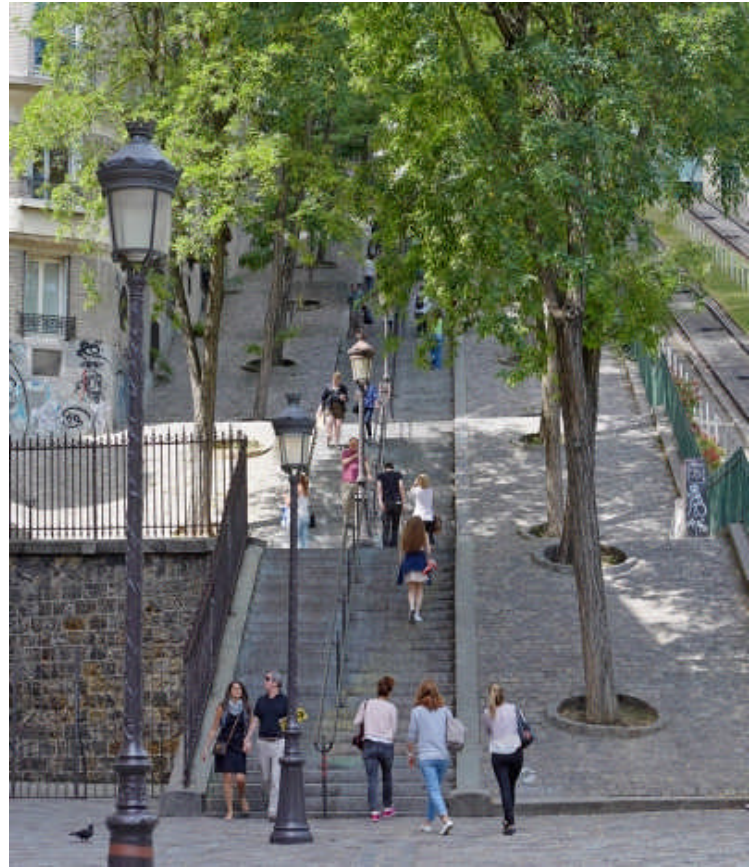


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TaXavvy

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Revised guidelines on how to
complete a GST return
(Form GST-03)



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Revised guidelines on how to complete a GST return (Form GST-03)

Highlights

1) Returns

Discrepancies in the return submitted may be amended by submitting an amended return. There is no mention of mitigation of penalties for timing of the amendment return.

2) Standard Rated Supplies [Field 5(a)]

The value of adjustments arising from credit and debit notes issued in connection with supplies made by a taxable person should be reflected in the total value of standard rated supplies.

3) Output Tax [Field 5(b)]

“Adjustment in relation to change of accounting basis” refers to any adjustment arising from the change in basis of account for GST from invoice basis to payment basis or vice versa.

4) Capital Goods Acquired (Field 16)

- Disclosure of the value of capital goods acquired to be based on accounting principles
- Value of capital goods which has its input tax blocked need not be included in this field.

The revised guidelines can be found on the customs website <http://gst.customs.gov.my/> (Legislation & Guides > GST Forms). We provide an extract of the guidelines in English for your reference.

Should you have any enquiries on the above matters, please contact any of our GST/Indirect tax contacts listed in this publication or you may also get in touch with your regular PwC contact.

