

Malaysia Gst @ 1st of April 2015

GST is stand for **GOODS SERVICES TAX**

Whatever Object (Goods) & Non-Object (Services) in Malaysia and going into Malaysia are subject to Gst Tax!

As Business man, you will doing Business Purchase GS and Supply GS to making **Profit!**

PURCHASE		SUPPLY	
-Taxable	%	-Taxable	%
Standard	6	Standard	6
Zero	0	Zero	0
-Non-Taxable	%	-Non-Taxable	%
Exempted	Nil	Exempted	Nil
Out Of Scope	Nil	Out Of Scope	Nil

Account vs Gst Theory (Mother vs Child)

By Ideal Perfect

HOW YOU GET THE 6% OF GST?

Gst 6% =

In Normal case it will be a "MOTHER AMOUNT" x 6%

Mother x 6% get a **Child** (Gst Amount)

Gst with 6%

Gst with 0%

Dr Mother	Cr Mother	Dr Mother	Cr Mother
Dr Child	Cr Child	-----	-----
Cr Other	Dr Other	Cr Other	Dr Other

(This is for Normal Gst Transaction Double Entry)

Example : Entertainment RM1000 + 6%

Example : Petrol under Relief Order

Dr Entertainment RM1000 (BL) [TA: RM0]	Dr Petrol - Ron 95/Diesel RM99 (ZP) [TA: RM0]
Dr Gst Expense 60 (BL) [TA: RM0]	
Cr Bank RM1060 ()	Cr Office Petty Cash RM99 ()

() - Tax Code apply

/ Apply for Purchase & Supply Entry only

Entertainment is a Purchase of Goods & Services, Tax Code Apply!

Petrol Fuel is a Purchase of Goods, Tax Code Apply !

Bank & Cash is not Purchase or Supply GS, not Tax Code Apply !

Gst Charge for 6% is Depending Business allow for Claims / No allow to Claims !

[TA: RM0] - Taxable Amount / Apply for Special Case only,if [TA: RM0] then Gst Value refer Ledger

Example : Sales to Client RM1000 , Disc by RM300 , Gst 6% charge RM42 ,Client owing RM742

As Accounting Theory, Debit is +ve Value & Credit is -ve Value

Cr Sales RM1000 (SR) [TA: RM-700]	/ RM1000 for P&L
Cr Gst Output RM42 (SR) [TA: RM0]	/ RM700 for Gst 03
Dr Discount RM300 ()	
Dr Client Account RM742 ()	

Example : Total Telephone Bill RM888 but Gst charge RM39.17

Dr Telephone - DG RM888 (TX) [TA: 652.83]	/ RM888 for P&L
Dr Gst Input RM39.17 (TX) [TA: RM0]	/ RM652.83 for Gst 03
Cr Bank RM927.17 ()	

Example : Importation Goods (IM) & Imported Services (TX & DS)

(Refer Import Topic)

Account vs Gst Theory (Orphan Child)

By Ideal Perfect

What is Orphan Child? Child without Gst Mother!

Gst Transaction without Mother or Mother early was charges before !

Example : Rental charge by Last Month RM3000 omitted Gst Charges !

This month Issue Tax Invoice RM3000 + 6% AND back charge RM180

Dr Rental for ShopLot RM3000 (TX) [TA: RM0]	/ Mother
Dr Gst Input RM180 (TX) [TA: RM0]	/ Child
Dr Gst Input RM180 (TX) [TA: RM3000][Tick Direct Input/Output]	/ Orphan
Cr Bank RM3360 ()	

Example : Gst Debit Note under charge by Bank / Tele Co. / Internet Co. and Other

Dr Gst Input RM6.88 (TX) [TA: RM114.67][Tick Direct Input/Output]	/ Orphan
Cr Bank RM6.88 ()	

Example : TM Unifi is Over charge you by -ve RM3.42 , Normal charge is RM149 + 6%

Dr Internet Expense RM149 (TX) [TA: RM0]	/ Mother
Dr Gst Input RM8.94 (TX) [TA: RM0]	/ Child
Cr Gst Input RM3.42 (TX) [TA: -RM57][Tick Direct Input/Output]	/ Orphan
Cr Bank RM154.52 ()	

Account vs Gst Theory (Importation Goods & Imported Services)

TC : IM (Gst Special Case)

By Ideal Perfect

1] Purchase Oversea Supplier USD10000 (Ex.Rate:3.8)

(Is there Oversea Supplier will charge you Gst 6%? No! Why?)

