

GST FREQUENTLY ASKED ISSUES

**ITEM 5:
GST treatment on drop shipment**

- i) *(Deleted 7/7/2015. Please refer to DG's Decision 4/2015)*
- ii) *(Deleted 7/7/2015. Please refer to DG's Decision 4/2015)*
- iii) Company ABC in Malaysia (not in Designated Area @ DA) purchases goods from company XYZ in Shah Alam and request the company XYZ to send the goods to ABC's client (MRS company) in Langkawi (Designated Area). Whether the supply made by the company XYZ to company ABC subject to GST?
 - (a) The supply made by company XYZ to company ABC is a standard rated supply because the transfer of ownership of the goods took place in Malaysia and not in DA;
 - (b) The supply made by company ABC to his client (MRS company) in Langkawi can be zero rated if the export declaration was in the name of company ABC.