GST – is your business ready?*

*connectedthinking
Preparing for GST

The Goods and Services Tax (GST) is not just a tax matter. GST is a business issue – and it affects every aspect of the business.

This widespread impact on the entire organisation means that it will impact the competitiveness of your business. The business issues that warrant attention are as illustrated:

- Impact on cash flow
- Identification of transaction and GST liability
- Maximisation of input tax credit
- Education and communication
- Employee fringe benefits policy
- Effect on demand
- Pricing strategies
- Impact on current contracts
- Systems changes for GST compliance
- Registration & Compliance
- Cancellation of sales and service tax licences – potential audit?
- End of sales tax facilities
- Preferential vendors under GST
- Group structure review
- Business efficiency
- Human Capital
- Finance and Administration
- Sales and Marketing
- Procurement
- Information Technology

Early preparation is crucial. Ascertaining the scope of the changes required within your business at an early stage is essential to the successful implementation of GST.

Worldwide experience shows that businesses which commenced their GST implementation projects early had a much smoother implementation process and a better track record for compliance post-implementation.

The challenge is to identify the critical issues that impact your business during the transition into GST. Ideally, the implementation process must be undertaken with a focus on minimising interruption to your business.
How can PwC assist?

We offer flexibility of choice to suit your varied needs:

- For businesses which do not have any global GST or Value Added Tax (VAT) internal expertise – a GST implementation approach
- For businesses with GST/VAT internal expertise – a checkpoint-advice approach

1. GST implementation approach

Developing a structured and strategic approach with the aim of setting the blueprint right the first time is crucial. An optimal GST implementation strategy needs to be worked out for each business organisation. Careful planning is required to:

- understand the complexity of the tasks at hand;
- what must be done;
- develop a clear roadmap; and
- ensure compliance by the GST introduction date.

Our GST implementation approach has been designed in modules which can either be taken as a whole package or unbundled separately according to the requirements of individual organisations. An overview of each module is summarised below:

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<th>Module 1: Analysis and planning</th>
<th>Module 2: Implementation and Technical support</th>
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<td>• Advice on resources required for the GST implementation project</td>
<td>• Refinement of detailed implementation plan to factor external changes</td>
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<td>• Conduct GST awareness training among internal stakeholders across the business</td>
<td>• Comment and develop strategies for the contracts spanning GST live date</td>
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<td>• Identify, analyse and prioritise issues to be addressed when GST is implemented using customised tools and templates</td>
<td>• Advice on specific GST requirements on documentation</td>
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<td>• Develop high-level implementation plan, divided into individual workstreams</td>
<td>• Advice and provide suggestions on business policies and procedures impacted by GST</td>
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<td>• Propose an education and training programme for employees</td>
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<td>• Propose a communication programme with customers and suppliers</td>
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<td>• Application for GST registration</td>
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<td>• External communication with authorities to clarify on contentious issues</td>
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2. Checkpoint-advice approach

Businesses such as multinationals may already have access to GST/VAT internal expertise from their global network of offices to develop the GST implementation strategy for their Malaysian operations.

In these circumstances, a checkpoint-advice approach may be ideal. A prior review of your relevant GST project documents will be conducted and advice and guidance will be provided at regular stages or ‘checkpoints’ in your organisation’s GST implementation programme.
You may also contact the PwC tax professionals you are accustomed to dealing with to assist you.