

## AMENDMENT TO DG'S DECISION

NO.	DG' DECISION	AMENDMENT
1.	<p><b>1/2014</b></p> <p>Foreign Exchange</p>	<p>Item 6 is amended by substituting for new item as follows –</p> <p>(i) Paragraph 5 of the Third Schedule of GSTA requires any value expressed in foreign currencies to be converted into ringgit –</p> <p>(a) In the case of a supply including imported services, at the selling rate of exchange prevailing in Malaysia at the time the supply takes place; or</p> <p>(b) In the case of importation of goods, at the rate of exchange determined by DG at the time applicable for the calculation of customs duty or excise duty and valuation.‡</p> <p>(ii) Decision:</p> <p>(a) For imported goods, irrespective whether the importer is GST registered or not, he must use the exchange rate determined by the DG;</p> <p>(b) For local supply (including imported services) where the supplier and the buyer are both making wholly taxable supplies and both are businesses registered for GST –</p> <p>(aa) the businesses may use any of the following exchange rates published by –</p> <p>(I) Bank Negara Malaysia (BNM);</p> <p>(II) any commercial banks in Malaysia or any other banks registered under BNM;</p> <p>(III) news agencies e.g. Bloomberg, Reuters, Oanda, ASWJ, XE, Strikeiron;</p> <p>(IV) any foreign central banks e.g. European Central Bank and Federal Reserve Bank of New York, Korean Exchange Bank.</p> <p>(bb) the exchange rate from any of the published rates in subparagraph (c)(i) above</p>

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		<p>must be –</p> <ul style="list-style-type: none"> <li>(I) the prevailing exchange rate (selling rate) corresponding to the time of supply;</li> <li>(II) the monthly average rate of the previous month corresponding to the time of supply; (cc) the month-end average rate corresponding to the time of supply;</li> <li>(III) the month end selling rate corresponding to the time of supply;</li> <li>(IV) the opening selling rate of the month corresponding to the time of supply;</li> <li>(V) the average rate of the highest rate plus (+) the lowest rate of the previous month corresponding to the time of supply; or</li> <li>(VI) the hedged exchange rate with banks corresponding to the time of supply;</li> </ul> <p>(c) Paragraph (ii) (b) is also applicable for exportation of goods.</p> <p>(d) The exchange rate as in sub paragraph (ii) (b)(aa) and (bb) must be used consistently for internal business reporting and accounting purposes and used for at least one year from the end of the accounting period in which the method was first used. If a GST registered person wants to use an exchange rate other than the rates above, he must make a written application to the Director General.</p>
2.	<p><b>1/2014</b> Drop shipment</p>	<p>Item 5 (i) and (ii) are deleted. Please refer DG's decision 4/2015.</p>

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3.	<p><b>3/2014</b></p> <p>Types of newspaper qualifies for zero rate.</p>	<p>Item 1(ii) is replaced with the following item:</p> <p>(ii) The zero rating <b>does not</b> include journals and other periodicals, either in the form of newspapers or as paperbound publications. They may be mainly devoted to the publications of intelligence on subject of a specialised nature or sectional interest (e.g., legal, medical, financial, commercial, fashion or sporting), in which case they are frequently published by or for organizations of the interest concerned. Or they may be of more general interest, such as the ordinary fiction magazines. These include periodicals published by or for named industrial concerns (e.g., motor car manufacturers) to promote interest in their products, staff journals normally having circulation only within the industrial, <i>etc.</i>, organisations concerned and periodicals such as fashion magazines which may be issued by a trader or an association for publicity purposes.</p> <p>Item 1(iii) is replaced with the following item:</p> <p>(iii) The difference between newspapers and journals is the content, frequency, circulation and expiry date as shown below:</p>				
		<p><b>TYPES (1)</b></p>	<p><b>CONTENT(2)</b></p>	<p><b>FREQUENCY(3)</b></p>	<p><b>CIRCULATION(4)</b></p>	<p><b>EXPIRY DATE(5)</b></p>
		<p>Newspaper E.g. NST, The Star, Utusan Malaysia, Berita Harian, Sin Chew Jit Poh, Malaysia Nanban, Utusan Borneo or Utusan Sarawak</p>	<p>mainly of current news of general interest</p>	<p>Daily or weekly</p>	<p>Society at large</p>	<p>Expires at the time of purchase</p>

