

DECISION BY DIRECTOR GENERAL OF ROYAL MALAYSIAN CUSTOMS

**LIST OF AMENDMENTS
2/2014**

NO	DG'S DECISION	PRECEDENT DECISION	AMENDMENT
1.	<p>Item 1(iii), 2/2014 Reg. 34 GSTR (Goods and Service Tax Regulations 2014) Motorcar used exclusively for the business purpose as approved by the DG</p>	<p>iii) Motor cars used exclusively for business purposes which Director General may approve are –</p> <p>(a) Test Drive car - a car used for a limited period in order to assess its performance and reliability. (Only for car dealers);</p> <p>(b) Cars used for security purposes – a car used by security officers only for patrol in the company's compound to protect the business premise;</p> <p>(c) Cars used in providing technical assistance - a car used mainly in providing technical assistance to company's clients e.g. maintenance services, breakdown services and repair services; AND</p> <p>(d) The cars must fulfil the following conditions –</p> <p>(aa) the motor car is registered in the name of the company;</p> <p>(bb) the motor car is not let on hire;</p> <p>(cc) there is no intention to make the motor car available for private use;</p> <p>(dd) the motor car is kept at business premises, used for business trips and must not be taken home overnight by any employee; AND</p>	<p><i>(Subst. w.e.f. 23/3/2015)</i></p> <p>iii) Motor cars used exclusively for business purposes which the Director General may approve are –</p> <p>(a) Test Drive car - a car used for a limited period in order to assess its performance and reliability. (Only for car dealers);</p> <p>(b) Cars used for security purposes – a car used by security officers only for patrol in the company's compound to protect the business premise;</p> <p>(c) Cars used in providing technical assistance - a car used mainly in providing technical assistance to company's clients e.g. maintenance services, breakdown services, repair services; or</p> <p>(d) Serve as an integral part in the running of a business (cannot continue business without them). It is a business that requires the use of passenger motor cars e.g. leasing of cars, taxi rental business; AND</p> <p>(e) The cars in (a), (b), (c) or (d) above must fulfil all the following conditions –</p> <p>(aa) the motor car is registered in the name of the company;</p> <p>(bb) the motor car is not let on hire;</p> <p>(cc) there is no intention to make the motor car</p>

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2.	Item 4, 2/2014 Gift rule	<p>Example:</p> <p>Company ABC give gifts to his employee A in 2015 as follows:</p> <table border="1" data-bbox="510 671 1323 1098"> <thead> <tr> <th></th> <th>Date</th> <th>Cost</th> <th>GST</th> <th>Time of Supply</th> </tr> </thead> <tbody> <tr> <td rowspan="4">1st Scenario</td> <td>Apr 2015</td> <td>RM200</td> <td></td> <td></td> </tr> <tr> <td>Jun 2015</td> <td>RM200</td> <td></td> <td></td> </tr> <tr> <td>Nov 2015</td> <td>RM300</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>RM700</td> <td>GST 6% x RM700 = RM42</td> <td>Nov 2015</td> </tr> <tr> <td>2nd Senario</td> <td>May 2015</td> <td>RM700</td> <td>GST 6% x RM700 = RM42</td> <td>May 2015</td> </tr> </tbody> </table> <p>Company A has to account GST RM42 on the gift in November taxable period for the first scenario and May taxable period for the 2nd scenario.</p>		Date	Cost	GST	Time of Supply	1st Scenario	Apr 2015	RM200			Jun 2015	RM200			Nov 2015	RM300			Total	RM700	GST 6% x RM700 = RM42	Nov 2015	2nd Senario	May 2015	RM700	GST 6% x RM700 = RM42	May 2015	<p>Example: <i>(Amd. w.e.f. 23/3/2015)</i></p> <p>Company ABC give gifts to his employee A in 2015 as follows:</p> <table border="1" data-bbox="1368 671 2181 1225"> <thead> <tr> <th></th> <th>Date</th> <th>Cost</th> <th>OMV</th> <th>GST</th> <th>Time of Supply</th> </tr> </thead> <tbody> <tr> <td rowspan="4">1st Scenario</td> <td>Apr 2015</td> <td>RM200</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Jun 2015</td> <td>RM200</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Nov 2015</td> <td>RM300</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>RM700</td> <td>RM742</td> <td>GST 6/106 x RM742 = RM42</td> <td>Nov 2015</td> </tr> <tr> <td>2nd Senario</td> <td>May 2015</td> <td>RM800</td> <td>RM848</td> <td>GST 6/106 x RM848 = RM48</td> <td>May 2015</td> </tr> </tbody> </table> <p>Company A has to account GST RM42 on the gift in November taxable period for the first scenario and May taxable period for the 2nd scenario.</p>		Date	Cost	OMV	GST	Time of Supply	1st Scenario	Apr 2015	RM200				Jun 2015	RM200				Nov 2015	RM300				Total	RM700	RM742	GST 6/106 x RM742 = RM42	Nov 2015	2nd Senario	May 2015	RM800	RM848	GST 6/106 x RM848 = RM48	May 2015
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		<p>1st scenario – GST is to be accounted on the gift of calculator in November taxable period 6/106 of RM730.</p> <p>2nd scenario – GST is to be accounted on the gift of chinaware set in May taxable period 6/106 of RM848.</p> <p>3rd scenario – only cost of calculator is subject to GST. However, since the cost to the donor on calculator does not exceed RM500, the donor is not liable to account the GST under the gift rule. The donor is also not liable to account GST on cost of fruit and card holder since fruits is subject to 0% and the card holder is acquired from a non-registered person.</p>																																																																				

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3.	Item 5 2/2014 Voluntary Registration for pre commencement of business	ii) The total taxable supply is expected to exceed the threshold within 12 months from the date of application.	<i>(Subst. w.e.f. 28/10/2015)</i> Substitute for the following paragraph: ii) The first taxable supply is made within 12 months from the date of application.