Answer : Oversea Supplier didn't register for Malaysia Gst. (NR)

Dr Purchase RM38000 (NR) [TA: RM0]	
Cr Oversea Supplier RM38000 ()	

1a] Payment to Supplier USD10000 (Ex.Rate :3.82)

Dr Oversea Supplier RM38200 ()	
Cr Bank RM 38200 ()	
Dr Gain/Loss on Exchange RM200 ()	(Pleas refer to New DG Decision)
Cr Oversea Supplier RM200 ()	

2] Supplier not charge GST 6% but Custom will charge you, for business you can claim.

Dr Gst Input RM2616.48 (IM) [TA: RM43608 *** Value Base on Custom K1 Form]	
Cr Bank RM2616.48 ()	

3] Forwarded Agent will Issue another Bill for you.

Dr Custom Duty RM3800 (OP) [TA: RM0]		Example Custom Charge :
Dr Insurance RM808 (OP) [TA: RM0]		Purchase Invoice Value + CIF
Dr Freight Charge RM1000 (OP) [TA: RM0]		CIF = Custom Duty +
Dr Handling Service Charge RM300 (TX) [TA: RM0]		Insurance + Freight Charge
Dr Gst Input RM18 (TX) [TA: RM0]		
Cr Forwarded Agent RM5926 ()		
DR Forwarded Agent RM5926 ()		
Cr Bank RM5926 ()		

TC : TX & DS (Reverse Charge Mechanism)

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*** 1] & 1a] Refer above ***

2] Reverse Charge Mechanism

Dr Gst Input RM2280 (TX) [TA: RM38000][Tick Direct I/O Tax]	/Self Declare Gst for Claim
Cr Gst Output RM2280 [TA: RM-38000][Tick Direct I/O Tax]	/Self Declare Gst for Pay

Additional Ledger in New Gst Account

By Ideal Perfect

No	GL Acc No.	Account Description	Acc Type	SA	Remark
01	4800/000	Gst Control Account	G - CL		For Net off Gst Taxable Value
02	4800/010	Gst Input Tax	G - CL	PT	For Acquisition
03	4800/020	Gst Output Tax	G - CL	ST	For Supply
04	4800/090	Gst Zero Tax	G - CL		For Zero(0) % Tax Entry
05	4810/000	Gst Liability (AR)	G - CL		For Bad Debt Handling on Customer
06	4820/000	Gst Claimable (AP)	G - CL		For Bad Debt Handling on Supplier
07	4830/000	Gst Suspend	G - CL		Gst on Importation of Goods
08	9801/000	Gst Expense	M - EXP	PT	For No Claimable Input Tax
09	3900/000	Accrual Debtor	F - CA		Temporary Debtor for DO
10	3900/111	Invoice to be Issue	F - CA		Temporary Sales for DO

Note :

CA = Current Asset
 CL = Current Liability
 EXP = Expense
 PT = Purchase Tax (Child Ledger, Tax Ledger)
 ST = Sales Tax (Child Ledger, Tax Ledger)

Gst Calculation Different between system, why?

Malaysia Gst in charge on Goods & Services, is not a total bill format!

Example : TAX INVOICE (TAXABLE SUPPLY)

ITEM	PRICE	NET PRICE	GST6%	GST6% ,2DP	TC
AAA	1200	1001.44	60.0864	60.09	SR
BBB	1200	1001.44	60.0864	60.09	SR
CCC	1200	1001.44	60.0864	60.09	SR
TOTAL		3004.32		180.27	
TOTAL BILL GST CALCULATOR					DIFFERENT BY RM0.01
		3004.32	x GST 6%	180.26	

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TOTAL GST BY ITEM

GST DIRECT CALCULATION

Example : TAX INVOICE (MIX SUPPLY)

