



ROYAL MALAYSIAN CUSTOMS

GOODS AND SERVICES TAX

GUIDE ON ISLAMIC BANKING

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INTRODUCTION

1. This specific guide is prepared to assist businesses in understanding matters with regards to GST treatment on Islamic Banking.

Overview of Goods and Services Tax (GST)

2. Goods and Services Tax (GST) is a multi-stage tax on domestic consumption. GST is charged on all taxable supplies of goods and services in Malaysia except those specifically exempted. GST is also charged on importation of goods and services into Malaysia.

3. Payment of tax is made in stages by the intermediaries in the production and distribution process. Although the tax would be paid throughout the production and distribution chain, only the value added at each stage is taxed thus avoiding double taxation.

4. In Malaysia, a person who is registered under the Goods and Services Tax Act 2014 is known as a “registered person”. A registered person is required to charge GST (output tax) on his taxable supply of goods and services made to his customers. He is allowed to claim back any GST incurred on his purchases (input tax) which are inputs to his business. Therefore, the tax itself is not a cost to the intermediaries and does not appear as an expense item in their financial statements.

GENERAL OPERATIONS OF THE INDUSTRY

5. Islamic banking refers to a system of banking or banking activity that is consistent with the principles of Syariah. Thus, all dealings, transactions, business approaches, product features, investment focus and responsibilities are derived from the Syariah law. To ensure that, every such bank is required to establish a Syariah Advisory Committee. This committee is entrusted to render advice to the bank in relation to Islamic principles applicable to Islamic banking.

6. Islamic bank embraces the concept of partnership, profit and risk sharing and value-adding between banker and the customer. Among the governing principles of an Islamic bank are the absence of interest based (riba) transactions, the avoidance of economic activities involving speculation (gharar) and gambling (maisir).

7. Banking services offered by Islamic banks include the business of mobilization of savings through current, deposit or investment accounts, provision of various banking services and facilities for its customers including facilities to make payment, to receive money, paying or collecting of cheques drawn by or paid in by customers and the provision of financing.

GST TREATMENT ON ISLAMIC BANKING

GST treatment by supply types

8. For the purpose of GST, Islamic banks normally make three types of supplies namely exempt, standard rate and zero rated supplies.

(a) **Exempt supplies**

Under Islamic finance a supply is an exempt supply if the consideration of the supply is in the form of a profit or spread. These supplies include the provision of financing, exchange of currency or travellers cheques the provision of financing under hire purchase, banker's acceptance financing and the operation of current, deposit or investment accounts.

(b) **Standard Rated Supplies**

A supply is a standard rated supply if there is a basic charge or a fixed fee being imposed on the supply. Fee based services are standard rated supplies. Examples of fee based services are:-

- (i) processing fee for financing;
- (ii) standing instructions charges;
- (iii) rental services;
- (iv) counting services for coins and currency deposit;
- (v) prepaid and reload charges;
- (vi) maintenance services in relation to buying and selling of shares;

- (vii) safe keeping or custodial services;
- (viii) Syariah advisory fees; and
- (ix) intermediary services in which fees or commissions are being charged (e.g. services consisting of arranging, broking, underwriting and advising on any of the financial services).

However, certain fees or charges will not be subject to GST. These are fees and charges being imposed to compensate for loss, damages or to penalise the customer for not meeting certain requirements or conditions. Such penalty or fine will not be subject to GST and these penalty charges include:

- (i) late payment charges;
- (ii) commitment fee (for unutilized portion of overdraft);
- (iii) compensation charge for dishonoured cheque; and
- (iv) overdraft excess fee.

(c) **Zero Rated Supplies**

Islamic banking services rendered for customers abroad will be zero-rated if at the time the services are rendered, he is outside Malaysia and he is not trading Malaysian capital market products. Similarly, any Islamic financial service rendered in connection with land and goods situated outside Malaysia is also zero rated.

For further details, please refer to **Appendix 1**.

GST TREATMENT ON ISLAMIC BANKING PRODUCTS

9. It should also be noted that Islamic banking products must satisfy the Syariah principle. However, one product may adopt any one (more than one) of the Syariah principles. For instance, savings account can be either Wadiah or Mudharabah. For GST purposes, it is better to look at each concept/principle adopted and understand its structure and mechanism.

Accounts Operation (Current, Deposit or Investment Accounts)

10. Profit paid by Islamic banks as a result of deposit taking through various types of accounts is not subject to GST.

11. Besides rewarding the banks' customers with profit, banks usually charges fees for services to facilitate for the operation of these accounts. Such fees are subject to GST at standard rate. These fees may include:

- (a) fees/charges on encashment facility;
- (b) fees/charges of Electronic Fund Transfer (EFT) and phone banking;
- (c) fees/charges on provision of bank statements;
- (d) fees/charges on provision of cheque's books; and
- (e) Fees/charges on transaction via ATM or MEPS.

