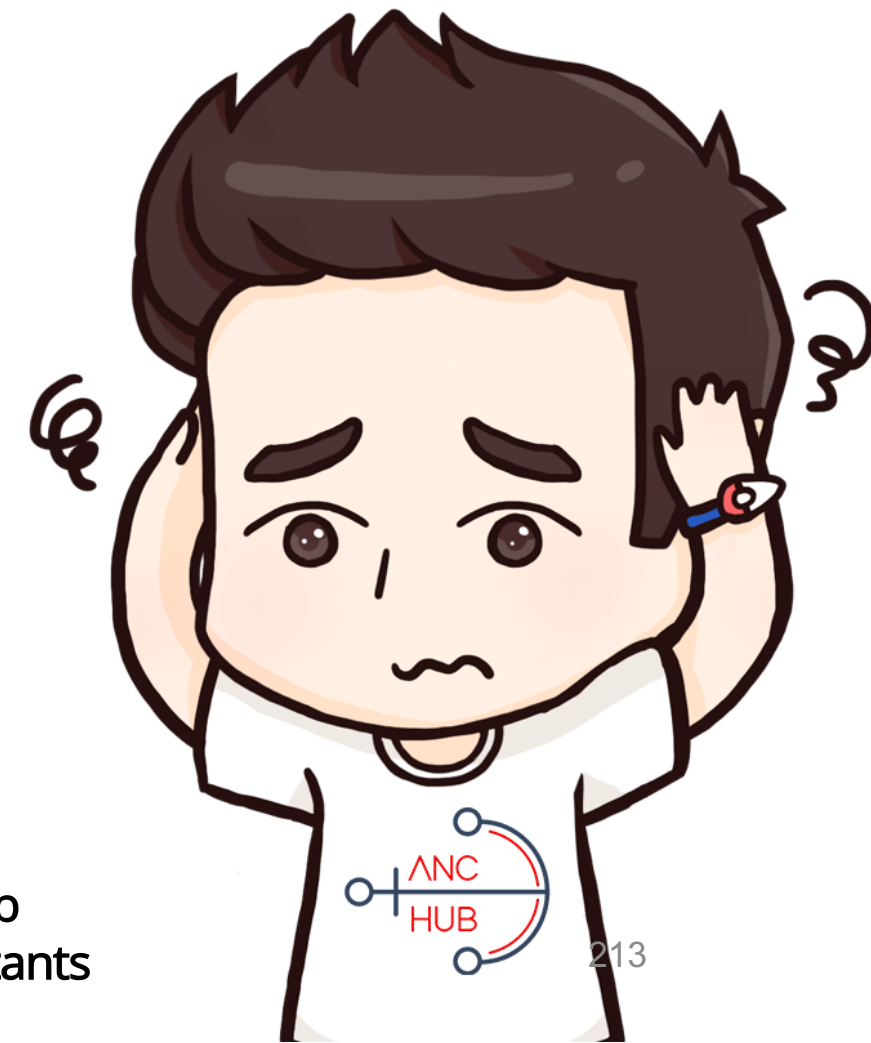
⋮

Table for 5 digits

Item	Description	Includes
<a href="#">10712</a>	Manufacture of bread, cakes and other <b>Bakery</b> products	(a) manufacture of bread and rolls (b) manufactured of fresh pastry, pies, tarts, production of egg based dessert (e.g. egg custard), etc. (c ) manufactured of preserved pastry goods, etc. (d) manufactured of dry and other <b>Bakery</b> product n.e.c
<a href="#">10714</a>	Manufacture of frozen <b>Bakery</b> products	pancakes, waffles, rolls, roti canai, murtabak, etc
<a href="#">46324</a>	Wholesale of biscuits, cakes, breads and other <b>Bakery</b> products	
<a href="#">47216</a>	Retail sale of <b>Bakery</b> products and sugar confectionery	

**Reimbursement of expenses.**

**Is this subject to SST?**

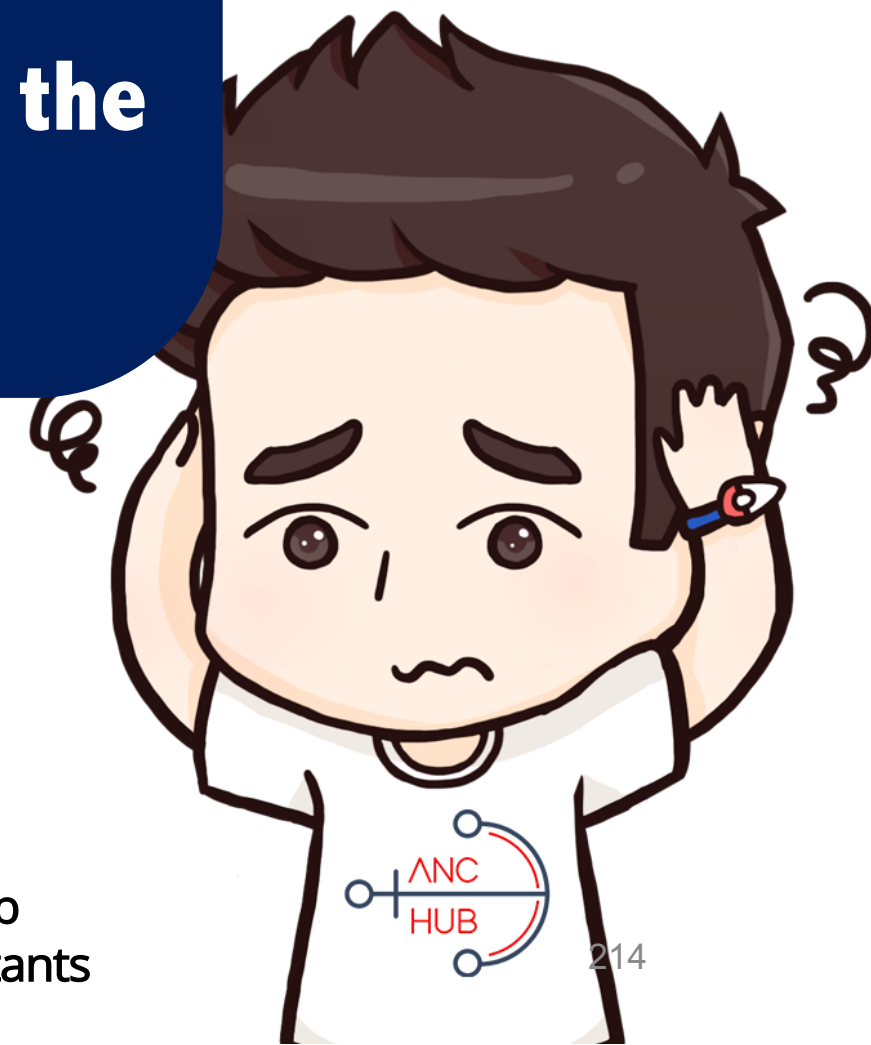




**We have acquired stocks amounted to approximately  
RM100,000 + GST in April 2018.**

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

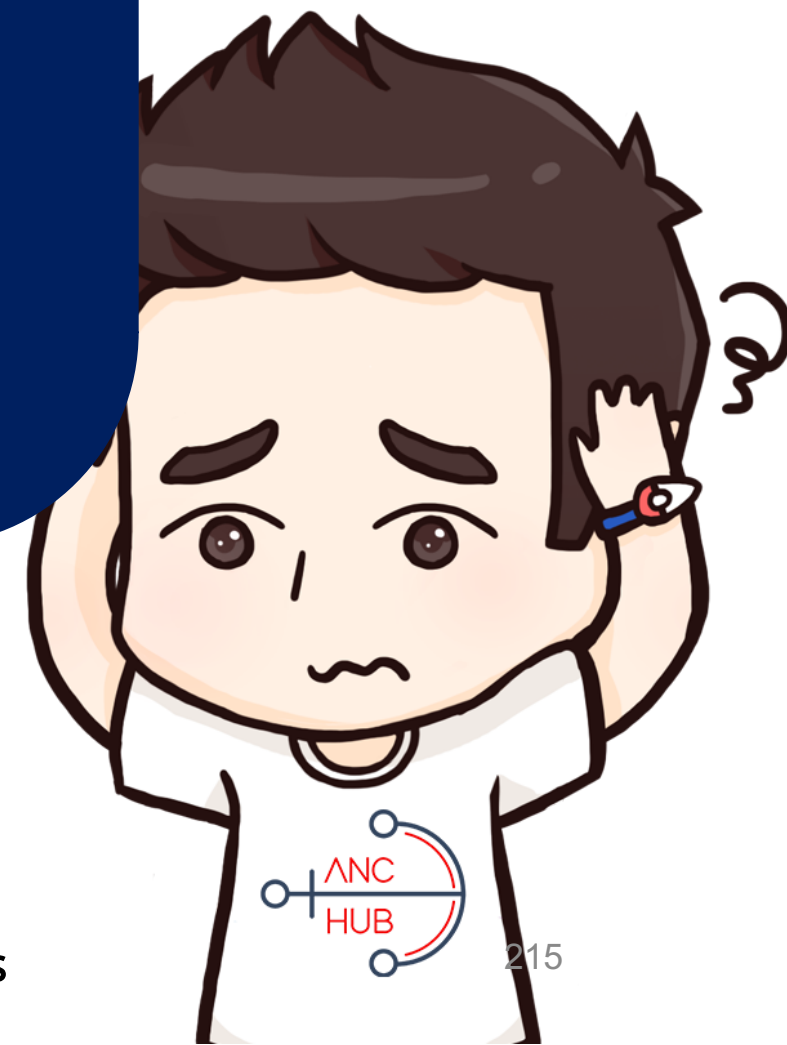
**If we only pay our supplier in 2019, how do we claim back the  
GST?**