<p>5) <i>Output Tax</i></p> <p>(a) <i>Total Value of Standard Rated Supply*</i></p>	<p><i>State the actual total value of standard rated supply. You must declare the total value of standard-rated supply (excluding the amount of GST) of all taxable supplies including supplies such as:</i></p> <ul style="list-style-type: none"> • <i>taxable supplies made in the course of your business includes;</i> <ul style="list-style-type: none"> ✓ <i>The sale of the vehicle by the vehicle by the automobile company</i> ✓ <i>income from business, profession or occupation if you are a registered person with status as a sole proprietorship or individual (for example, income earned as insurance agents, accountants, real estate agents, contractors etc.).</i> ✓ <i>The sale of business assets (e.g. office equipment);</i> ✓ <i>leasing of goods;</i> • <i>deemed supply;</i> <ul style="list-style-type: none"> ✓ <i>Input of gift items costing more than RM500.00, excluding GST;</i> ✓ <i>self supply such as supply of asset for personal used.</i> <p><i>You do not need to declare the taxable supply of goods whereby no tax collected as suspended tax payments, relief from charging and supply based amount. Further information please refer to GST Guide on Supply.</i></p> <p><i>The value of goods or services that have been issued credit notes shall be excluded from or received a debit notes shall be included in the standard rated supply in columns 5(a), for example, goods returned for some reason.</i></p> <p>Example:</p> <p><i>1) Credit Note's Adjustment:</i></p> <p><i>Goods sold on 20/7/15 by company A to company B, amount of RM 1,000 (excluding of GST at 6%). Goods returned on 10/8/15 to company A, amount of RM208. Credit note (excluding of GST) issued on 25/8/15 by company A.</i></p> <p><i>Company A (Seller)</i> <i>Jul 2015 (Return)</i> <i>Output tax : RM1000 x 6% = RM60</i> <i>Aug 2015 (Adjustment in Return)</i> <i>Decrease Output tax : RM208 x 6/100 = RM12.48</i></p> <p><i>Company B (Buyer)</i> <i>Jul 2015 (Return)</i> <i>Input tax – RM1000 x 6% = RM60</i> <i>Aug 15 (Adjustment in Return)</i> <i>Decrease Input tax – RM208 x 6/100 = RM 12.48</i></p>
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	<p>2) Debit Note's Adjustment:</p> <p>On 20/10/15, ABC Ent. issued a tax invoice to Maju Sdn.Bhd for RM 10,600 (exclusive of GST 6%).</p> <p>In October taxable period for that particular transaction:</p> <ul style="list-style-type: none"> • ABC Ent. accounts output tax of RM636 [i.e. RM10,600 x (6/100)] • Maju Sdn.Bhd claimed an input tax of RM636 [i.e. RM10,600 x (6/100)] <p>On 10/11/15, ABC Ent. raised a debit note for the amount of RM 1,060 inclusive of GST 6%.</p> <p>In November taxable period,</p> <ul style="list-style-type: none"> • ABC Ent. has to make an adjustment by increasing the output tax by RM63.60 [i.e. RM1,060 x (6/100)] • Maju Sdn.Bhd has to make an adjustment by increasing the input tax by RM63.60 [i.e. RM1,060 x (6/100)] <p>3) Deemed Supply ABC Co. gives gifts to worker A in 2015 as follows: April 2015 RM 200.00 Jun 2015 RM 200.00 Nov 2015 RM 200.00 <u>Total RM 600.00</u> (including GST)</p> $CBP = RM\ 600 \times \frac{6}{106} = RM\ 33.96$ <p>Therefore the supply of which must be declared in item 5(a) is RM 600.00 – RM 33.96 = RM 566.04</p> <p>(b) Total Output Tax (Inclusive of Tax Value on Bad Debt Recovered & other Adjustments)*</p> <p>State the actual output tax for supply made including deemed supply, bad debt recovered and other adjustments. Output tax involving, other adjustments should also be included. Example of such adjustments are as follows:</p> <ol style="list-style-type: none"> Adjustment in relation to change of accounting basis (Example: Change of accounting basis from Invoice basis to payment basis or vice versa) Adjustment due to change in use (Example: Company A bought cement for the construction of commercial buildings but have been using it for residential construction) Adjustment due to change in rate or description (Example: Changes in taxable supply to the zero rated supply or changes in tax rates) Adjustment in relation to transitional period Adjustment for longer period if any (for mixed supply only) Adjustment for change of use under capital goods if any. Payment not made for acquisition after 6 months from the date of supply
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	<p>For further information, please refer to the Guide on Supply Tax, Guide on Partial Exemption and Guide on Capital Goods Adjustment and other relevant Guides.</p> <p>Example:</p> <ul style="list-style-type: none"> - Adjustment due to receiving payment of the debt from the buyer after bad debt relief claimed. - Output tax on deemed supply Company ABC gives gift to employee A in 2015 as follows: April 2015 RM 200.00 Jun 2015 RM 200.00 Nov 2015 RM 200.00 <u>Total RM 600.00</u> (inclusive of GST) $\text{GST} = \text{RM } 600 \times \frac{6}{106} = \text{RM } 33.96$ <p>There for, output tax should be declared in Item 5(b) is RM33.96</p>
<p>6) Input Tax</p> <p>(a) Total Value of Standard Rate and Flat Rate Acquisitions*</p> <p>(b) Total Input Tax (Inclusive of Tax Value on Bad Debt Relief & other Adjustments)*</p>	<p>State the actual total value of standard rated acquisition.</p> <ul style="list-style-type: none"> i. You do not need to declare the taxable supply of goods whereby no tax collected as suspended tax payments, relief given, block input tax or goods imported under the ATS scheme. Further information please refer to GST Guide on Input Tax Credit. ii. The value of goods or services that have been issued credit notes or received a debit notes shall be excluded from or included in the standard rated supply in columns 6(a), for example, goods returned for some reason. (Please refer example in item 5(a)). iii. For simplified tax invoice, amount declared only the amount that can be claimed. (RM 30.00 only) <p>State the actual input tax (inclusive of bad debt relief and other adjustments). For example, other adjustment includes:</p> <ul style="list-style-type: none"> i. Adjustment in relation to change of accounting basis ii. Adjustment due to change in change in use iii. Adjustment due to change in rate or description iv. Adjustment in relation to transitional period v. Adjustment due to deemed input tax relating to insurance & takaful cash payment, vi. Adjustment for longer period if any (for mixed supplies only) vii. Adjustment for change of use under capital goods if any viii. Repayment of debt after 6 months. ix. For simplified tax invoice, input tax claimable is only RM30. <p>Example: Adjustment due to repayment of debt to the seller after accounting for output tax for payment not yet made to the supplier after 6 month.</p>

