



COVID-19 VAT relief for retail merchant tenants ^{P1}

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On 30 July 2021, the Minister of Finance (MoF) issued PMK-102¹.

This regulation provides another COVID-19 related incentive – this time in the form of Value-Added Tax (VAT) borne by the Government for the rental of space or buildings by retail merchants in Fiscal Year 2021.

Eligibility

Retail merchants eligible for this incentive are entrepreneurs who deliver goods/ services to final consumers as part of their retail business. This includes stand-alone shop/outlet or shops/outlets located in shopping centres, shopping complexes, apartment facilities, hotels, hospitals, educational facilities, public transportation facilities, office facilities, or public markets.

Facility

The VAT borne by the Government is applicable for rental charges (and any related service charges billed together or separately) incurred for the period of August – October 2021 and billed in the period of August – November 2021.

Other requirements

VATable Entrepreneur landlords that provide this incentive to tenants must:

- a. Provide a VAT Invoice with certain requirements; and
- b. Prepare a realisation report on the VAT borne by the Government.

Realisation report is in the form of VAT Invoice which is attached to Monthly VAT Return and submitted electronically via Directorate General of Taxes (DGT)'s channel by the end of the following month after the tax period.

If the VATable Entrepreneurs landlords do not fulfil the VAT Invoice and realisation report requirements, they will not be eligible to enjoy this incentive.

¹ MoF Regulation No.102/PMK.010/2021 (PMK-102) dated and effective from 30 July 2021

The Head of Tax Office on behalf of the DGT will collect the VAT payable from landlords if they find data/information in contrary to the provisions stipulated in PMK-102.

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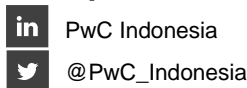
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