Payment and Collection of Cheques

12. The services rendered when a bank makes payment and collects a cheque is not subject to GST. However, bank charges a service fee to the drawer if a third party wishes to make cheque encashment over the counter. Similarly, bank charges fee for the service of transferring cheques. These fees are subject to GST at a standard rate.

13. Printing of cheque books in which additional charges are imposed is also subject to GST at a standard rate. Similarly, commission charged in clearing the cheques is subject to GST at a standard rate.

Remittances

14. Remittance is the transfer of money from one place to another by means of cashiers' order (or banker's cheque), demand draft, mail transfer or telegraphic transfer. Remittances are not subject to GST.

15. Bank levies commission for the issuance of cashier's order and demand draft. The cost of telegraphic transfer which will include a commission and tele transmission charges are subject to GST at a standard rate.

16. Customer may instruct his bank to affect periodic remittances to the debit of his account under the facility of standing instruction. Any fee charged is subject to GST at a standard rate.

Money changing

17. Within Islamic finance, exchanging one currency for another is permissible when both parties take immediate possession of equal amounts of the counter values. The contract known as sarf, is a binding obligation between the counter parties to buy or sell a specified amount of foreign currency at an agreed spot exchange rate.

18. Money changing is the business of exchanging one currency for another, with the profit taking on the spread of currency exchange rate as income for the service and it is an exempt supply which is not subject to GST. However, in the event a service fee is charged for the currency exchange, the supply is subject to GST at a standard rate.

Provision of financing, advance or similar facility

19. The provision of financing, advance or similar facility is an exempt supply. In Islamic finance, the concept of commodity murabahah/ tawarruq is adopted for the provision of such supply. Under this concept, there has to be an underlying asset that requires financing. The sale of an asset by the Islamic bank is an exempt supply. Any other supplies made in order to fulfil the process of financing are treated as non-supplies. Any acquisition of goods or services under an Islamic financial arrangement other than the provision of financing is fully claimable e.g. brokerage commission incurred in purchasing the commodity for Islamic financial arrangement.

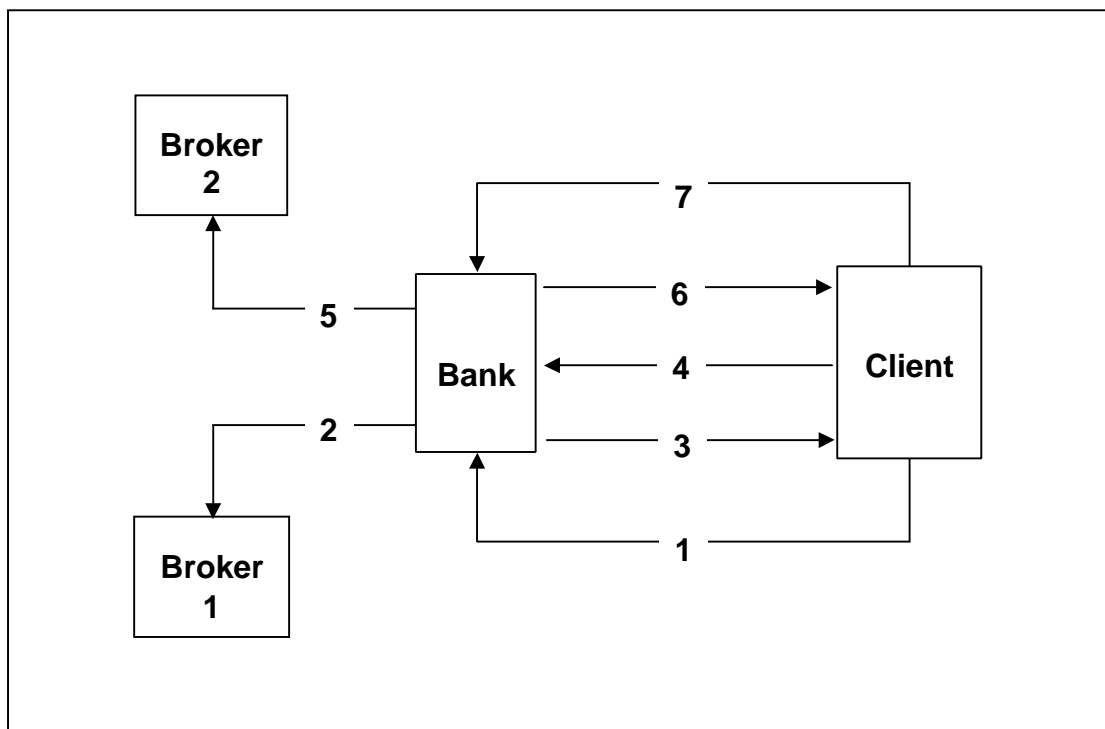
Commodity Murabahah / Tawarruq (Tripartite Agreement Sale)

20. Tawarruq is a tripartite agreement in which the financier agrees to purchase a commodity on behalf of the customer through a broker who is the commodity trader. In tawarruq, three parties involved are the financier, customer and a commodity trader and this represents the free market institution.