7) GST Amount Payable (Item 5b – Item 6b)*	State the actual GST amount payable (Item 5(b) – Item 6(b)). If the amount of output tax greater than the input tax, the GST must be paid according to the return and payment due date as in item 4.
OR	
8) GST Amount Claimable (Item 6b – Item 5b)*	State the actual GST amount claimable (Item 6(b) – Item 5(b)). If the amount of input tax greater than the output tax, the GST will be refunded.
9) Do you choose to carry forward refund for GST? <input type="checkbox"/> Yes <input type="checkbox"/> No	If you fill in item 8 (input tax exceeds output tax), please tick (X) either "Yes" or "No" in the appropriate box. If "Yes" means you agree to bring forward the GST and if "No" GST will be refunded to your account.
PART C	ADDITIONAL INFORMATION
10) Total Value of Local Zero-Rated Supplies*	State the actual total value of local zero-rated supplies.
11) Total Value of Export Supplies*	<p>State the actual total value of export supplies. Total Value of Export Supplies shall state the value of all goods exported and services provided internationally by you according to the accounting period. Examples of international services are;</p> <ul style="list-style-type: none"> i. International transportation of passengers by ship or flight (outbound and inbound including the domestic leg. ii. International transportation of freight by ship or flight (outbound and inbound including domestic leg); and iii. Ancillary services (including loading, unloading and handling), insurance and freight forwarding in any free trade zone, port, terminal, airport or cargo handling storage. <p>Further information, please refer to GST Guide on Supply, Freight Transportation, Export and Passenger Transportation.</p>
12) Total Value of Exempt Supplies*	<p>State the actual total value of exempt supplies.</p> <p>Exempt supplies such as selling and leasing of residential property, agricultural and land for public use, public transport, health, private education or financial.</p> <p>Further information, please refer to GST Guide on Input Tax Credit and GST (Exempt Supply) Order 2014.</p>