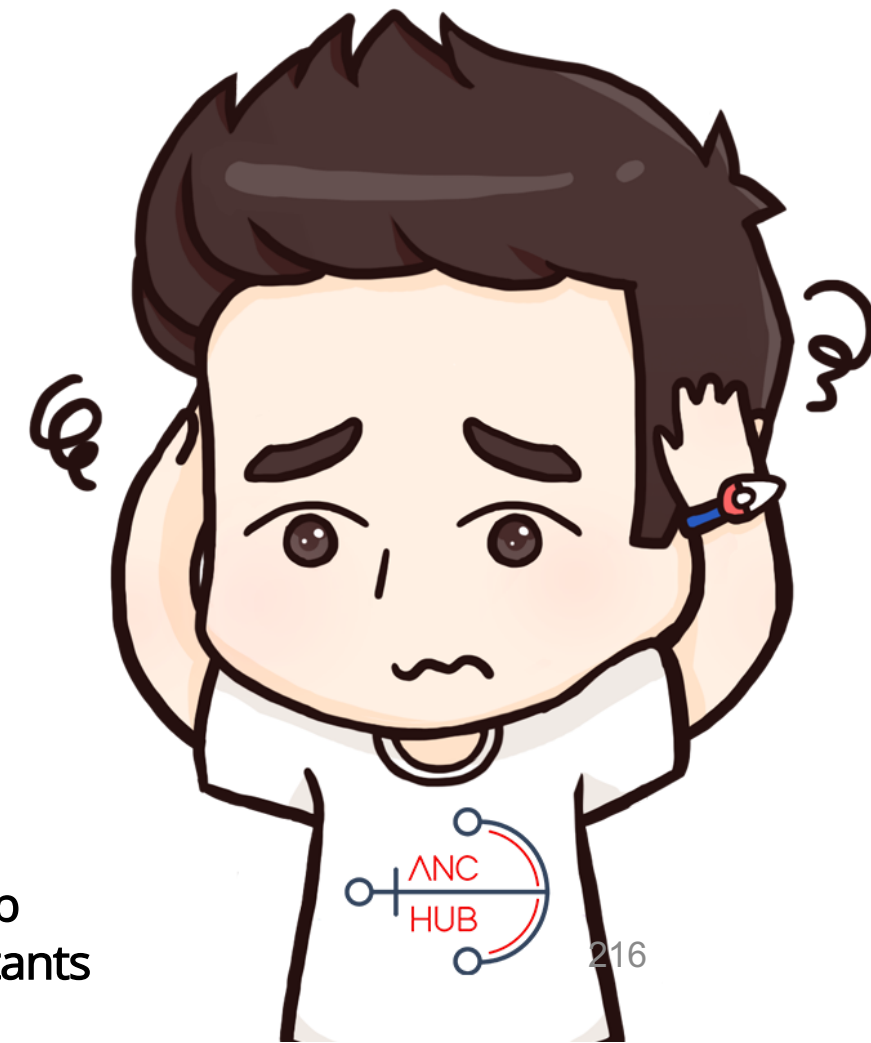
**Our GST refund was stuck with the customs for more than a year now. Recently they sent us letter requesting us to furnish them our Form C.**