21. For instance, the financier firstly purchases the commodity from the trader on spot basis for RM900. The financier now sells the commodity to the customer for RM1,000 on deferred payment basis.

22. The customer now owns the commodity and owes the financier RM1,000 on deferred payment. To obtain cash, the customer sells the commodity to the third party buyer or commodities trader. The cash obtained here acts as monetary financing element of the transaction. **Figure 1** below is a simple diagrammatical illustration of using Tawarruq in a financing structure.

Figure 1: Tawarruq Concept



Explanation:

- 1) Bank obtains Tawarruq transaction documents from the Client.
- 2) Bank buys commodity from Broker 1 - (Non Supply).

Bank pays purchase price and ownership transfers to Bank upon purchase.

Broker 1 charges brokerage commission to Bank – (Standard rate)

- 3) Bank sells commodity to the Client at Bank's Selling Price (Cost + profit) - (Exempt Supply).

Ownership transfers to customer. Debt is created (deferred sale).

- 4) Client opts not to take delivery of commodity. Client instructs Bank as its sale agent to sell commodity in the Market for immediate settlement - (Non Supply).

- 5) Acting as the appointed sale agent for the Client, Bank sells commodity to Broker 2 - (Non Supply).

Broker 2 charges brokerage commission to Bank – (Standard rate)

- 6) Bank as agents, remits the commodity sales proceeds to the client.

- 7) Client settles amount due to the Bank (Cost+ Profit) by way of agreed instalment method - (Non Supply).

Islamic bank cards

23. Islamic bank card is the Syariah contract based credit card and is completely free from any "riba" or "gharar. There are three main Syariah contracts being used in the operations of Islamic bank cards i.e. Bai Inah, Wadiah and Qardhul Hassan. Some banks offer cards under the tawwaruq contract.

24. Usually bank charges its customer an annual subscription fee for the usage of the card and profit charge for the granted credit. The annual subscription fee is subject to GST at a standard rate while the profit charge is not subject to GST.

25. Bank pays the retail outlet for the goods purchased by the customer after deducting the merchant discount. This merchant discount is subject to GST at a standard rate. If the retail outlet is a merchant for the bank, the bank will charge rental for the usage of payments terminals and the rental is subject to GST at a standard rate.

Trade financing

26. Islamic Bank also provides facilities and services with regards to the financing in connection with either domestic or international trade. The operational aspects of the Islamic trade finance instruments are mostly similar to the conventional except that it must conform to the Syariah requirements. Some forms of Islamic trade finance instruments are as follows-

(a) **Wakalah Documentary Bills for Collection (WDBC)**

- (i) Wakalah Documentary Bills for Collection refers to the handling of commercial documents by a bank as agent whether or not accompanied by financial documents for payment, acceptance or delivery as per instructions received.
- (ii) In the case of Wakalah Outward Bills Collection, bank may act as a remitting bank by forwarding the documents received from the seller/exporter under its collection order, to the collecting bank. On the other hand, in the case of Wakalah Inward Bills Collection, bank may act a collecting bank by delivering shipping documents upon payment or acceptance by the buyer/importer.
- (iii) In both cases, bank charges collection commission. A charge is also imposed on the postage or cable usage. These commissions and charges are subject to GST at a standard rate.

(b) **Wakalah Letter of Credit (WLC)**

- (i) Most of the times, the seller/exporter does not wish to ship or deliver the goods without payment or acceptable assurance of payment; while the buyer/importer does not wish to pay in advance. To overcome this problem, banks offer documentary credit facility. Wakalah Letter of Credit is a written undertaking or commitment by the issuing bank given to the seller to pay at sight or determinable future date up to a stated sum of money with

prescribed time limit ,and against stipulated documents and upon compliance of terms and conditions.

- (ii) There are charges, for example, the handling fees, the acceptance commission, the advising fees and also charges on the usage of postal and cable. These charges are subject to GST at a standard rate.

(c) **Wakalah Inward Bills Under Letter of Credit (WIB)**

WIB is a set of documents drawn in compliance with the terms of the seller (the beneficiary) on the bank (WLC issuing bank) for an amount, which represents full or part of the value of the goods shipped. These documents are presented to the bank through the negotiating bank and are to be checked against the terms and conditions of the WLC. There are charges and commission charged by the bank and it is subject to GST at a standard rate.

(d) **Kafalah Shipping Guarantee (KSG)**

KSG is an indemnity document issued by the bank addressed to a shipping company on the instruction of an importer (customer) to take delivery of the goods from the shipping company (or its agents) pending receipt of the bill of lading. Bank levies a commission for the issuance of shipping guarantee and it is subject to GST at a standard rate.

