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TaXavvy

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Director General's Decision
6/2015

Relief by Minister of Finance
2/2015



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Director General's Decision 6/2015

The Royal Malaysian Customs Department ("RMCD") has released Director General's Decision 6/2015.

Highlights

- a) Tax invoice for disregarded supply and out of scope supply
 - The tax element in the tax invoice for a taxable supply which is disregarded or granted relief must be presented as "NIL" and specified as "Disregarded" or "Relief".
 - The Director General of Customs is of the view that a tax invoice cannot be issued for supply which is out-of-scope or exempt. This maybe arguable based on the current wording in Section 33 of the GST Act 2014.
- b) Repair, maintenance and installation services supplied in relation to an aircraft
 - Customs takes the position that zero-rating of repair, maintenance and installation services stipulated in subparagraph 1(d), Second Schedule of GST (Zero-Rated Supply) Order 2014 is restricted to a person who has a valid certificate of approval from the Department of Civil Aviation to carry out these services.
 - Qualifying services include repair and maintenance services of aircraft components.

Relief by Minister of Finance 2/2015 (issued on 14 July 2015)

Highlights

- a) Relief from GST with effect from 15 July 2015 for the following transactions:
 - Importation of goods by a company located in Free Industrial Zone ("FIZ company") within Free Commercial Zone ("FCZ").
 - Supply of goods by a FIZ company located within FCZ to a commercial company in the same FCZ or to a Licensed Manufacturing Warehouse ("LMW") company.
 - Supply of goods by a FIZ company located outside of FCZ to another FIZ company located outside of FCZ or a LMW company.
 - Supply of goods by a LMW company to another LMW company or a FIZ company.
- b) GST is chargeable on:
 - Movement of goods from FCZ to another place in Malaysia (treated as importation of goods).
 - Supply of goods by FIZ companies located outside FCZ or LMW companies to companies in Principal Customs Area or vice versa.
 - Supply or acquisition of services by FIZ companies (both inside and outside of FCZ) and LMW companies.

Details can be found on the RMCD's website (<http://gst.customs.gov.my/>)

Let's talk

GST / Indirect tax	Name	Email	Telephone
Kuala Lumpur			
	Raja Kumaran	raja.kumaran@my.pwc.com	+60(3) 2173 1701
	Wan Heng Choon	heng.choon.wan@my.pwc.com	+60(3) 2173 1488
	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
	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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