

GST FREQUENTLY ASKED ISSUES (FAI)

ITEM 4:

Supply of SIM (Subscriber Identification Module) card prepaid or post-paid

- i) In Designated Area (Labuan, Langkawi and Tioman).*
- ii) Free of charge.*
 - (i) Section 155 provides that notwithstanding section 9, no tax shall be charged on any taxable supply of goods or services made within or between the Designated Area (DA) unless the Minister otherwise directs in an order under section 160 of GSTA.
 - (ii) Under item 2(c) of the GST (Imposition of Tax for Supplies in respect of DA) Order 2014 [P.U(A)187/2014], tax shall be imposed at the rate fixed under subsection 10(1) of the Act on telecommunication services supplied within or between DA.
 - (iii) Decision
 - (a) Supply of SIM card is a supply of right to use telecommunication services and it is a supply of services.
 - (b) Supply of SIM card in a DA is subject to GST.
 - (c) Supply of SIM card in a DA to a non-connected person for free of charge is not a supply and not subject to GST.