(e) **Kafalah Bank Guarantee (KBG)**

Bank guarantee is a written obligation issued by bank to pay an agreed sum, in case the customer defaults in fulfilling his obligation. Bank acts as a guarantor and will take the responsibility to honour the beneficiary's claims. Bank levies a commission for the issuance of bank guarantee and it is subject to GST at a standard rate.

(f) **Islamic Accepted Bill (IAB)**

It is a facility for financing trade transactions, drawn by one party and accepted by another party where the drawer is the original creditor.

Domestic purchase is using the Murabahah contract, granted to the buyer or importer to finance their purchase of tradable goods that include raw materials, semi-finished and finished goods.

Bank appoints the customer as its agent to purchase goods on its behalf. Upon delivery of goods, Bank pays the supplier at sight or upon maturity of credit terms for the cost of the goods based on the invoice value. Bank will subsequently sell the goods to the customer on deferred payment terms at a price inclusive of the bank's profit. The deferred payment terms on sale of goods granted to the customer, constitute creation of a debt. This is securitised in the form of IAB drawn by bank. Upon maturity, the customer pays the agreed sale price of the financing.

IAB sales is a financing facility using the Bai' al-Dayn contract, granted to the seller or exporter to finance their sales or export of goods on credit. Bai' al-Dayn or debt trading is a short-term financing facility whereby bank purchases the customer's right to the debt, which is normally securitised in the form of accepted bills.

The seller or exporter, who wishes to avail him of this facility, prepares sales/export documents as required under the sale of contract and presents these documents to bank. As the sales/export documents have to be sent to the buyer, bank requests the seller/exporter to draw the IAB drawn on bank. Bank will purchase the debts and credit the proceeds to the seller/exporter. Upon receiving payment from its buyer, seller/exporter will use it to settle the IAB.

The cost of banker's acceptance or IAB is made up of the acceptance commission, and it is subject to GST at a standard rate.

(g) **Treasury Services**

Treasury function of a bank is responsible for managing the bank's mismatch and liquidity risks, making markets to customers in forex and *sukuk*, assists bank's clients in making their money market and forex exposure.

Treasury products include:

- (i) Foreign exchange;
- (ii) Capital markets & derivatives;
- (iii) Structured products;
- (iv) Money market; and
- (v) Islamic treasury instruments.

Profit earned and realized capital gains through the products are not subject to GST. However, charges in providing the services as an agent for its clients in the trading of the instrument are subject to GST at a standard rate.

Imported Services

27. Where services are received (imported) from abroad, such services are subject to GST at a standard rate if the supplies are taxable when they are made in Malaysia. In such cases, reverse charge mechanism applies as if the importer (i.e.. financial institution) had supplied those services to itself. The recipient must account for the GST incurred on the taxable services. However, he is entitled to claim GST incurred on the inputs based on FITR.

Outsourcing of Services

28. Banks usually outsource their non-core activities. These outsourced services are subject to GST at a standard rate. Such activities include:

- (a) Software application development and Support services of information technology;

- (b) Payment processing and collection;
- (c) Loan management;
- (d) Credit card operations;
- (e) Cheque printing and outward clearing;
- (f) Printing and mailing services;
- (g) Property management;
- (h) Security services; and
- (i) ATM cash management.

Islamic Banking and Designated Areas (DA)

29. If an Islamic bank in Malaysia provides fee based services to the DA, the services are subject to GST at a standard rate. The supplies made by a branch of an Islamic bank in Malaysia in the DA is also subject to GST at a standard rate except for the rental of safe deposit box and the sale of merchandise.

Example 1:

EZIE Islamic Bank (Labuan Branch), provides financing to residents in Labuan and charges processing fee. This fee is subject to GST at standard rate because the services are actually supplied by EZIE Islamic Bank's Headquarters in Kuala Lumpur.

Example 2:

A resident rents a safe deposit box from EZIE Islamic Bank (Labuan Branch) where he is subject to rental charges. In this case, the safe deposit box is being supplied by the EZIE Islamic Bank (Labuan Branch) and not its headquarters in Kuala Lumpur.

The charges are not subject to GST because the supplier belongs in Labuan.

Example 3:

EZIE Islamic Bank (Labuan) Ltd, provides trustee services to businesses in Labuan and charges trustee fee. This fee is not subject to GST because the services are provided by EZIE Islamic Bank (Labuan) Ltd which is incorporated in Labuan.

30. Supplies of services provided to Malaysia from a bank (incorporated in Labuan under the Labuan Financial Services Authority Act 1996)(LFSA) in the DA are local supplies. The bank is required to register for GST if the total taxable supplies in a twelve months period exceeds the prescribed threshold even though the business establishment is located in the DA. Thus, such services are subject to GST and output tax shall be charged in a tax invoice and accounted in the GST return.

Example 4:

EZIE Islamic Bank (Labuan) Ltd, provides Islamic banking and advisory services to a business in Kota Kinabalu, Sabah and charges a fee. This fee is subject to GST at standard rate because the services are provided into Malaysia.