**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?**

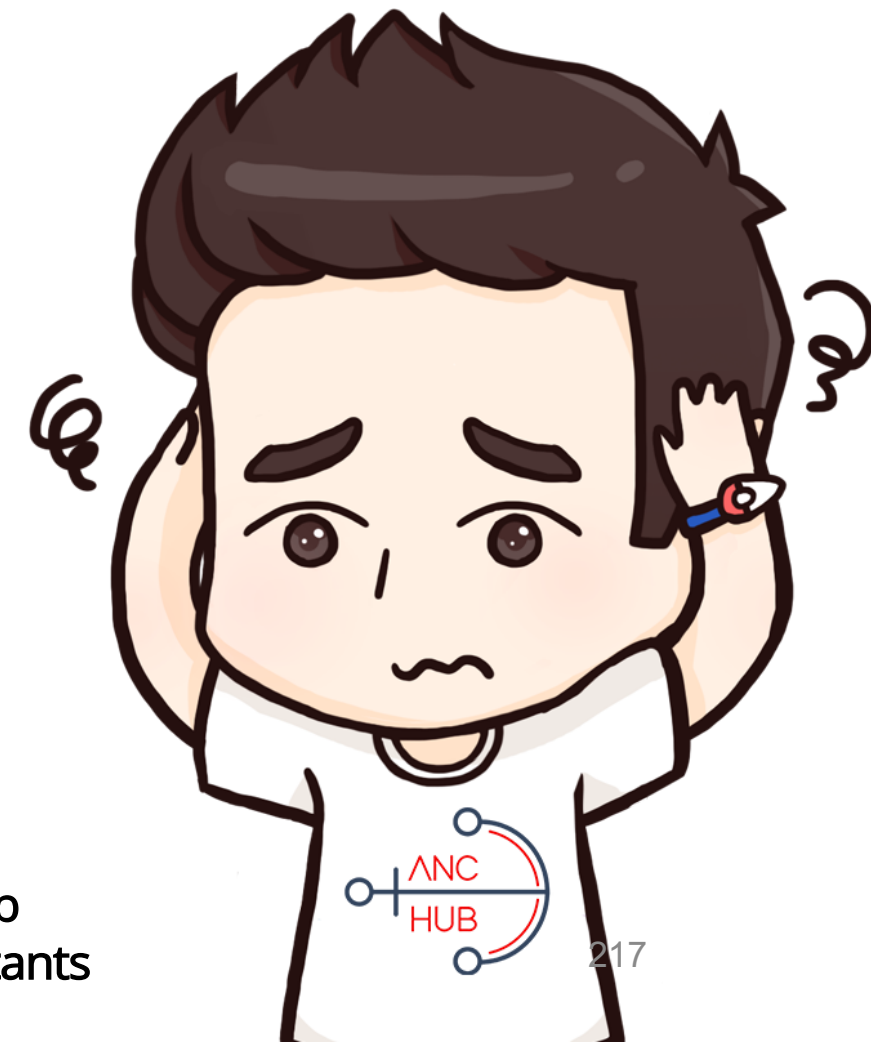


**We are in Mechanical Engineering. Do we need to register for SST?**



**Since SST threshold is RM500,000.**

**Can we create many companies to reduce the threshold?**

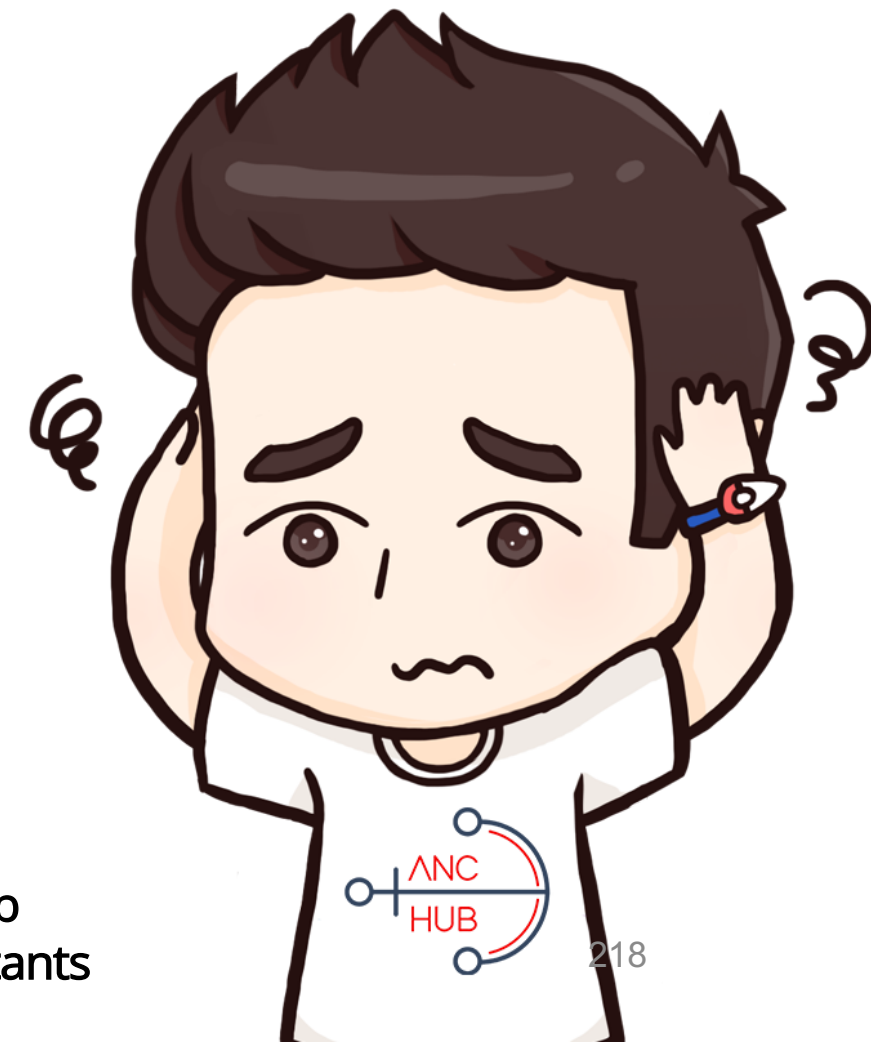




## Direction to treat persons as single taxable person

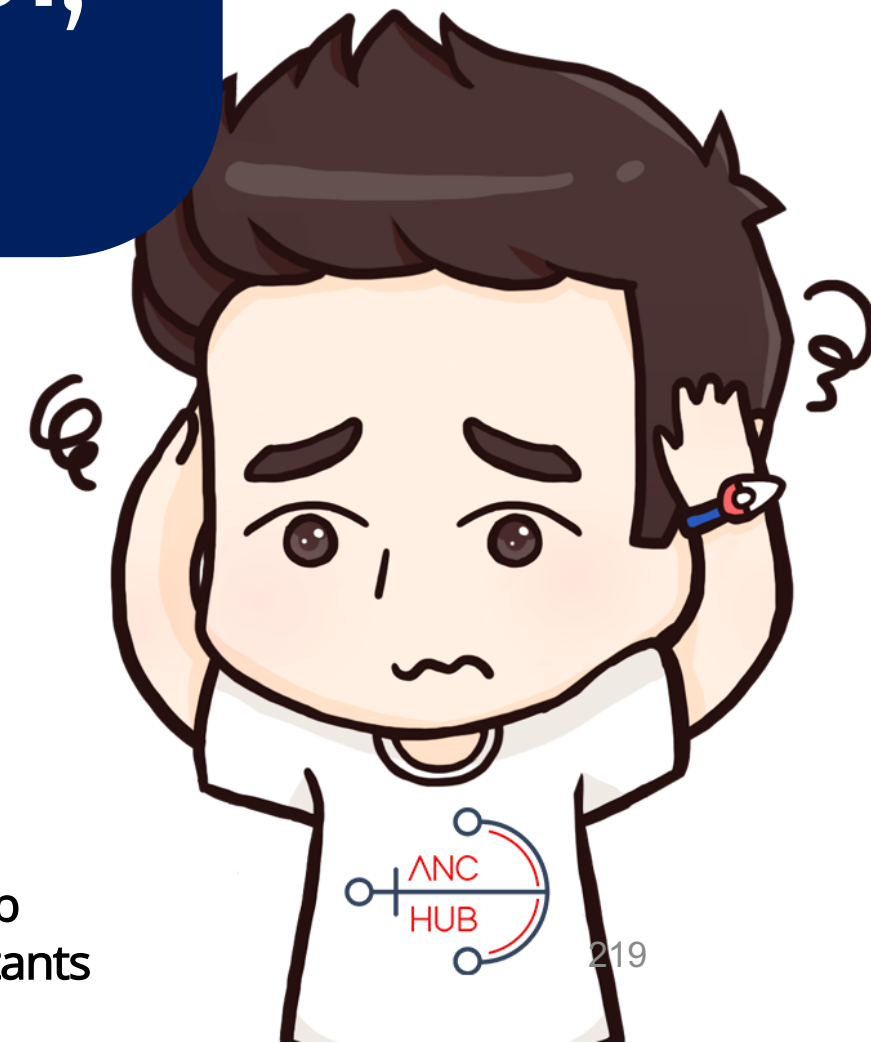
**15.** (1) Notwithstanding section 12, where the Director General is satisfied that any separation of business activities is artificial, he may make a direction requiring that—

- (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.

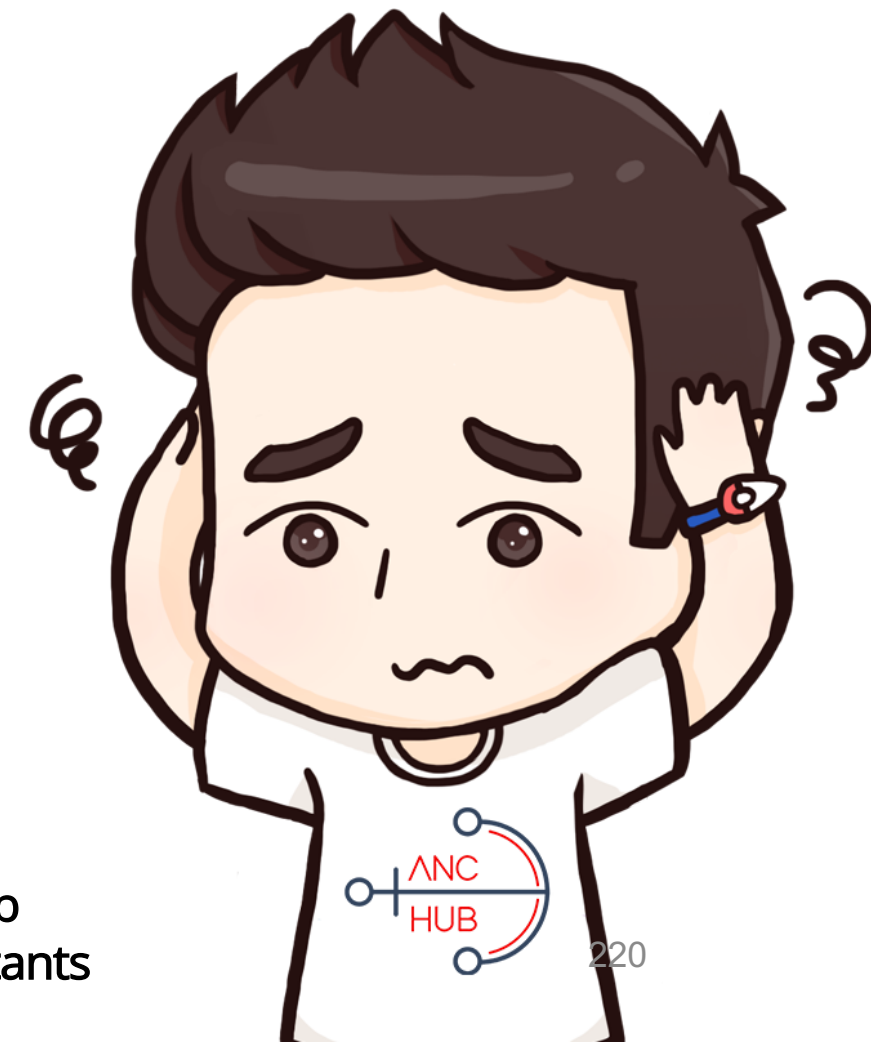


**We are manufacturer of doors. Sometimes, due to stock shortage, we will source our doors from other suppliers and sell them to our customers.**

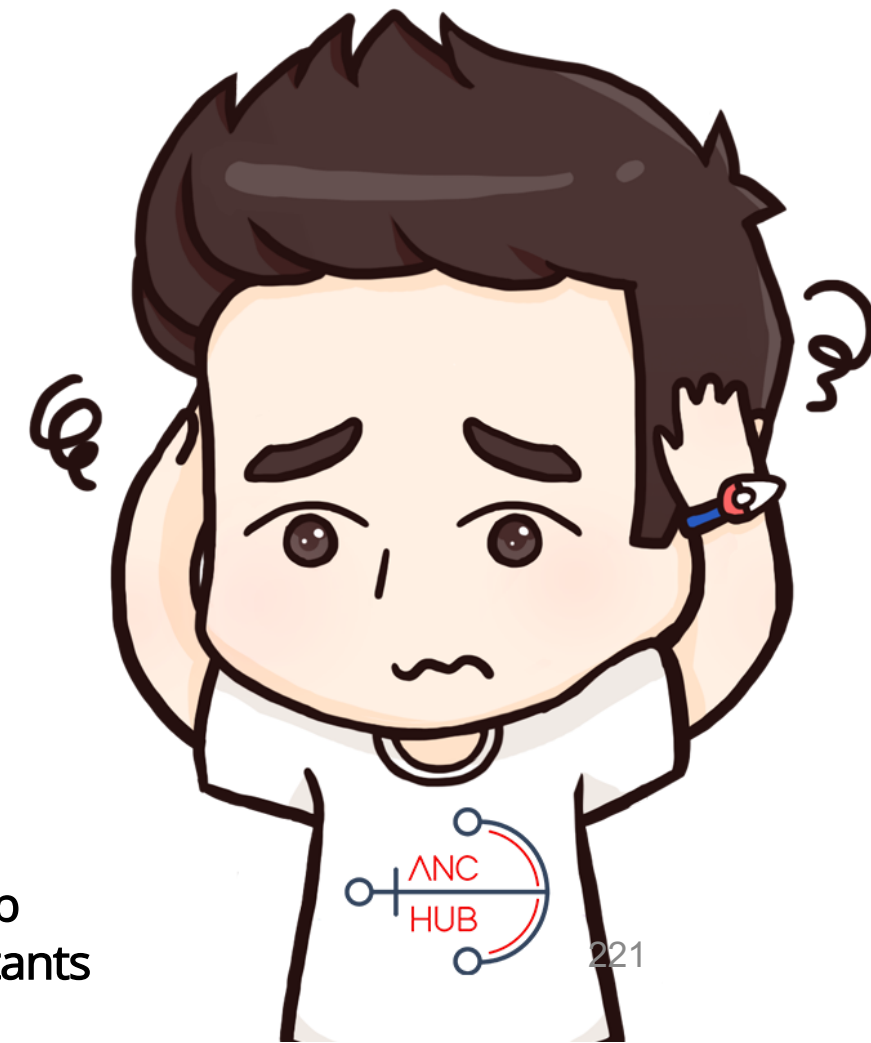
**If manufacture subject to SST, trading is not subject to SST, then my customers will know I source from third party.**