ITEM	PRICE	NET PRICE	GST6%	GST6% ,2DP	TC
AAA	1200	1001.44	60.0864	60.09	SR
BBB	1200	1001.44	60.0864	60.09	SR
CCC	1200	1001.44	60.0864	60.09	SR
DDD	1200	1001.44	0.00	0.00	ES
TOTAL		4005.76		180.27	
TOTAL BILL GST CALCULATOR					
		4005.76	x GST 6%	240.35	
NO! YOU NEED TO SEPARATE TAX CODE (TC) SUMMARY					
SR	3004.32	x GST 6%	180.27	(TOTAL ITEM GST)	
ES	1001.44	x GST NIL	0.00		

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IF DISCOUNT GIVEN
BY TOTAL BILL

DISTRIBUTE DISC AMT
FOR SR / ES
WILL EFFECT THE
GST CALCULATION!

Malaysia Gst Tax Code (Total 23 code)

For Purchase (13 Code)

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TC	%	GL Account	Gst 03	Remarks
TX	6	4800/010	6a,6b	Purchase with Gst Charge 6% can claims
BL	6	9801/000		Purchase with Gst Charge 6% cannot claims
ZP	0	4800/090		Purchase with Gst Charge 0% (Zero & Relief)
EP	0	4800/090		Purchase with no Gst under Exempt
NR	0	4800/090		Purchase from Non Gst Registered Person
OP	0	4800/090		Purchase with Out-Of-Scope, for Non-Business Use & no GST!
IM	6	4800/010	6a,6b	Imported goods
IS	0	4800/090	14,15	Imported goods under ATS or Gst has been deferred
* GP	0	4800/090		Other Purchase or Purchase within Gst Group registration
* TX-E43	6	4800/010	6a,6b	Purchase directly attributable to Incidental Exempt Supplies
* TX-N43	6	9801/000		Purchase directly attributable to Non-Incidental Exempt Supplies
* TX-RE	6	4800/010	6a,6b	Purchase not directly attributable to Taxable or Exempt Supplies
AJP	6	(BLANK)	6b only	Bad Debt Relief, Long Period and Other Adjustment

For Supply (10 Code)

By Ideal Perfect

TC	%	GL Account	Gst 03	Remarks
SR	6	4800/020	5a,5b	Local Supplies with Gst 6% incurred
ZRL	0	4800/090	10	Local Supplies with Gst 0% incurred
ZRE	0	4800/090	11	Export Goods
ES	0	4800/090	12	Local Exempt Supplies
* ES43	0	4800/090	12	Local Incidental Exempt Supplies (Interest Earn, G/L Exchange...)
OS	0	4800/090		Supply Out-Of-Scope and Other with no Gst
DS	6	4800/020	5a,5b	Deemed Supplies
RS	0	4800/090	13	Supply with Gst 0% under DG Approval / Relief Supplies
GS	0	4800/090		Disregarded Supplies
AJS	6	(BLANK)	5b only	Bad Debt Recovered, Long Period and Other Output Tax Adjustment

Notes :

* Applicable to Gst-Registered Business that makes both Taxable and Exempt Supplies.

The Tax Code listed are recommendations to allow proper classification of typical Purchase & Sales scenarios encountered by Gst-Registered Business for the purpose of GST.

This list is not intended to be prescriptive nor comprehensive.

Incidental 非主要的, 附带的

Refer to "Guide to Enhance your Accounting Software to be Gst Compliant as at 11 September 2014"!

- APPENDIX 4 - MAPPING TAX CODE (Mapping Tax Codes vs GST 03 Return)