Fixed Input Tax Recovery (FITR)

31. Generally, a mixed supplier may claim input tax in the following manner:-
- (a) Claim full input tax credit if the input is wholly attributable to a taxable supply;
 - (b) Cannot claim input tax credit if the input is wholly attributable to an exempt supply; or
 - (c) Apportion input tax by using the turnover method if the input (residual input) cannot be wholly attributable to either taxable or exempt supplies.
32. Supplies made by financial institutions e.g. the provision of loans or financing is an exempt supply and input tax is not claimable. However, banks and other financial institutions which provide loans or financing to businesses are allowed to claim the

GST incurred on their business input. Such claim is only applicable by using Fixed Input Tax Recovery (FITR) method.

33. FITR is a method where a financial institution such as:

- (a) commercial bank;
- (b) investment bank;
- (c) Islamic bank;
- (d) development financial institutions and any other approved institutions as in the First Schedule of the GST Regulations 2014 are entitled to recover input tax based on a specific rate in percentage determined by the Minister.

34. If a financial institution is allowed to recover input tax using the FITR method, the amount of the input tax allowable is in accordance with the following formula:

$$\mathbf{A \times B}$$

where: **A** is the total input tax incurred in the taxable period excluding input tax allowed under regulation 48 and

B is the fixed rate.

35. The total input tax incurred in the taxable period includes:

- (a) input tax in relation to exempt supplies i.e. loans provided to businesses and individuals;
- (b) input tax in relation to standard rated and zero rated supplies;
- (c) input tax in relation to other exempt supplies e.g. investment activities.

36. For Islamic banks and other financial institutions making a supply of financing, the input tax incurred on the acquisition of goods and services under an Islamic financial arrangement other than the provision of financing is fully claimable. For more information, please refer to *Guide on Input Tax Credit*.

Example 5:

In the taxable period of October 2015, ABC Islamic bank incurred GST on the following:

- (a) input tax in relation to exempt supplies (provision of financing to businesses) - RM15,000*
- (b) input tax on standard rated supplies (fee based services) - RM36,000*
- (c) input tax on investment activities - RM12,000*
- (d) brokerage commission on purchase of commodities – RM5,000*

For the year 2015, the Islamic bank is allowed to use an FITR rate at 70% for the purpose of claiming input tax.

$$\begin{aligned} \text{Input Tax Claimable} &= \text{Input Tax incurred in the taxable period} \\ &\quad \times \text{FITR rate} \\ &= (\text{RM36,000} + \text{RM12,000} + \text{RM15,000}) \\ &\quad \times 70\% \\ &= \text{RM44,100} \end{aligned}$$

For the taxable period of Oktober 2015, ABC Islamic bank is allowed to claim input tax amounting to:

$$\text{RM44,100} + \text{RM5,000} = \text{RM49,100}$$

FREQUENTLY ASKED QUESTIONS

GST Registration

Q1. Most of the financial services are not subject to GST. Do Islamic banks and Islamic financial institutions need to be registered?

A1. Even though most of the financial services are not subject to GST, Islamic banks and Islamic financial institutions provide fee-based services which are subject to GST at a standard rate. If the amount of these taxable supplies exceeds the prescribed threshold, then it is a mandatory requirement for the Islamic banks or Islamic financial institutions to be registered under GST.

Q2. Can several banks under the same holding company be registered under group registration?

A2. GST Group registration is restricted to businesses which makes wholly taxable supplies. Banks being suppliers of exempt supplies are not eligible for GST group registration.

Tax Invoices

Q3. My customers perform many banking transactions in a taxable period. Should I issue a tax invoice for every banking transaction?

A3. You need not issue a tax invoice for every transaction. You can apply to the Director General for approval to issue a monthly statement covering every banking transaction that has taken place within the calendar month.

Q4. Should I issue a tax invoice to an individual customer who is a non-registered person?

A4. Generally, a registered person must issue a tax invoice in respect of a taxable supply. If there is no taxable supply, then it is not required. The bank can apply to the Director General for approval to be exempted from issuing a tax invoice to a non- GST registered person. However, the bank is required to issue serially numbered receipts for audit purposes. Alternatively, instead of issuing

receipts manually, electronic receipting is also allowed, as long it is captured and recorded.

Q5. Do I have to issue tax invoice for transactions involving customers abroad with zero-rated supplies?

A5. You need not issue a tax invoice for a zero-rated supply.

Input Tax Recovery

Q6. Can I claim input tax incurred in respect of medical and hospitalisation benefits for my employees?

A6. The Islamic bank is not entitled to claim the input tax incurred on medical and hospitalisation benefits for the employees since it is blocked.

Q7. In December 2016, I organize an annual dinner for the employees at a hotel. Existing clients are also invited for the dinner. Can I claim input tax incurred for the dinner?

A7. You are entitled to claim input tax on business entertainment to employees and existing clients.