**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**

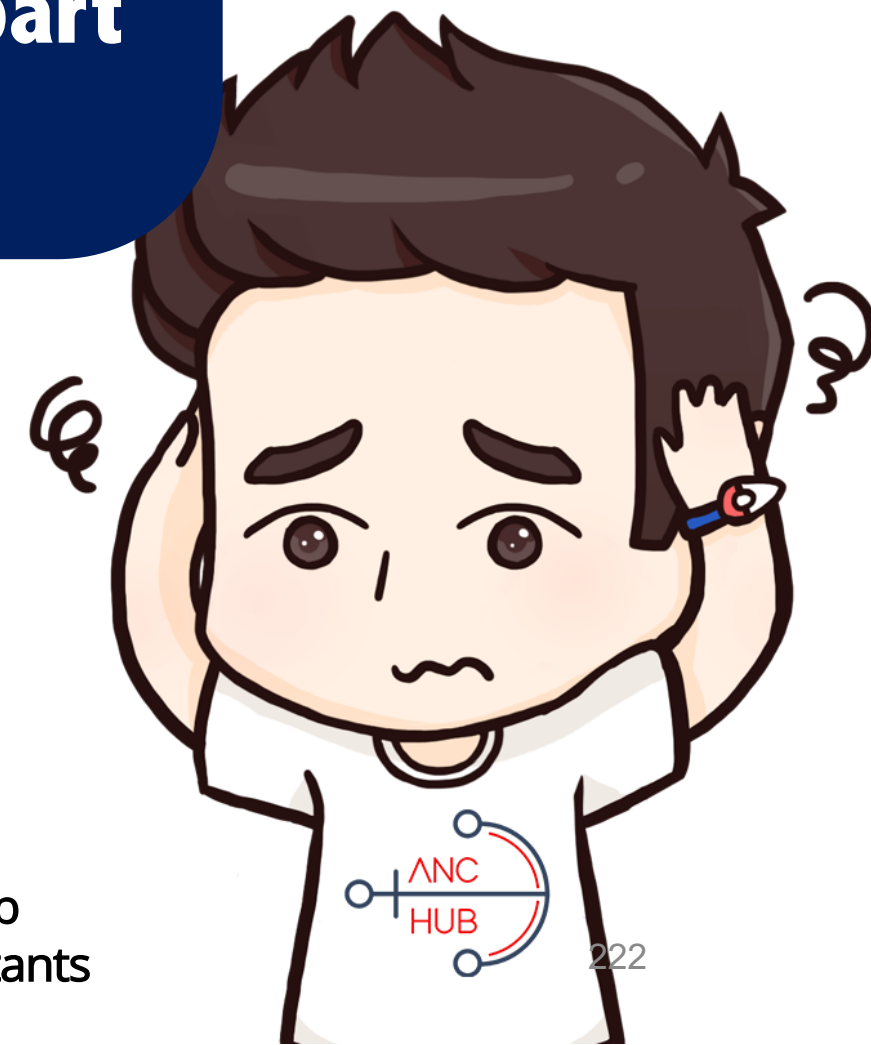




**Our customers haven't pay us after 6 months. Assuming invoice date April 2018.**

**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

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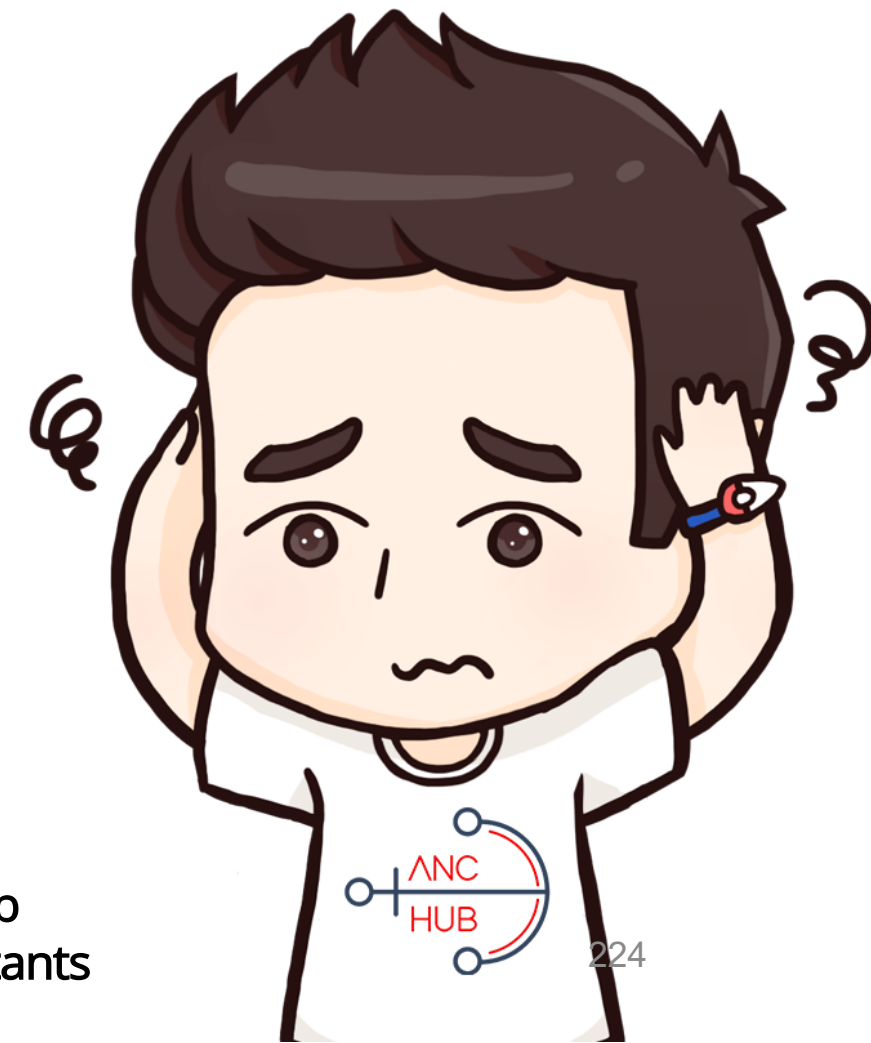
**GST will still be applicable for these cases as pursuant to s4(1) of Repeal Bill.**

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

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

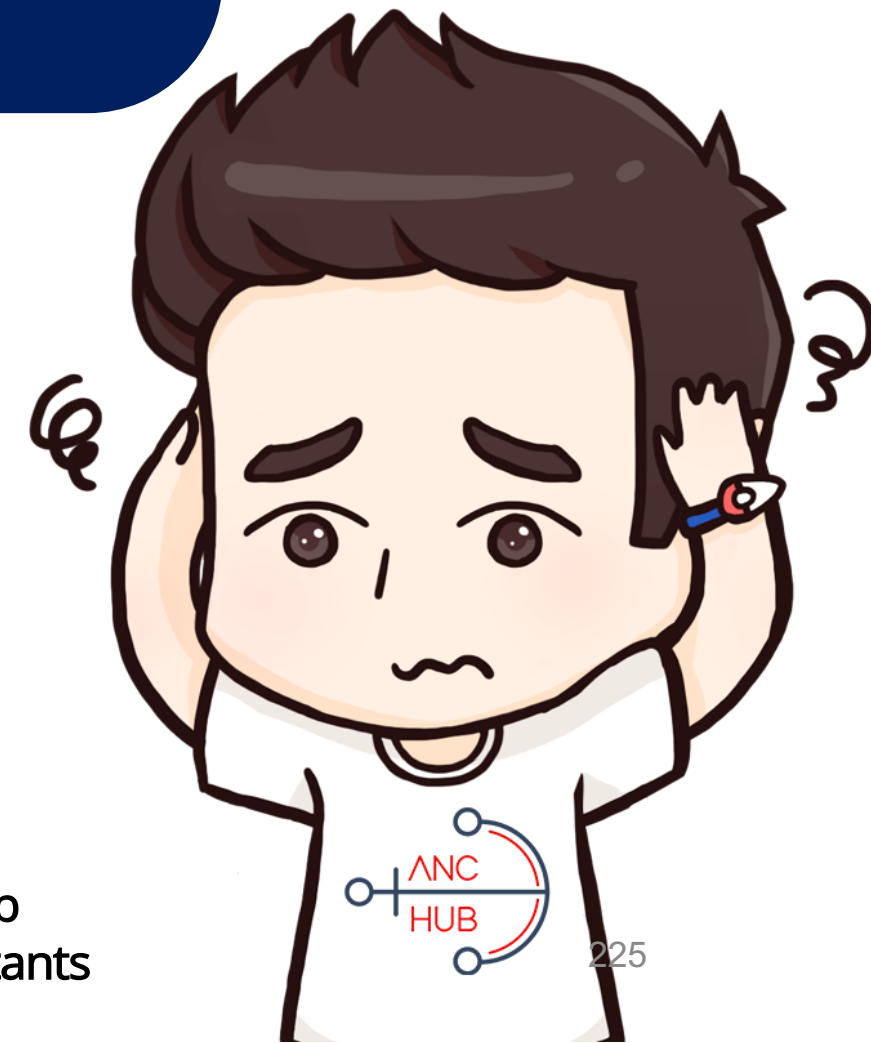
**Trading of Motor Vehicle / Forklift. Are we subject to SST?**

