

7 July 2014 | Issue 13-2014

# *TaXavvy*

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Ownership and use of asset  
for capital allowances claim

Appointment of effective  
date of Goods and Services  
Tax



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## ***Ownership and use of asset for capital allowances claim***

The Inland Revenue Board (“IRB”) has issued *Public Ruling 5/2014 - Ownership and Use of Asset for the Purpose of Claiming Capital Allowances* on 27 June 2014. This public ruling replaces *Public Ruling 1/2001 - Ownership of Plant and Machinery for the Purpose of Claiming Capital Allowances* issued on 18 January 2001.

PR 5/2014 has expanded on PR1/2001 by providing more examples where capital allowances may or may not be claimed and also covers additional areas such as:

### **1. Assets of limited liability partnership and business trust**

The claiming of capital allowances for assets of the abovementioned new business vehicles which were introduced with effect from 26 December 2012 and 28 December 2012 respectively, have been explained.

### **2. Assets under Islamic financing**

The treatment of capital allowances for assets under Islamic financing has been set out.

### **3. Leased assets**

Explanation and examples on the application of the Income Tax Leasing Regulations 1986 on the claiming of capital allowances for leased assets are included in the public ruling.

### **4. Contract manufacturers**

The claiming of capital allowances by a contract manufacturer and its principal has also been set out.

The public ruling is available for download on IRB’s website at [www.hasil.gov.my](http://www.hasil.gov.my) (Laws and Regulations > Public Ruling).

## *Appointment of effective date of Goods and Services Tax (“GST”)*

The following notifications on appointed dates of GST Act 2014 have been released:

- 1) *Appointment of Date of Coming Into Operation* [P.U.(B) 319/2014]; and
- 2) *Appointment of Effective Date for Imposition of Goods and Services Tax* [P.U.(B) 320/2014].

The effective date for imposition of GST is **1 April 2015**.

The effective dates for specific parts, sections and schedules of GST Act 2014 are as follows:

Effective from 1 July 2014		
Part	I	Preliminary
	II	Administration
	IV	Registration
	VI	Fund for goods and services tax refund
	XVI	Miscellaneous
Section	10	Rate of tax
	11	Time of supply
	17	Zero-rated supply
	18	Exempt supply
	33	Issuance of tax invoice
	34	Production of tax invoices by computer
	35	Credit note and debit note
	36	Duty to keep records
	37	Accounting basis
	40	Taxable period
	44	Director General may disregard or vary certain arrangements
	50	Power to require security
	56	Power of Minister to grant relief
	59	Relief for secondhand goods
	61	Tourist Refund Scheme
	64	Non-application to Government
	65	Agents
	69	Joint venture
	71	Approved Trader Scheme
	72	Approved Toll Manufacturer Scheme
	73	Approved Jeweller Scheme
	74	Flat Rate Scheme
	75	Capital markets

**Effective from 1 July 2014**

Section	80	Powers of enforcement, inspection and investigation
	81	Access to place or premises
	82	Magistrate may issue search warrant
	83	Search may be made without warrant
	85	Seizure of goods, etc., the subject of an offence
	86	Return or disposal of movable goods
	87	Power of arrest
	92	Penalty for obstructing, etc., officer of goods and services tax
	93	Penalty for refusing to answer question or giving false information
	95	Attempts and abetments
	96	General penalty
	97	Offences by bodies of persons, etc.
	99	Prosecution
	100	Jurisdiction to try offences
	101	Conviction under any other law
	102	Burden of proof
	103	Evidential provisions
	104	Evidentiary value of copies of electronic notice
	105	Evidence by certificate, etc.
	107	Production of certificate of analysis
	111	Imprisonment for non-payment of fine
	112	Manner of seizure not to be enquired into on trial before court or on appeal
	113	Obligation of secrecy
	114	Protection of informers from discovery
	115	Forfeiture and release of goods liable to seizure
	116	No costs or damages arising from seizure to be recoverable unless seizure without reasonable or probable cause
	117	Court to order disposal of goods seized
	118	Goods seized in respect of which there is no prosecution, or the proceeds of sale thereof, are forfeited if not claimed within one month
	119	Vesting of forfeited goods in the Federal Government
	120	Service of summons
	121	Compounding of offences
	160	Power of Minister to impose tax
	163	Supply of goods made within free commercial zone
	183	Payments, invoices and importation before effective date

**Effective from 1 July 2014**

Section	184	Registration before effective date
	197	Things done in anticipation of the enactment of the GST Act
Schedule	First	Matters to be treated as a supply of goods or a supply of services
	Second	Matters to be treated as neither a supply of goods nor a supply of services

**Effective from 1 April 2015**

Part	IX	Goods and services tax ruling
	XIII	Review and appeal
	XVII	Repeal and savings of Sales Tax Act 1972
	XVIII	Repeal and savings of Service Tax Act 1975
Section	9	Imposition and scope of goods and services tax, etc.
	12	Place of supply
	13	Supply of imported services
	14	Place where supplier of services belongs
	15	Value of supply of goods or services
	16	Value of goods imported
	38	Credit for input tax against output tax
	39	Amount of input tax allowable
	41	Furnishing of returns and payment of tax
	42	Furnishing of declarations and payment of tax by person other than a taxable person
	43	Power to assess
	45	Offsetting unpaid tax against refund
	46	Recovery of tax, etc., as a civil debt
	47	Seizure of goods for the recovery of tax, etc.
	48	Power to collect tax, etc., from person owing money to taxable person
	49	Recovery of tax from persons leaving Malaysia
	51	Payment by instalments
	52	Imported goods not be released until tax paid
	53	Liability of directors, etc.
	57	Refund of tax, etc., overpaid or erroneously paid
	58	Bad debt relief
	60	Recovery of tax, etc., erroneously refunded
	62	Remission of tax, etc.
	63	Remission of tax on goods lost, etc., under customs control
	66	Supplies spanning change in rate or description
	67	Adjustment of contracts on changes in rate of tax

**Effective from 1 April 2015**

Section	68	Transfer of going concern
	70	Warehousing scheme
	84	Power to stop and search conveyance
	88	Penalty for incorrect return
	89	Penalty for evasion of tax, fraud
	90	Penalty for improperly obtaining refund, etc.
	91	Penalty for offences in relations to goods, invoices and receipts
	94	Penalty for offences by authorized and unauthorized persons
	98	Tax, etc., to be payable notwithstanding any proceedings, etc.
	106	Proportional examination or testing of goods seized to be accepted by courts
	108	Proof as to registration or licensing of vessel and conveyance in Malaysia or Singapore
	109	Proof as to tonnage or build of a craft
	110	Proof as to accuracy of a metre or other device for measuring petroleum
	122	Court order
	154	Interpretation for Part XIV – Designated areas
	155	Supply of goods or services made within or between designated areas
	156	Goods or services imported into or supplied to or from designated area
	157	Supply of goods or services within Malaysia
	158	Declaration of goods supplied from designated area to Malaysia
	159	Collection of tax in designated area
	161	Interpretation for Part XV – Free commercial zone
	162	Goods imported into or supplied from free commercial zone
	185	Effect on sales tax and service tax
	186	Value of supply of goods and services
	187	Contract with no opportunity to review
	188	Progressive or periodic supply
	189	Rights granted for life
	190	Special refund of sales tax for goods held on hand
	191	Claim for special refund
	192	Offsetting unpaid tax, etc., against special refund
	193	Construction agreements made before the effective date
	194	Retention payments
	195	Unredeemed vouchers
	196	Supplies from machine operated by coins, token, etc.
Schedule	Third	Value of supply of goods or services
	Fourth	Non-appealable matters

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