Accounts operation (current, deposit or investment accounts)

Q8. When a customer deposits or withdraws money from his current, deposit or investment account, is he subject to GST?

A8. Deposit or withdrawal from the current, deposit or investment account is not subject to GST.

Q9. Is profit earned from the deposit of money in an account subject to GST?

A9. Profit earned from the deposit of money in an account is not subject to GST.

Q10. I charge my customers certain fees such as half yearly service charge for current account and fifth cash ATM withdrawal charge. Are they subject to GST?

A10. These fees and charges are subject to GST at a standard rate. Any fee based charge in the form of explicit fees imposed by any bank or financial institution is subject to GST.

Provision of financing, advances or credits

Q11. Is the provision of financing subject to GST?

A11. When a bank provides financing to its customer, the bank would enjoy profits.

The profit charge with regards to the provision of financing is not subject to GST. However, any fees or charges in relation to it, for instance processing fee, advisory services fee or charges on making copies on the document are subject to GST.

Q12. Are repayments of the principal amount subject to GST?

A12. The repayment of financing, i.e. the instalment of the principal amount with or without profit charge is also not subject to GST.

Q13. Is late payment penalty subject to GST?

A13. Late payment penalty is not subject to GST.

Q14. I provide financing to a project in Vietnam. Will this financing be subject to GST?

A14. Financing a project outside Malaysia is zero-rated and its processing fee in respect of the financing given is also zero rated.

Credit, Debit or Charge Card

Q15. Most banks waive the annual subscription fee on the credit card to make it competitive in the market. Is GST still be imposed on the waived annual subscription fee?

A15. Since there is no consideration for the supply of service, the bank need not charge GST on the waived annual subscription fee.

Documentary Credit

Q16. As an advising bank, I charge a confirmation commission for confirming a letter of credit (L/C) relating to the export of goods to Dubai. Is this commission subject to GST?

A16. This commission is subject to GST at zero rate as it relates to the export of goods outside Malaysia.

Q17. I issue a letter of credit to a local trader for an importation of goods and charge a fee for the issuance of the letter of credit. What is the GST treatment on this fee?

A17. Such fee is subject to GST at a standard rate

Q18. I also provide advisory service in relation to the issuance of the letter of credit. Is advisory service subject to GST?

A18. Advisory service is a taxable supply and is subject to GST at a standard rate.

Foreign Exchange

Q19. What is the GST treatment on foreign currency exchange?

A19. Bank profits from spread resulting from the different between the rates of selling and buying of the currency. Spread is exempt and not subject to GST.

Q20. What is the GST treatment on the fee or commission charged on the issuance and encashment of traveller's cheque within Malaysia?

A20. The fee or commission is subject to GST at a standard rate

Safe Keeping and Custodial Service

Q21. What is the GST treatment on safe keeping and custodial services?

A21. Bank provides safe-keeping or custodial services to its customer by offering a safe deposit box and charges rental on the box. The rental charges are subject to GST at a standard rate.

INQUIRY

1. For any inquiries for this guide please contact:

Sector IV

GST Division

Royal Malaysian Customs Department

Level 3 – 7, Block A, Menara Tulus,

No. 22, Persiaran Perdana, Presint 3,

62100 Putrajaya.

Email: gstsector4@customs.gov.my.

FURTHER ASSISTANCE AND INFORMATION ON GST

2. Further information on GST can be obtained from :

(a) GST website : www.gst.customs.gov.my

(b) Customs Call Center :

- Tel : 03-7806 7200 / 1-300-888-500
- Fax : 03-7806 7599
- E-mail : ccc@customs.gov.my

APPENDIX 1

Islamic banking

List of supplies

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
1. DEPOSIT ACCOUNTS <i>The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.</i>				
1.1 Current/Savings Deposit Accounts				
1.1.1 Subscription Fee	X			
1.1.2 Early Redemption Fee				X (Punitive in nature)
1.1.3 Transaction Service Fee	X			
1.1.4 Balance Below Minimum Fee	X			
1.1.5 Teller Withdrawal Fee	X			
1.1.6 Transfer/Payment at Counter Fee	X			
1.1.7 Bank Cheque Fee	X			
1.1.8 Withdrawal Below a Specified Limit Fee	X			
1.1.9 Deposit Fee	X			
1.1.10 Replacement Card/Book/Pin Fee				X (Punitive in nature)
1.1.11 Electronic Funds Transfer Fee: - ATM Withdrawal Fee - Account Payment Fee - Inter-account Payment Fee	X X X			
1.1.12 Sale of Cheque Books: - Cheque Forms - Cheque Books - Counter Cheques - Cheque Book Covers - Cheques Issued by Machine	X X X X X			
1.1.13 Sale of Deposit Books: - Standard (non-MICR Encoded) - Special (MICR Encoded)	X X			
1.1.14 Authorisations to Cash Cheques - Encashment Fee - Encashment Facility Set-Up Fee	X X			
1.1.15 Certificate Fees: - Balance of Account - Auditors Confirmation - Interest Received	X X X			
1.1.16 Fee for Cheques Deposited but Returned Unpaid				X (Punitive in nature)