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



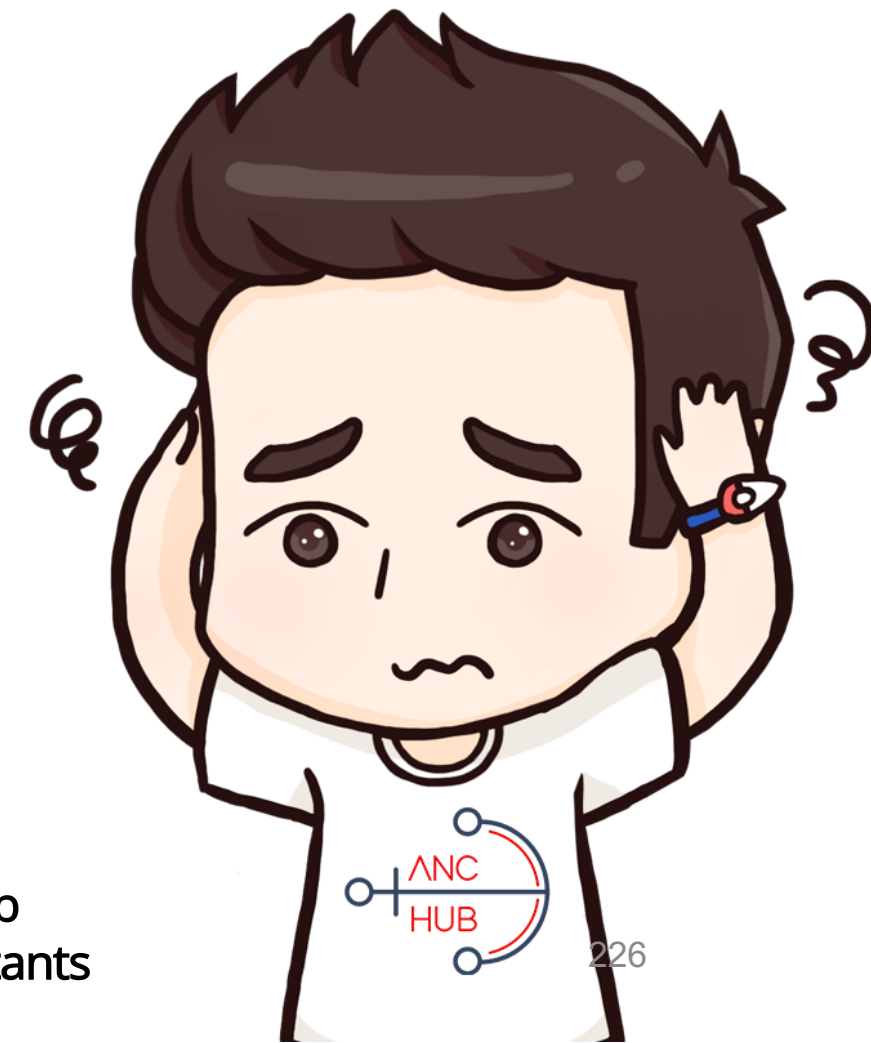
**We are in tourism line. GST is claimable under tourism scheme.**

