

GST FREQUENTLY ASKED ISSUES

**ITEM 8:
GST treatment on Office holders/ directors' fees**

- i) 'Business' under section 3(1) includes any trade, commerce, profession, vocation or any other similar activity, whether or not it is for profit.
- ii) Section 3(5) GSTA 2014 provides where any person, in carrying on any trade, commerce, profession, vocation or any other similar activity accepts any office, any services supplied by the person as the holder of the office shall be treated as supplied in the course or furtherance of trade, commerce, profession, vocation or any other similar activity.
- iii) Office holder/director's fees is subject to GST when a person is carrying on a profession or vocation (professional services such as accountant, advocate and solicitor, engineering, architect, surveyor, consultant or other similar professional services) and he is –
- (a) employed under contract for service; and
- (b) accept the position of a holder of an office in his personal capacity;

Example: *(Added on 30/12/2014)*

No.	Type	Subject to GST	Not Subject to GST
1.	A person appointed as a director- a. in his personal capacity (including government pensioner) b. on his expertise (example tax consultant, medical specialists, economists, accountants, including management of the company but hold positions in companies that are not subsidiaries/subsidiary) c. on his personality (example politician or NGO)	√	
2.	A person is appointed as a director on the capacity of his post (contract of services) -		√

No.	Type	Subject to GST	Not Subject to GST
	a. civil servants, on office he held b. company's manager, due to his positions he held and became director in subsidiary or subsidiaries. Those who serve on a contract for services, but appointed on the capacity of the office he held and not under his personal capacity.		
3.	A chartered accountant in a listed company is appointed as a director. He also is an expert and qualified person and has his own businesses or hold positions in other companies.	√	
4.	Members of hospitals visitors' board or members of Syariah Advisor which is not under the personal capacity.		√