ACTIVITY / NATURE OF FEE		STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
1.1.17	Fee for Post Dated Cheques	X			
1.1.18	Fee for Guaranteed Cheques	X			
1.1.19	Fee for retrieval of cheque images / physical cheques	X			
1.1.20	Service charges on cancellation of long outstanding uncollected cheque book after issuing of final reminder	X			
1.1.21	Service charges on reclearing cheque charges (inward clearing cheques overdrawn but covered before cut-off time)	X			
1.1.22	Service charges on returned cheque due to stop payment with either sufficient fund in account or insufficient fund in account	X			
1.1.23	Service charges on stop payment cheque	X			
1.1.24	Service charges on uncollected returned cheque	X			
1.1.25	Service charges on current, saving and dormant account – monthly, half-yearly and annually	X			
1.1.26	Service charges on request for change of signatories / conditions for current accounts	X			
1.1.27	Payout Under Guaranteed Cheques (Not Short Term Indemnity Insurance)				X
1.1.28	Cashing Cheques/Clearance Fee	X			
1.1.29	Fee for Stop Orders/Debit Orders (Account Holder)	X			
1.1.30	Fee for Unpaid Items – Electronic Transfers	X			
1.1.31	Bank Statement Charges:				
	- Prepared in Duplicate Fee	X			
	- Replacement Fee	X			
	- Statement Storage Fee	X			
	- Provisional Statements Fee	X			
	- Balance Enquiry Fee	X			
	- Mini Statement Fee	X			
1.1.32	Voucher Retention Charges:				
	- Storage Fee	X			
	- Reference/Copies Fee	X			
	- Retrieval Fee	X			
	- Paid Vouchers – Uplifted Fee	X			
	- Dispatched with Statement Fee	X			
1.1.33	Dishonours:				
	- Representation Fee				X (Punitive in nature)
	- Unpaid Fee				X (Punitive in nature)
	- Notification Fee				X (Punitive in nature)
1.1.34	Unauthorised Overdraft Fee				X (Punitive in nature)
1.1.35	Declined Transaction Fee	X			

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
1.1.36 Excess Item Fee (per item paid for unauthorised overdraft)				X (Punitive in nature)
1.1.37 Monthly Maintenance Fee	X			
1.1.38 Stop Payment Fee	X			
1.1.39 Cheque Guarantee Card Fee	X			
1.1.40 Cheque processing fee	X			
1.1.41 Provision of Information Fee:				
- Current Account Related	X			
- Report on Parties – Between Banks & Account Holders	X			
- Third Parties	X			
1.1.42 ATM Stop Card Fee	X			
1.1.43 Account Opening Fee	X			
1.1.44 Closure of Accounts Fee	X			
1.1.45 Closure of accounts - within 3 months fees				X (Punitive in nature)
1.1.46 Photocopy Fee	X			
1.1.47 Sundry Fee	X			
1.1.48 Government Stamp Duty recovery				X
1.1.49 RECALL charges	X			
1.1.50 Bank Statement Reconciliation Fee:				
- Entry Charges	X			
- Magtape Charge	X			
- Take-On Charge	X			
- MT 940 /MT050 Statement charge	X			
1.1.51 Payment multipurpose card (PMPC) fee – Annual /service fees	X			
1.1.52 Payment multipurpose card (PMPC) fee – Replacement fees				X (Punitive in nature)
1.1.53 Facility fee (bills)	X			
1.1.54 Facility fee (OD)	X			
1.1.55 Processing fee	X			
1.1.56 Temporary overdraft (TOD)/Temporary excess overdraft (TEOD) Charges (counter)	X			
1.1.57 TOD/TEOD Charges (DPEXP)	X			
1.1.58 SMS services	X			
1.1.59 Standing instruction fees	X			
1.1.60 Postage fee	X			
1.1.61 Security device replacement fees related to Direct banking	X			
1.1.62 Electronic Share Application related to Direct Banking	X			
1.1.63 Handing charges	X			
1.1.64 CA Half Yearly Services Charges	X			
1.1.65 Foreign Currency CA Min. Balance Monthly Charge				X
1.1.66 Inland Exchange - Current Account			X	
1.1.67 Other Deposit Transaction Charges	X			
1.1.68 Safe Deposit Box(SDB) Rental Income	X			
1.1.69 SDB - Miscellaneous Income	X			

