

DECISION BY DIRECTOR GENERAL OF ROYAL MALAYSIAN CUSTOMS

ITEM 4:

Claiming special refund of sales tax goods held on hand on 1/4/2015

- (i) *A person claiming a special refund equal to twenty per cent of the value of the goods held on the effective date must prove that he has paid the amount as shown on the invoice (refer section 190(2)(C) GSTA). Whether the date of payment is before or after the effective date?*
- (ii) *Does the special refund apply to sales tax goods purchased on 5 March 2015 and paid on 4 April 2015 by reason of **30 days credit term given** by the supplier?*
- (iii) *Whether the following goods which are taxable under the Sales Tax Act 1972 which are held on hand on 1/4/2015 and sales tax has been paid before 1/4/2015 are eligible for special refund –*
- (a) *Unsold stock returned by buyer to the seller.*
 - (b) *Petrol and Diesel.*
 - (c) *Zero rated goods.*
- (i) Under section 190 GSTA, a person is entitled for a special refund (100% or 20%) if the goods he holds on hand are taxable under the Sales Tax Act 1972 and the sales tax charged on such goods or the amount shown on the invoice has been paid by the claimant before 1st April 2015. However, if there is a credit term given by the supplier, the special refund is allowed to be claimed only if the total value of the invoice is paid before 30th June 2015. *(Amended 7/7/2015)*
- (ii) The following goods do not qualify for a special refund:
- (a) goods which have been sold and subsequently repurchased (buy back) by the supplier or returned to the supplier before 1st April 2015;
 - (b) petrol Ron 95 and diesel; **AND**
 - (c) the goods listed under the GST (Zero Rated Supply) Order 2014.
- (iii) Special refund **is allowed** for unsold stock returned by customer (before 1st April 2015) being the result of delivery of wrong quantity, poor or defective quality of goods or erroneous despatch of un-contracted goods in accordance with Regulation 19C of the Sales Tax Regulations 1972.