

Application for approval

88. (1) A taxable person is eligible to make an application to the Director General to be approved under section 71 of the Act if he is a registered person under section 20 of the Act and—

- (a) he is licensed under section 65A of the Customs Act 1967;
- (b) he is operating in a free industrial zone under paragraph 10(1)(b) of the Free Zones Act 1990 [Act 438];
- (c) he has been approved by the Director General of Malaysian Investment Development Authority as an international procurement centre or as a regional distribution centre;
- (d) he has an annual sales turnover exceeding twenty five million ringgit and making at least eighty per cent zero-rated supplies;
- (e) he is a toll manufacturer other than a recipient under the Approved Toll Manufacturer Scheme under section 72 of the Act;
- (f) he is an approved jeweller under the Approved Jeweller Scheme under section 73 of the Act; or
- (g) he is a person or a class of persons as determined by the Minister.

(2) A taxable person making an application under subregulation (1) shall be subject to the following conditions:

- (a) he makes wholly taxable supplies;
- (b) he accounts for tax on a monthly taxable period;
- (c) he is a registered user of the electronic service under regulation 106;
- (d) he makes declaration on the importation of goods electronically;
- (e) he has performed and complied with all duties and obligations relating to his liabilities to account and pay such tax as prescribed under the Act; and
- (f) his accounting and internal control systems are able to meet such accounting and auditing standards as the Director General may determine.

(3) Every application for approval under subregulation (1) shall be made in such form and manner as the Director General may determine and shall be submitted to an officer of goods and services tax at the GST Processing Centre.

(4) The Director General may approve or refuse any application made under subregulation (1), and may, upon approval, impose any condition as he deems fit and require the applicant to furnish security in such form and amount for the protection of the revenue.

(5) Any approval granted under subregulation (4) shall be subject to such period and renewal as the Director General may determine.

(6) An approved person shall immediately notify the Director General of any change in particulars furnished, business transactions or the security given.

(7) Where the approved person fails to comply with the conditions imposed under this regulation, he—

(a) shall not be entitled to suspend payment of tax under this scheme; and

(b) shall pay the amount of tax chargeable on the importation to which the non-compliance relates.