Purchases & Expenses Incurred

By Ideal Perfect

No	Description	GST 03 Field	Tax Code
01	Purchase with GST	6a	TX
02	Purchases under Fplat Rate Scheme	6a	TX
03	Imported goods	6a	IM
04	Acquisition of capital items - Reported capital goods acquired (Gst 03 Field - item 16)	6a	TX
05	Transaction with is eligible for Deemed Input Tax	6a	TX
06	Purchase attributable to exempt supplies	6b	TX-E43
07	Purchase attributable to mixed supplies (Taxable)	6a	TX
08	Adjustments on Bad Debts Relief - Reported Bad Debt Relief (Gst 03 Field - item 17)	6b	AJP
09	Annual / Longer Period Adjustment	6b	AJP
10	Other Adjustment on Input Tax	6b	AJP
11	TOTAL PURCHASES AT STANDARD & FLAT RATE (Item 01 ~ 10) - Reported Standard Rate Acquisition (Gst 03 Field - item 6a & 6b)	6a & 6b	
12	Imported Goods under Approved Trader Scheme - Reported Imported under ATS Relief (Gst 03 Field - item 14 & 15)	14,15	IS
13	Imported Goods where GST has been deferred		IS
14	Purchase under Block Input Tax		BL
15	Purchase from Non GST-Registered Supplier		NR
16	Purchase from GST-Registered supplier with no GST		ZP
17	Purchase which is out of the scope of GST		OP
18	Purchase attributable to exempt supplies		EP
19	Purchases exempted from GST (e.g. Relief)		ZP
20	Purchase attributable to mixed supplies (exempt)		EP, TX-N43 TX-RE
21	Purchases for Non-Business use		OP
22	Other Purchase with no GST		OP, GP
23	TOTAL PURCHASES WITHOUT GST (Item 12 ~ 22)		
24	TOTAL PURCHASES (Item 11 + 23)		

Applicable to GST-Registered Business that makes both Taxable and Exempt Supplies.

For more information, please refer to GST guide "Partially Exempt Traders and Input Tax Recovery" available at <http://gst.customs.gov.my>

- APPENDIX 4.1 - PARTIAL EXEMPTION GUIDE

INPUT TAX RECOVERABLE RATION (IRR) = (T-O)/(T+E-O)

By Ideal Perfect

T= SR + ZRL + ZRE + DS + DS + OS + RS + GS
E= ES

O= ES43 Incidental financial supplies
ES Disposal of asset which are exempted (e.g. Residential house)
SR Disposal of asset
DS Self-Recipient accounting transactions,
i.e. Any supplies users make to themselves (e.g. Imported Services etc)
OS Out Of Scope transactions which are not Taxable in Malaysia

Supplies

By Ideal Perfect

No	Description	GST 03 Field	Tax Code
01	Standard-Rate supplies	5a	SR
02	Flat Rate supplies	5a	SR
03	Disposal of capital goods	5a	SR
04	Adjustments for Invoices aged more than 6 months	5b	AJS
05	Annual / Longer Period Adjustment	5b	AJS
06	Other Output Tax Adjustments	5b	AJS
07	Deemed Supplies	5a	DS
08	Other Standard-Rate supplies (if any)	5a	SR
09	Bad Debt Recovered -Report Bad Debts Recovered (Gst 03 - item 18)	5a	AJS
10	TOTAL STANDARD & FLAT RATE SUPPLIES (Item 01 ~ 09) - Reported Standard Rated supplies (Gst 03 Field - item 5a & 5b)	5a & 5b	
11	Local Zero-Rate supplies - Reported Local Zero-Rate goods (Gst 03 Field - item 10)	10	ZRL
12	Exported Goods - Reported Exported Goods (Gst 03 Field - item 11)	11	ZRE
13	Relief supplies - Reported Relief supplies (Gst 03 Field - item 13)	13	RS
14	Disregarded supplies		GS
15	Exempt supplies - Reported Exempt supplies	12	ES, ES43
16	Incidental Exempt supplies	12	ES
17	Out Of Scope supplies		OS
18	Other Supplies with no GST		OS
19	TOTAL SUPPLIES WITHOUT GST (Item 11 ~ 18)		
20	TOTAL SUPPLIES (Item 10 + 19)		

Note :

- Code ES43 is only for incidental supplies, therefore it will not be part of the IRR formula
- For other excluded transaction ("O"), users need to analyse their transactions in ES, SR, DS & OS, then make necessary adjustment before they can apply the correct ration
- Users should apply IRR on their TX-RE transactions

De minimis rule (DmR)

By Ideal Perfect

= exempt supply is RM5000 or less and 5% or less
= (exempt supplies / total supplies) = not more than RM5000 and 5%

T= SR + ZRL + ZRE + DS + OS + RS + GS
E= ES

De minimis rule = ES / ES + (SR + ZRL + ZRE + DS + OS + RS + GS)