

DECISION BY DIRECTOR GENERAL OF ROYAL MALAYSIAN CUSTOMS

ITEM 3:

**Eligibility for deemed Input Tax under Regulation 47 of the GST Regulations 2014
(P.U (A) 190/2014)**

- (i) Where an insurer or takaful operator has fulfilled the conditions under sub regulations 47(1), (2) and (3), he is entitled to credit of input tax deemed incurred known as "deemed input tax".
- (ii) The insurer or takaful operator is **not entitled** to credit of deemed input tax when an insurer or takaful operator makes a cash payout to a policyholder/insured or a third party where the cash payout relates to an acquisition of goods or services, which is an exempt supply, zero rated supply, a supply not within the scope of GST or the credit is disallowed under regulation 36.