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

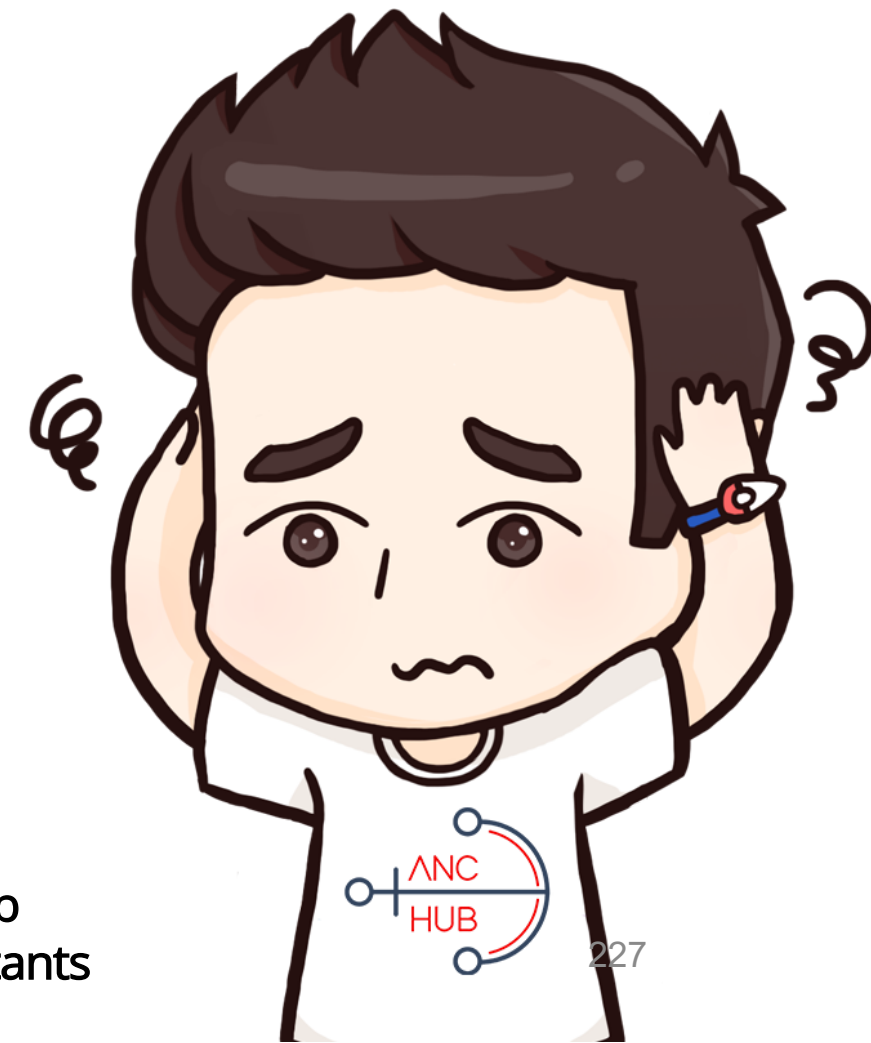




**We provide electrical parts installation for developers. Are we subject to SST?**

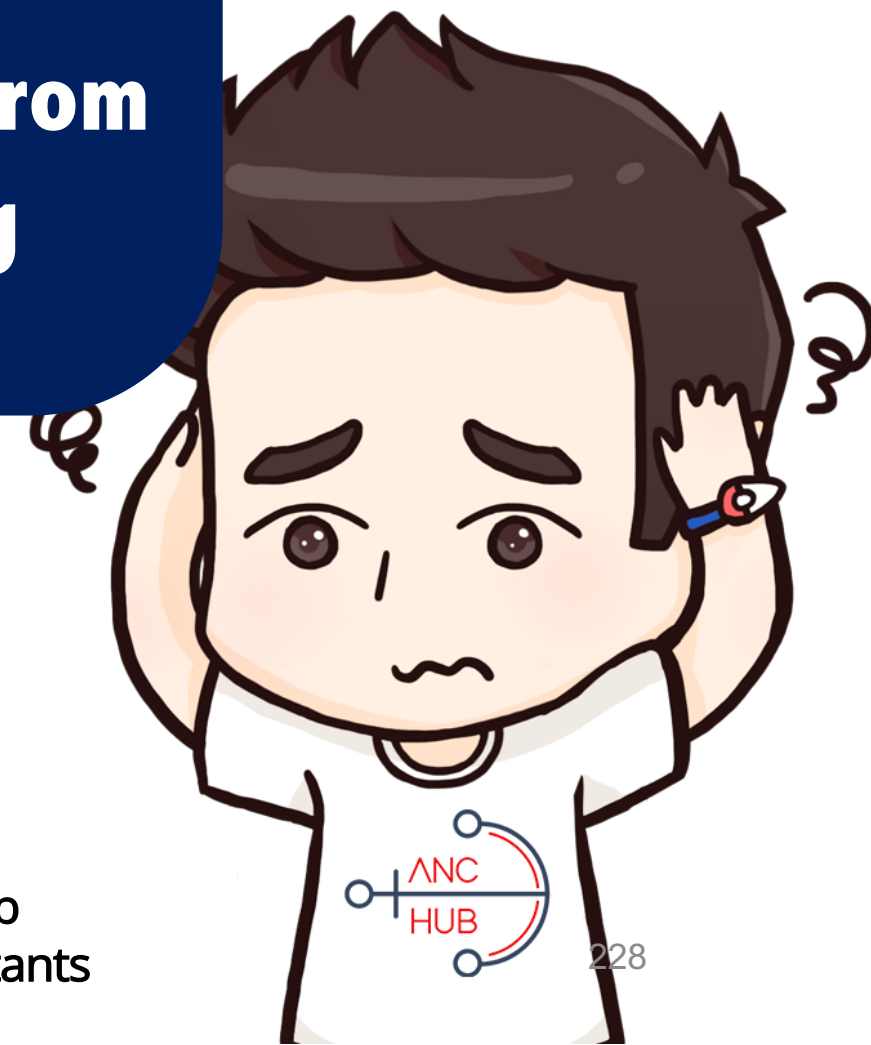


**Understand Export of goods is exempted from sales tax.  
Do we need apply?**

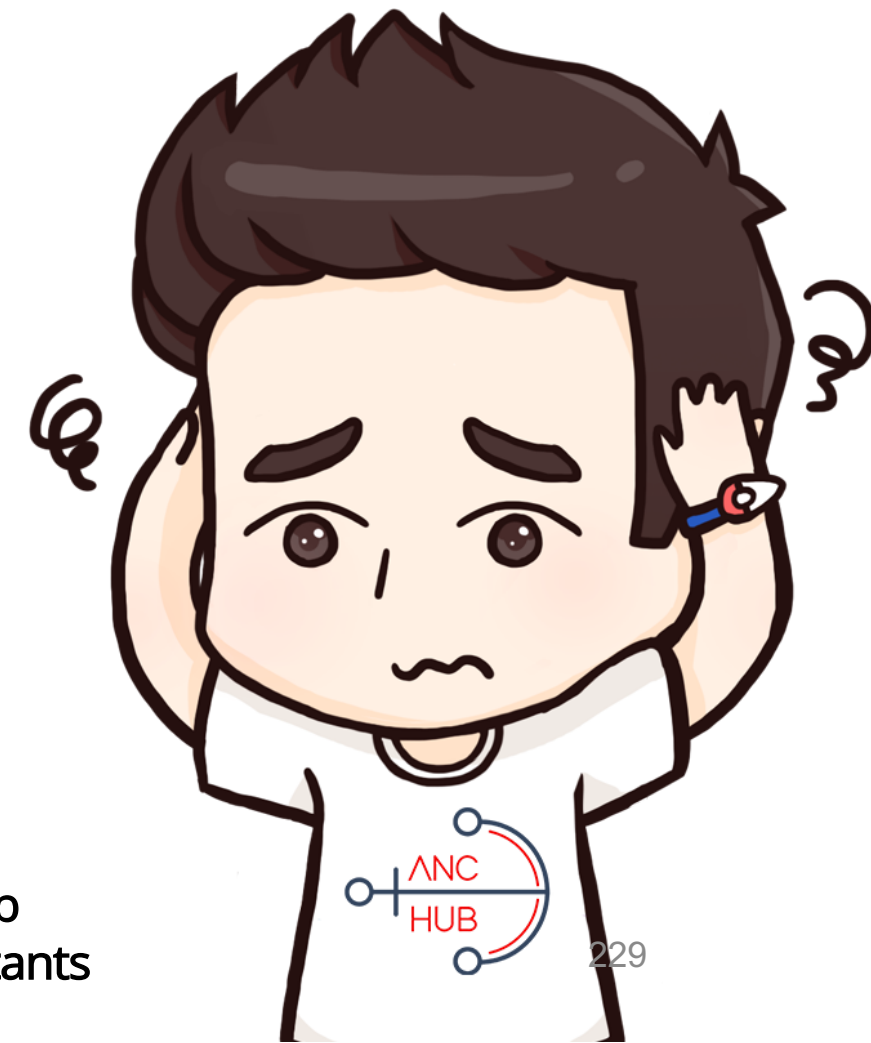


**I achieved RM500,000 threshold and I am a GST registered company. We are in the business of providing engineering services, but we have put a wrong MSIC code in our GST Forms.**

**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?**



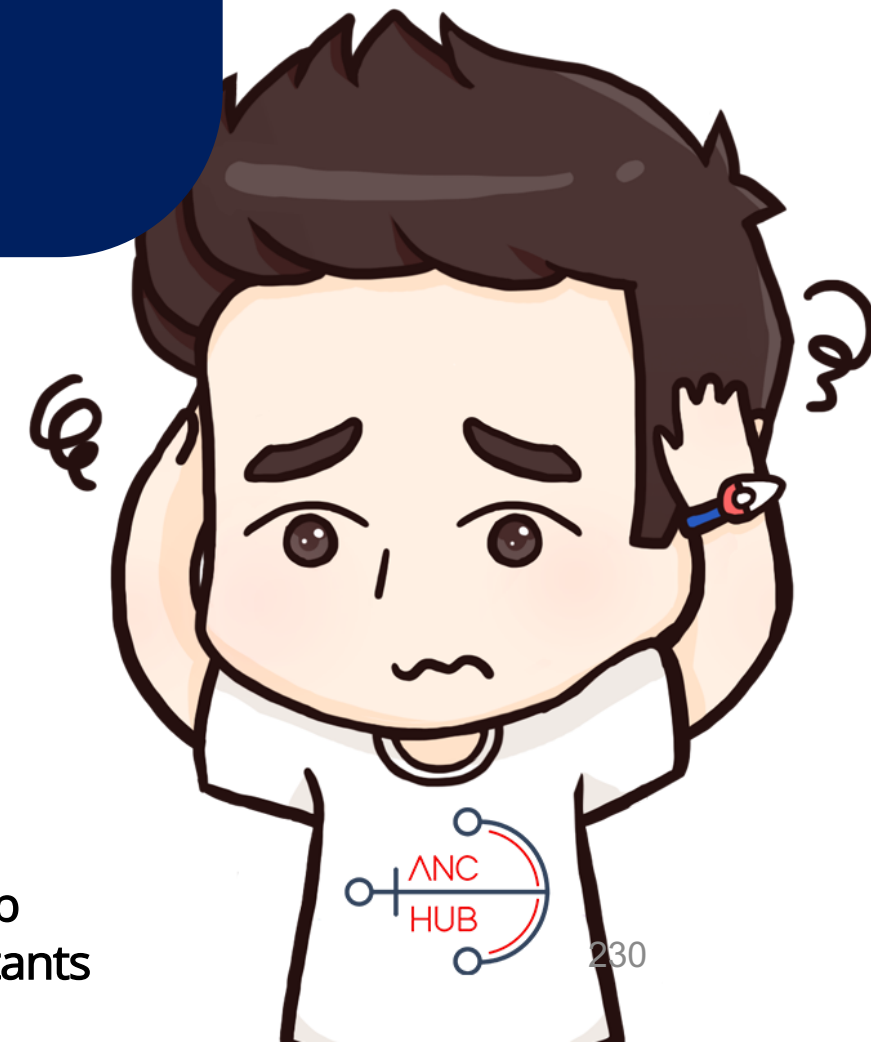
**Should I create many MSIC Code?  
Since some of my functions are not subject to SST.**



**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

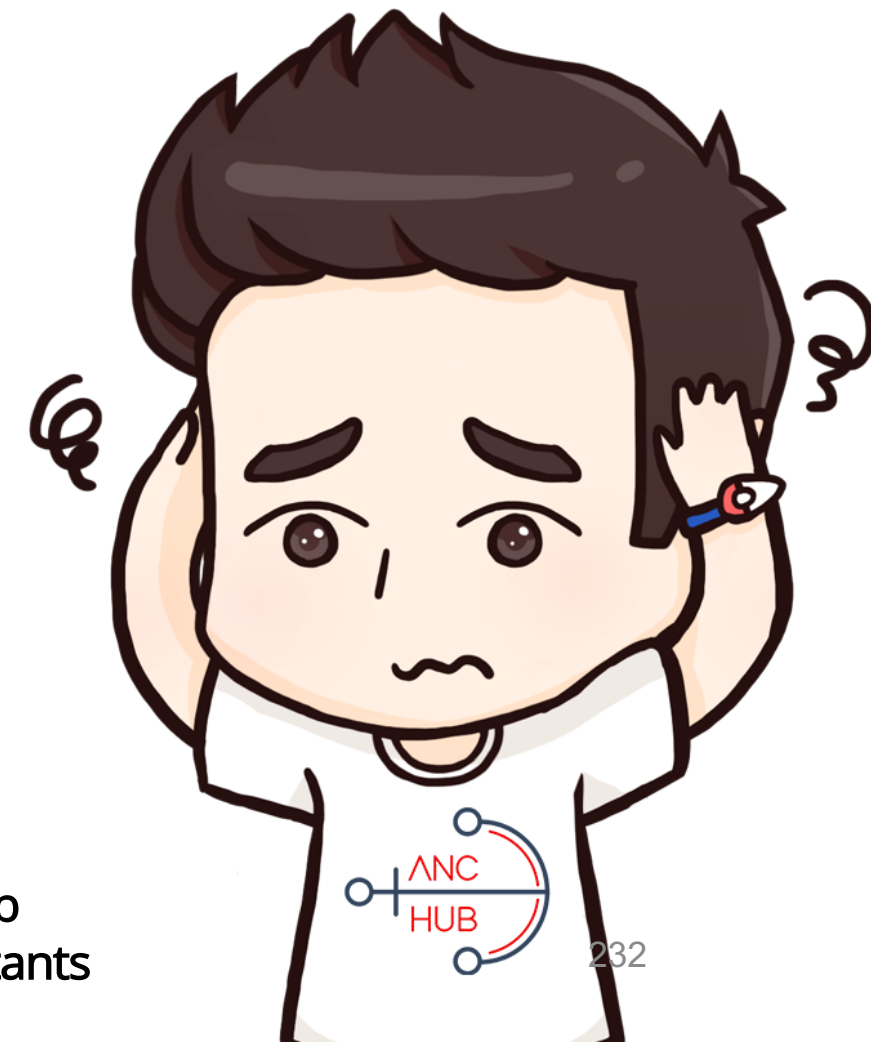
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**GST will still be applicable for these cases as pursuant to s4(1) of Repeal Bill.**