13) <i>Total Value of Supplies Granted GST Relief*</i>	<p>State the actual total value of supplies granted GST relief in the Goods and Services Tax (Relief) Order 2014.</p> <p>Examples of the relief given to the taxable supplies are as below:</p> <ul style="list-style-type: none"> i. the goods brought from the designated area into the Principal Customs Area for repair and then returned to the designated area; ii. the re-importation of the goods locally manufactured for the purpose of reprocessing; iii. goods taken as samples, production samples, pellets and empty containers including bottles, drums, hospital flexi bag cylinders for refilling goods and then re-exported; iv. the goods are for official use at the embassy.
14) <i>Total Value of Goods Imported Under Approved Trader Scheme*</i>	State the actual total value of goods imported under Approved Trader Scheme.
15) <i>Total Value of GST Suspended under item 14*</i>	State the actual total value of GST on import suspended under item 14.
16) <i>Total Value of Capital Goods Acquired*</i>	<p>State the actual total value of capital goods acquired. Examples are purchase of lorry and office building.</p> <p>The acquisition value of capital assets is in accordance with accounting principal interpretation but does not include the acquisition of capital assets in the category of blocked input tax.</p>
17) <i>Total Value of Bad Debt Relief Inclusive Tax*</i>	State the actual total value of bad debt relief.
18) <i>Total Value of Bad Debt Recovered Inclusive Tax*</i>	State the actual total value of bad debt recovered.
19) <i>Breakdown Value of Output Tax in accordance with the Major Industries Code</i>	<p>Major Industries Code must be referred to Malaysia Standard Industrial Classification under "Item" that can be accessed to the website at http://www.statistics.gov.my.</p> <p>State the value of Output Tax for each of Major Industry.</p> <p>Total percentage must equal 100%</p>

PART D	DECLARATION
20) <i>Name of Authorised Person*</i>	<i>Can only be applied by authorized person. Name as in identity card.</i>
21) <i>Identity Card No.</i>	<i>New and old (if applicable) identity card number.</i>
22) <i>Passport No.*</i>	<i>It is mandatory to be filled in by non-citizens</i>
23) <i>Nationality</i>	<i>State nationality. Example: Malaysia.</i>
24) <i>Date</i>	<i>The date this form is signed. Day / Month / Year</i>
25) <i>Signature*</i>	<i>Valid signature.</i>

***If a registered person uses accounting software, please refer to accounting software guideline.*

Let's talk

GST / Indirect tax	Name	Email	Telephone
Kuala Lumpur			
	Wan Heng Choon	heng.choon.wan@my.pwc.com	+60(3) 2173 1488
	Raja Kumaran	raja.kumaran@my.pwc.com	+60(3) 2173 1701
	Dato' Tan Kwong Jin	kwong.jin.tan@my.pwc.com	+60(3) 2173 1808
	Nicolaos Giannopoulos	nicolaos.giannopoulos@my.pwc.com	+60(3) 2173 0833
	Hanita Ahmad	hanita.ahmad@my.pwc.com	+60(3) 2173 0202
	Yap Lai Han	lai.han.yap@my.pwc.com	+60(3) 2173 1491
Penang / Ipoh	Tony Chua	tony.chua@my.pwc.com	+60(4) 238 9118
Johor Bahru	Benedict Francis	benedict.francis@my.pwc.com	+60(7) 222 4448
Melaka	Teh Wee Hong	wee.hong.teh@my.pwc.com	+60(3) 2173 1595
	Au Yong	paik.hup.au@my.pwc.com	+60(6) 283 6169
Labuan	Jennifer Chang	jennifer.chang@my.pwc.com	+60(3) 2173 1828

You may also get in touch with your regular PwC contact.

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