

DECISION BY DIRECTOR GENERAL OF ROYAL MALAYSIAN CUSTOMS

ITEM 2:

Supply of commercial property (build & sell) by the developer to the purchaser under an agreement for a period that begins before the effective date and ends on or after the effective date

- (i) *What is the GST treatment of such supply?*
 - (ii) *How to determine the value of such supply if it is subject to GST?*
- (i) Supply of commercial property (build and sell) by the developer to the purchaser under an agreement for a period or progressively over a period, whether or not at regular intervals and that period begins before the effective date and ends on or after the effective date the proportion of the supply which is attributed to the part of the period on or after the effective date shall be chargeable to tax. (refer s.188 GSTA)
 - (ii) Only the value of the proportion of the supply which is attributed to the part of the period on or after the effective date shall be chargeable to tax.
 - (iii) To determine the value of the supply, the developer must ensure that the method he uses is consistent with the industry practice and acceptable under the General Accepted Accounting Principle (GAAP)