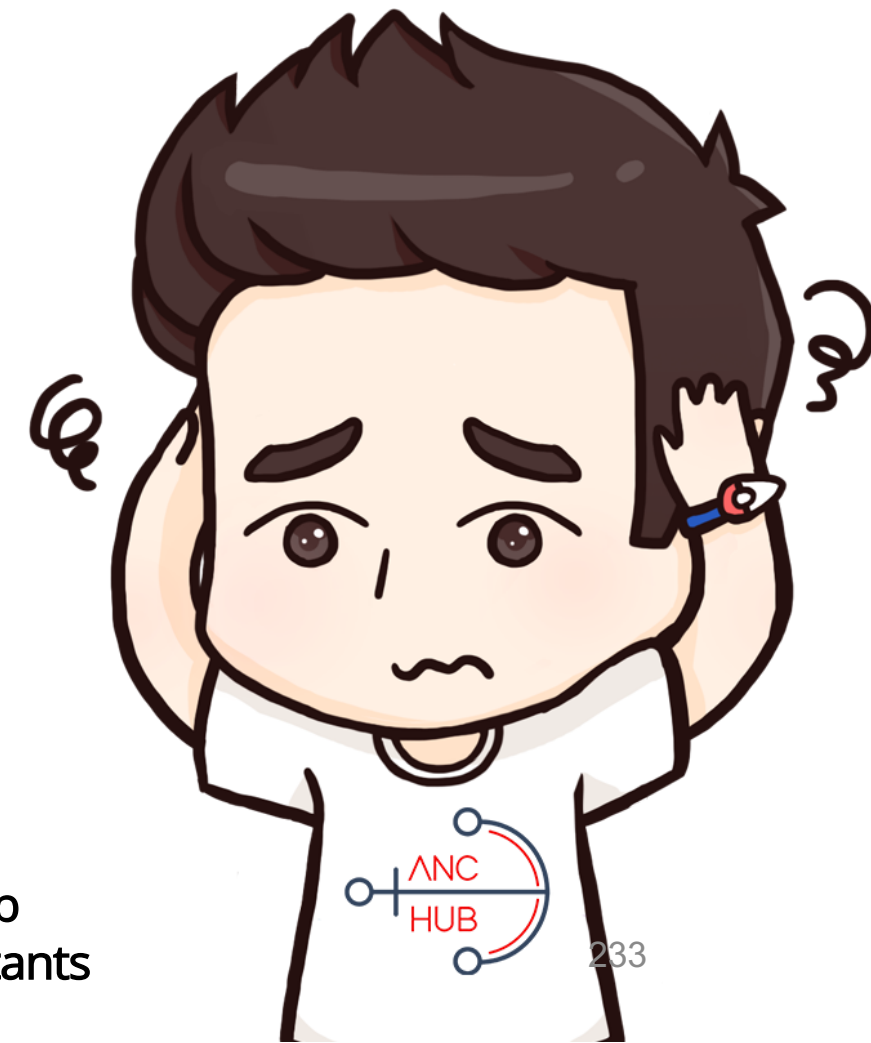
**GST not applicable after 2019.  
Whatever claim write off to profit / loss.**

**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?**

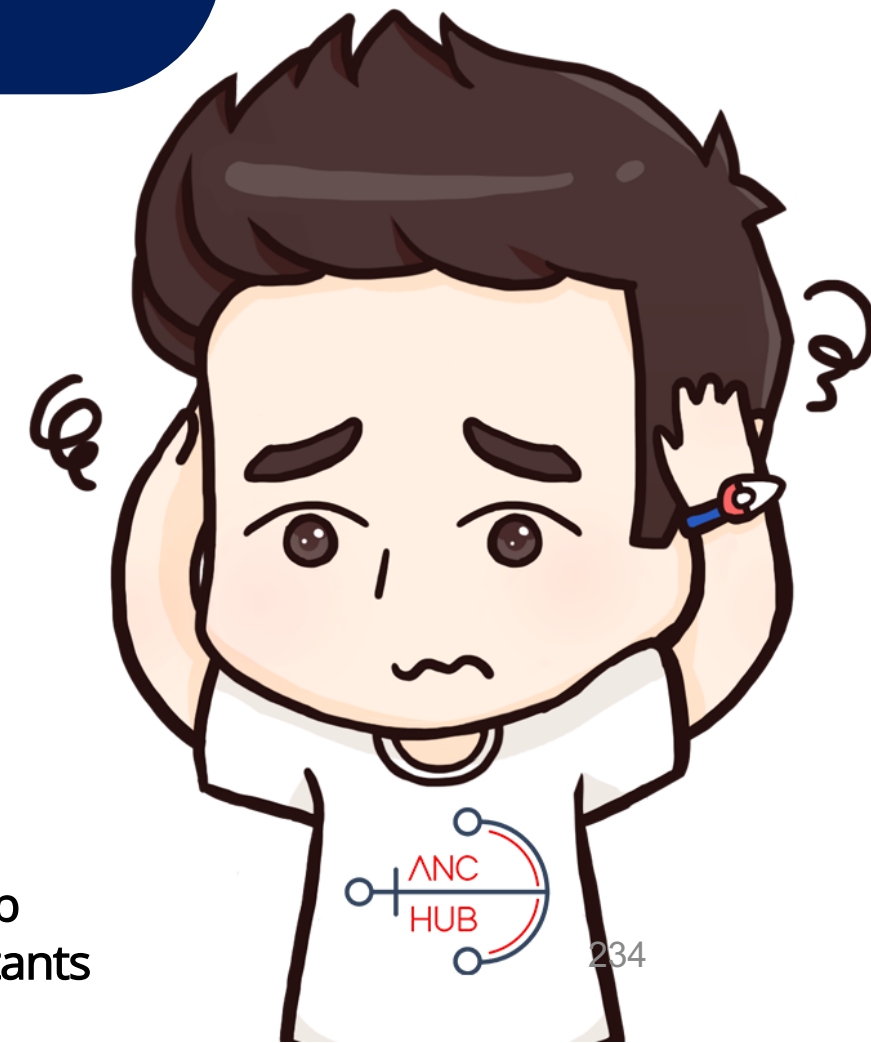


**My company is GST registered with RM1,000,000 turnover.**

**Sales of Taxable Goods – RM400,000**

**Sales of Taxable Services –RM400,000**

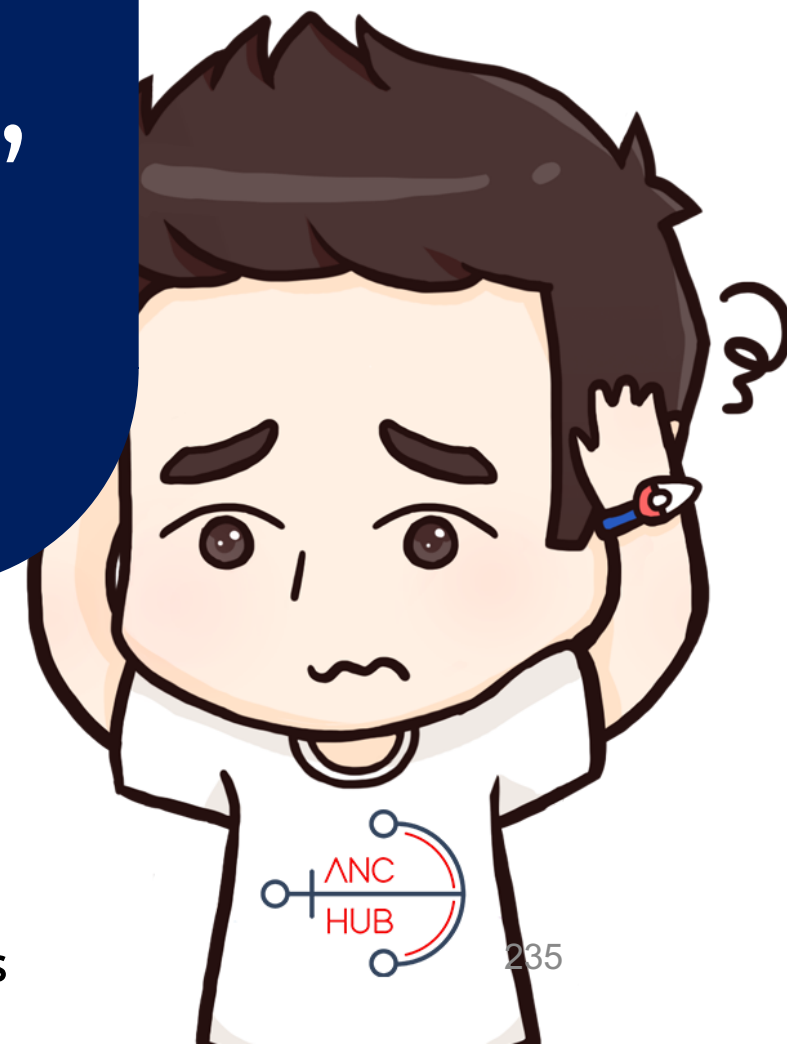
**Rental of Property – RM200,000**



**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”**

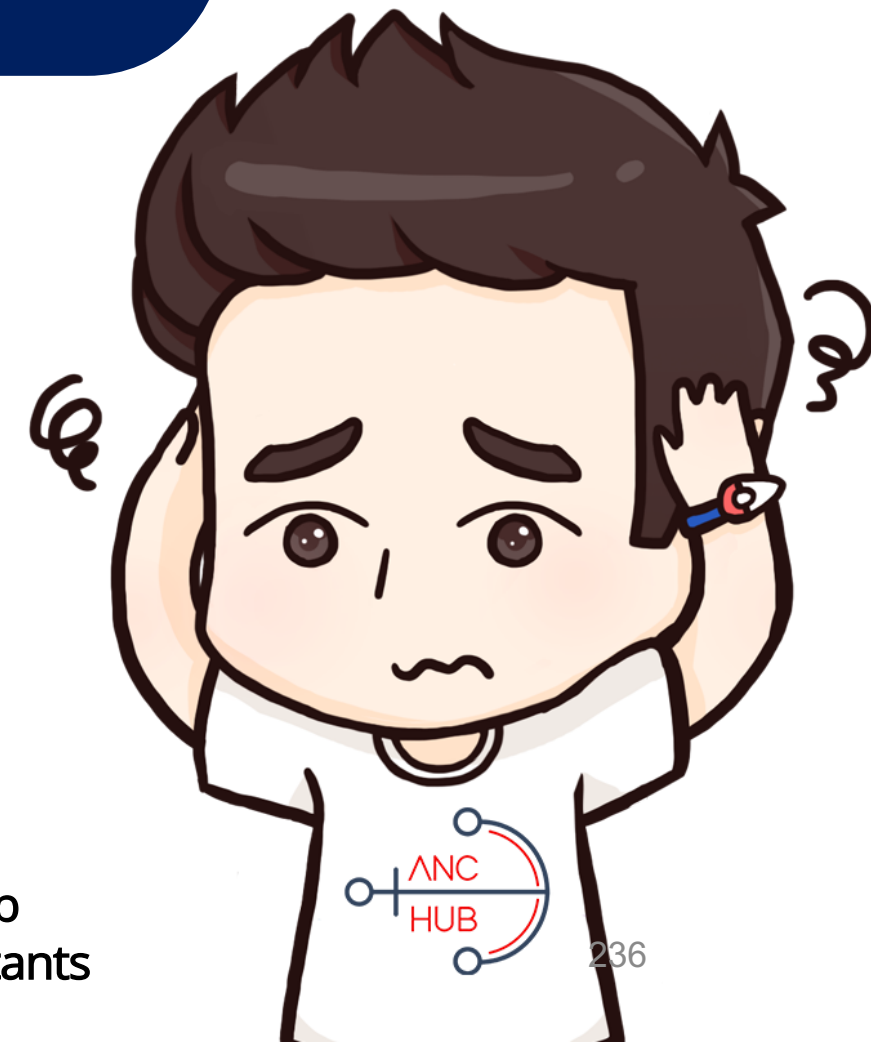
**Latest proposed goods exempted, we cannot find the above, except the code below:  
0308.30.5000 smoked  
Am I taxable person?**





