

## **Group registration**

19. (1) Companies are eligible to be treated as members of a group if they satisfy the following conditions:

- (a) one company controls each of the other companies or any individual or individuals carrying on business in partnership controls all of the companies;
- (b) each company is registered under the Act and makes wholly taxable supplies; and
- (c) such company is not treated as a member of another group.

(2) Any company which is under the control of a company belonging to another country other than Malaysia is eligible to be treated as a member of a group if the company satisfies the following conditions:

- (a) the company is registered under the Act and makes wholly taxable supplies; and
- (b) the company is not treated as a member of another group.

(3) For the purposes of subregulations (1) and (2), a company or an individual or individuals carrying on business in partnership shall be treated to control a company if such company or individual holds directly, indirectly through subsidiaries or together directly and indirectly through subsidiaries, more than fifty per cent of the issued share capital, excluding any part thereof which consists of preference shares, of the second-mentioned company.

(4) For the purpose of subregulation (3), shares shall be treated as not held if the shares are held—

- (a) in a fiduciary capacity; or
- (b) by virtue of provisions of debenture holding, trust deeds for securing debentures or money lending business.

(5) Where two or more companies are eligible to be treated as members of a group under section 27 of the Act, such companies may apply in Form GST-02 to the Director General to be treated as members of a group.

(6) Where the Director General has approved two or more companies to be treated as members of a group, an application by representative member shall be made to any officer of goods and services tax in the form and manner as the Director General may determine—

- (a) for any additional company eligible to be so treated;
- (b) for a company to be excluded from being a member of the group;

- (c) for another member of the group to be substituted as the representative member; or
- (d) for cancellation of the group registration if all the companies cease to be treated as members of a group.

(7) An application under subregulation (5) shall be made not less than ninety days before the date from which it is to take effect, or such later time as the Director General may allow.

(8) An application under subregulation (6) shall be made not less than thirty days before the date from which it is to take effect.

*(8A) Notwithstanding paragraph (1)(b), where the Director General has approved two or more companies to be treated as members of group, such companies shall not cease to be members of that group if the companies make a supply of agricultural land which is an exempt supply under the Goods and Services (Exempt Supply) Order 2014 [P.U. (A) 271/2014] to the State Authority to comply with section 3 of the Land Acquisition Act 1960 [Akta 486].*

*(Insert. w.e.f. 30/3/2015 [P.U. (A) 56/2015])*

(9) The Director General may, by notice in writing, cancel the registration of a group or terminate the treatment of a company as a member of a group from such date as may be specified in that notice if he is satisfied that the group or the company has—

- (a) at any time ceased to satisfy any of the requirement for eligibility under subregulation (1);
- (b) failed to comply with any condition imposed by the Director General under subsection 27(3) of the Act; or
- (c) provided any false, misleading or inaccurate declaration or information in his application under subregulation (5) or (6).

(10) A company shall be deemed to be a subsidiary of another company if that other company holds more than fifty percent of the issued share capital of the first-mentioned company excluding preference shares and shares held in the circumstances mentioned in subregulation (4).