

# Conditions Imposed on Sales Tax Exemptions and New Taxable Services

## Course Outline

### **Module 1.1: Sales Tax 2018 (Single stage tax)**

- Scope of sales tax on manufacturing industry
- What are taxable goods?
- Credit system 2019
- Usage of Schedule C item 1 or 2, ring system application process and detailed information required
- New application procedure for non-registered person being
  - A vendor between 2 registered manufacturer
  - A vendor to import goods from overseas
  - Schedule C item 3 or 4
- Complication of subcontract works for another registered manufacturer
  - E.g. exempted goods sent to registered subcontractor for galvanizing works are not required to charge sales tax
- Sales tax exemption available for goods.
  - Original order
  - Persons
  - Schedule A: detailed analysis on goods exempted and conditions imposed
- Exemptions available for non-registered manufacturer
- MySST portal to apply for exemptions

### **Module 1.2: Sales tax treatment at Specific areas (Free Zone/LMW/ LW/ DA)**

- Sales tax treatment, types of customs forms and exemption available for:
  - Free Zone (FZ)
  - Licensed Manufacturing Warehouse (LMW)
  - Licensed Warehouse (LW)
  - Designated Areas (DA)
- Importation/ exportation of taxable goods at specific areas
- Temporary Import (within 3 months) exemption for reprocessing or repair
- Temporary export
- Acquisition of taxable goods from customs warehouse
- Computation of sales value



# Conditions Imposed on Sales Tax Exemptions and New Taxable Services

## Module 1.3: Roles and responsibilities of Sales Tax registrant

- Keeping of records
- Preparation of
  - invoice
  - debit/credit note for goods returned
  - discount with prescribed details
- Amendment on sales tax return (SST-02) at MySST Portal

## Module 1.4: Services Tax

- Scope of Services tax
- List of prescribed taxable services
  - Existing and new taxable services in year 2019 and 2020
- Provision of management services and consulting services
- Claiming for bad debts
- Group of companies' exemption and same industry exemption

## Module 1.5: Offences, penalties and instalment payment

- Late submission and payment of tax
- Failure to keep records
- Customs appeal tribunal
- Instalment payment

## Module 1.6: SST Concerns and Potential SST Review/Audit

- SST concerns which impact businesses
- Tariff codes confirmation procedures and customs ruling
- Maintenance of records with sufficient details and correct information
- Possible penalties under customs Act 1967
  - Section 133 penalty on making incorrect declarations and on falsifying documents, fine not exceeding RM500,000 and imprisonment for a term not exceeding 5 years or to both
- Jointly and several liability of directors

Q & A Session