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		Journal/periodicals E.g. The Edge, SME, The Times, Reader's Digests, Solusi, Mangga or The Focus	mainly devoted to the publications of intelligence on subject of a specialised nature or sectional interest (e.g., legal, medical, financial, commercial, fashion or sporting),	<i>any frequency</i>	Specific segment of the society e.g., industrial, medical practitioners, businesses or automotive within the industrial, <b>political</b> , etc., organisations concerned and periodicals such as fashion magazines which may be issued by a trader or an association for publicity purposes.	Not applicable
4.	<b>2/2015</b> Small Office Home Office (SOHO)	Decision in Item 1(ii)(c) is amended by inserting after the word "Housing Development Act (Control and Licensing) 1966" the word "Housing Development (Control and Licensing) Ordinance 2013 or Housing Development (Control and Licensing) Enactment 1978"; and Decision in Item 1(ii)(d) is amended by inserting after the word "Housing Development Rules (Control and Licensing) 1989" the word "Housing Development (Control and Licensing) Ordinance 2013 or Housing Development (Control and Licensing) Enactment 1978".				
5.	<b>2/2015</b> Claiming special refund of sales tax goods held on	Decision in Item 4(i) is amended by substituting the word ' <i>30<sup>th</sup> May 2015</i> ' for the word ' <i>31<sup>st</sup> June</i>				

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	hand on 1/4/2015.	<p>2015'.</p> <p><b><u>Amended version:</u></b></p> <p>(i) Under section 190 GSTA, a person is entitled for a special refund (100% or 20%) if the goods he holds on hand are taxable under the Sales Tax Act 1972 and the sales tax charged on such goods or the amount shown on the invoice has been paid by the claimant before 1<sup>st</sup> April 2015. However, if there is a credit term given by the supplier, the special refund is allowed to be claimed only if the payment of the sales tax or value of the invoice is made before 30<sup>st</sup> June 2015.</p>
6.	<p><b>3/2015</b></p> <p>Period to issue tax invoice.</p>	<p>Item 3(2) is amended <i>by</i> –</p> <p>(a) deleting after the word 'from' the word '<i>the date of supply</i>'; and</p> <p>(b) inserting after the word 'made' the word '<i>by the buyer</i>'</p> <p><b><u>Amended version</u></b></p> <p>(2) Every registered person who makes any taxable supply of goods or services in the course or furtherance of any business in Malaysia shall issue a tax invoice to his buyer within 30 days from the date of payment made <i>by the buyer</i> on such supply (in full or in part).</p>
7.	<p><b>4/2015</b></p> <p>Local company (LC) purchased goods from overseas supplier (OS) and later sold the goods to local buyer (LB) and issue an invoice (local invoice).</p>	<p>Item 1 (c)(iii) is amended by deleting the word '<i>tax</i>'.</p> <p><b><u>Amended version:</u></b></p> <p>(iii) Invoice issued by LC to LB stated that the goods are originated from OS;</p>

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	The LC requests the overseas supplier to deliver the goods direct to his local buyer (LB).	
8.	<b>4/2015</b> Local company (LC) purchased goods from a local manufacturer (LM) and request LM to export the goods to his overseas buyer (OB).	Item 2(1) is amended by substituting the word ' <i>such</i> ' for the word ' <i>the supply by LM to LC and LC to OB</i> '. <b><u>Amended version:</u></b> (1) The supply of goods made by LM to LC is a standard rated supply, because the transfer of ownership of the goods took place in Malaysia. However <i>the supply by LM to LC and LC to OB</i> will qualify for zero rate subject to compliance with the following conditions.