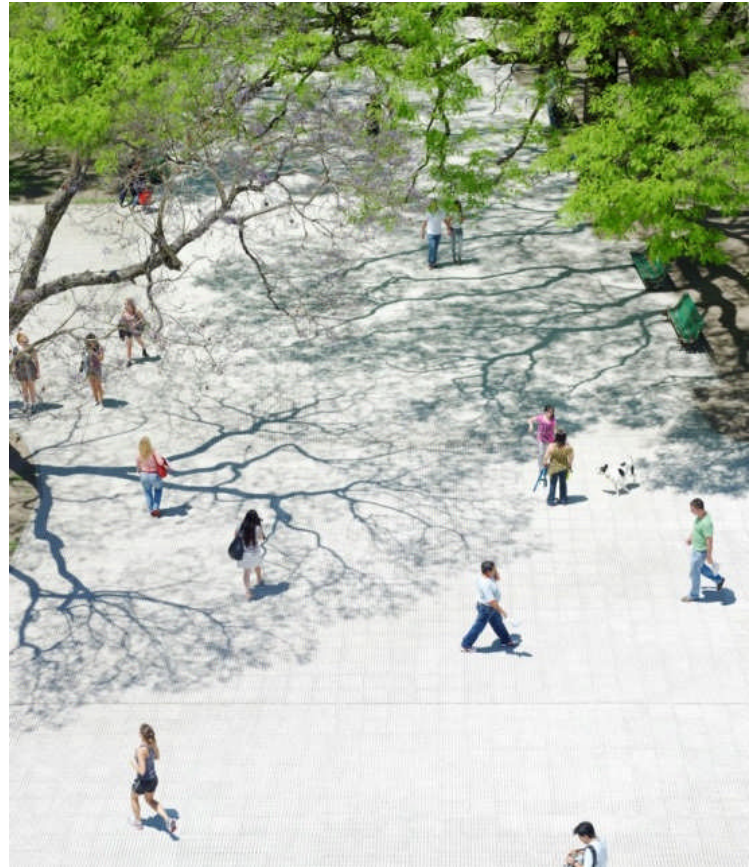


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# *TaXavvy*

## Stay current. Be tax savvy.

Director General of Custom's  
Decision 3/2015 and 4/2015



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## ***Director General of Custom's Decision 3/2015 and 4/2015***

The Royal Malaysian Customs Department ("RMCD") has released Director General Decisions 3 and 4 for 2015.

### **Highlights: Director General Decision 3/2015**

#### ***(1) Self-billed invoice***

No longer requires approval from the Director General provided certain conditions are met. Decision sets out procedure to use a Self-Billed Declaration Form as a substitute for obtaining approval.

#### ***(2) Issuance of tax invoice***

- Allows rubber stamping of "Tax invoice" on existing stock of pre-printed invoices to be used as tax invoices until 30 September 2015, subject to conditions.
- Introduction of administrative requirements that:
  - a) Specific retailers must use GST compliant point of sale machines with effect from 1 October 2015.
  - b) Registered persons are not allowed to issue handwritten tax invoice.

#### ***(3) Period for issuing tax invoice***

Administrative requirement for a registered person to issue a tax invoice within 30 days. The requirement does not impact the time of supply rules.

### **Highlights: Director General Decision 4/2015**

The Decision focuses on 6 trade flow scenarios by providing guidance on examples of documents required and the GST treatment to be adopted under the various scenarios including:

- 1) Drop shipment of imported goods.
- 2) Indirect exportation of goods.  
*Specific point to note:* Goods must be exported within 60 days from the time of supply.
- 3) Drop shipment of local goods to local agent of overseas buyer.  
*Specific point to note:* Overseas Buyer will have to pay GST that will not be recoverable unless his local agent registers the Overseas Buyer for GST.
- 4) Drop shipment of local goods to Free Commercial Zone ("FCZ").  
*Specific point to note:* Third party in FCZ liable for GST if goods are not exported.

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- 5) Drop shipment of local goods to Licensed Warehouse (“LW”).  
*Specific point to note:* Third party in LW liable for GST if goods are not exported.
  - 6) Recovery of “non-recurring expenses” by local manufacturers.

The Decisions can be found on the customs website (<http://gst.customs.gov.my/>).

## Let's talk

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