

GST FREQUENTLY ASKED ISSUES

ITEM 6:

Supply goods to company branch in Designated Area

XYZ Company in Kuala Lumpur (not in Designated Area @ DA) purchases goods from ABC Company in Kuantan and request ABC Company to send the goods to his branch in Langkawi (Designated Area). What is the GST treatment on the goods send to Langkawi?

- i) Goods supplied to a Designated Area (Labuan, Langkawi and Tioman) from Malaysia (other than Designated Area) are zero rated supply (refer Item 3 First Schedule of GST (Zero Rate Supply) Order 2014)
- ii) The supply made by ABC company to XYZ Company in Kuala Lumpur is a standard rated supply and not zero rated supply **unless** –
 - (a) there is evidence showing –
 - (aa) the goods are moved or shipped directly to XYZ branch in Langkawi (DA);
 - (bb) the exporter or consignor in the export form or shipping documents is in the name of ABC Company and the goods are exported to or consigned to XYZ branch in Langkawi; and
 - (b) the invoice issued by ABC Company to XYZ Company in Kuala Lumpur has indication that the *'goods have been directly shipped to XYZ branch in Langkawi'*.