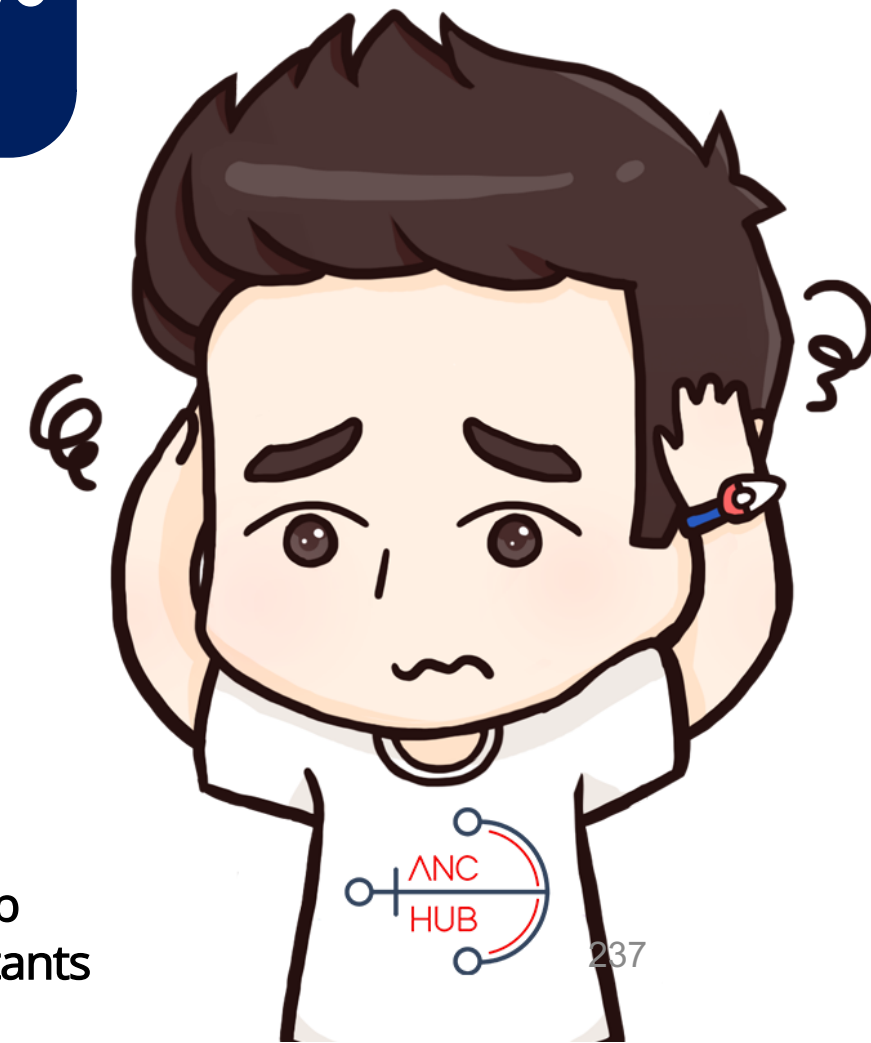
**Restaurant need to charge SST?**

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



**My bf proposed to me.  
Should I get married now?**

**To counter the new SST 6%**



# 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	ANSWER
<p>I come from these industries, am I subject to Sales Tax?</p> <ul style="list-style-type: none"> <li>• Manufacturer</li> <li>• Subcontractor manufacturer</li> <li>• Retailer</li> <li>• Wholesaler</li> <li>• Construction</li> <li>• Importer</li> <li>• Developer</li> </ul>	<p>Yes</p> <p>Yes</p> <p>No</p> <p>No</p> <p>No</p> <p>Yes (imposed on goods imported)</p> <p>No</p>
My services provided span over 1 September. Payment and invoice already issued before 1 June. Do I need to issue DN ?	No
My services rendered from 16/8 to 15/9. Do I need to charge Service Tax?	Yes
My invoice already issued in July in respect of services rendered until end of the year. What should I do?	Use Debit Note.
Is the service provider list final? How do I find updates?	No. Can check customs page.

**YES**

**TRANSITIONAL  
RULES**

**TAXABLE  
GOODS /  
SERVICES +  
500K**

**CHARGE GST / SST**

**YES**

**NO**

**DEREGISTER?**

**EMAIL ?**

**NO**

**INCORRECT  
MSIC CODE?  
BUSINESS  
ACTIVITY?**

**TAXABLE  
GOODS /  
SERVICES+ 500K**

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

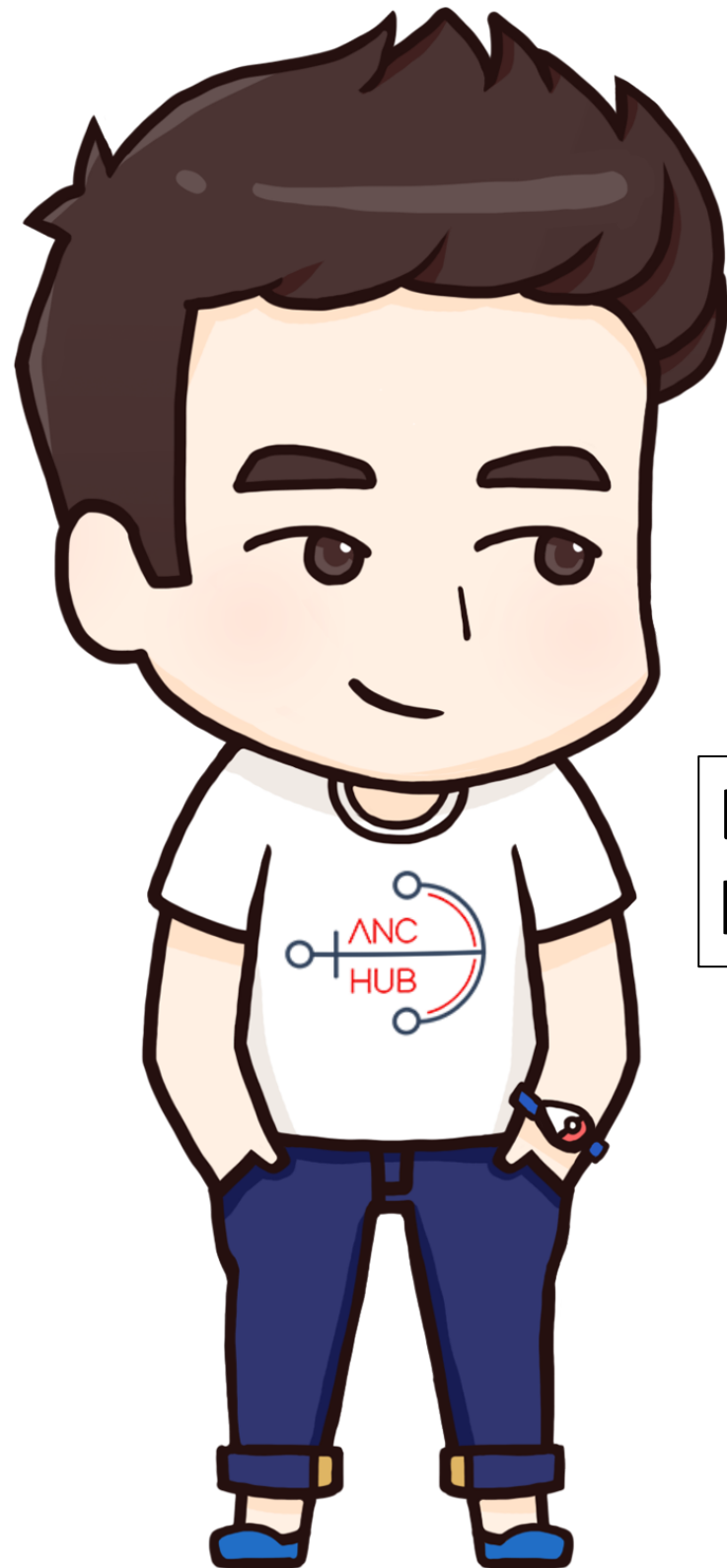
**REGISTER?**

***SALES TAX***



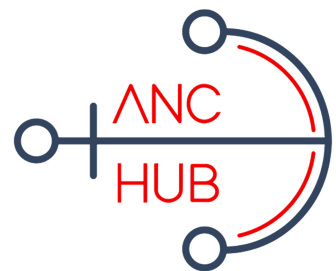


**CONGRATULATIONS !!! 毕业啦！**



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Tax Compliance  
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