ACTIVITY / NATURE OF FEE		STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
1.1.70	Ar Rahn Safe Keeping Fee			X	
1.1.71	Investment Account			X	
1.2	Money Transfer Services				
1.2.1	Consolidated Payment Fee	X			
1.2.2	Credit Transfer (Interbank) Fee	X			
1.2.3	Telefax Transfer Fee	X			
1.2.4	Telegraphic Transfer Fee	X			
1.2.5	Swift Transfer Fee	X			
1.2.6	Electronic Collection Service Fee	X			
1.2.7	Pass Through Charge (as Agent)				X
	<i>Local bank collects charge levied by foreign bank from the customer – charge is not reflected as income in local bank</i>				
1.3	Cash Related Services				
1.3.1	Fee for Provision of Change	X			
1.3.2	Fee for Cash/Coin Handling	X			
1.3.3	Coin Box Charges	X			
1.3.4	Cheque Encashment Fee:				
	- Under letter of Credit	X			
	- Travellers Cheques/Foreign Drafts	X			
	- Money & Postal Orders	X			
1.3.5	Postage of collection of Travellers' Cheque	X			
1.3.6	Fee for Safe Custody of Cash:				
	- After Hours – In Locked Bags/Deposit Envelopes	X			
	- Night Safes	X			
1.3.7	Fee for Quality Notes Charged for ATM's	X			
1.4	Off-Site Banking				
1.4.1	Electronic Funds Transfer Fee	X			
1.4.2	Cash/Coin Handling Fee	X			
1.4.3	Safe Custody of Cash Fee	X			
1.4.5	Rentals Fee	X			
1.4.6	Electronic Banking Services Fee	X			
1.5	Electronic Banking				
1.5.1	Electronic Payment Device:				
	- Installation/Rental	X			
1.5.2	Electronic Payment Services:				
	- Basic Charge:				
	: Electronic payment – details on disk/tape	X			
	: Electronic payment – details supplied by batch	X			

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
<ul style="list-style-type: none"> : Paid by Cheque – details on disk/tape or batch - Data Capture Fee - Late Data Fee - On-Site Assistance Fee - Input Manual Fee - Stop Payment Fee - ACB Clearing Charges Fee - Default Cheque Fee 	<ul style="list-style-type: none"> X X X X X X X 			
1.5.3 E-debit payment: <ul style="list-style-type: none"> - Merchant discount 	<ul style="list-style-type: none"> X 			
1.5.4 Electronic Off-Site Banking: <ul style="list-style-type: none"> - User Charge - Account Payments & Transfer Fee - Magtape Charge 	<ul style="list-style-type: none"> X X X 			
1.5.5 Electronic Direct Credits: <ul style="list-style-type: none"> - Fee for additions/deletions, alterations to schedule loadings (including magtapes) - Fee for additional copies of schedules (i.e. Prepared in duplicate) - Consolidated payment/netting of accounts fee 	<ul style="list-style-type: none"> X X X 			
1.5.6 Electronic Direct Debits: <ul style="list-style-type: none"> - Fee for forwarding authorities to other Banks - Stop Order Establishment Fee - Standing Payment Order Fee - Stop Order Amendment Fee - Stop Order Cancellation Fee - E-banking token fee - E-banking token maintenance fee 	<ul style="list-style-type: none"> X X X X X X X 			
1.6 Charges to Central Government Accounts				
1.6.1 Service Fee	X			
1.6.2 Charge per Deposit Slip Handled	X			
1.6.3 Charge per Cheque Listed on Deposit Slip	X			
1.6.4 Cash Deposit Fee	X			
1.6.5 Charge for Post-Dated Cheques Deposited	X			
1.6.6 Charge for Returned Unpaid Cheques	X			
1.7 Mass Banking, High Net Worth and Affluent Banking				
1.7.1 Agency services fee for sale of unit trust fund	X			
1.7.2 Agency services fee for sale of structured products	X			
1.7.3 Trailer fee in relation to unit trust fund	X			
1.7.4 Dual Currency Investment Fee	X			
1.7.5 Dual Currency Investment yield 1.7.6 Commission fee – savings account withdrawal	X		X	
1.8 Branch Management				
1.8.1 Private banking account maintenance fee	X			
1.8.2 Bankers cheque fee	X			

ACTIVITY / NATURE OF FEE		STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
1.8.3	Changing of coins / coins deposit/ currency deposits fee	X			
1.8.4	Remittance charge (including issuance / cancellation of local and foreign demand draft)	X			
1.8.5	Moneygram service fee	X			
1.8.6	Interbank RENTAS / GIRO fee	X			
1.8.7	Commission fee – Gold	X			
1.8.8	Cost of wire fees – TT	X			
1.8.9	Remittance charge/commission	X			
1.8.10	Handling charge	X			
1.8.11	IBG commission /service charge	X			
1.8.12	RENTAS service charge	X			
1.8.13	Foreign Currency CA Service charge	X			
1.8.14	Foreign Currency notes commission	X			
1.8.15	Rebate And Commission From Nostro Charges		X		
1.8.16	Return cheques	X			
1.8.17	Issuing Payorder	X			
1.8.18	Stop Cheques Fees	X			
1.8.19	Statement Printing Fees	X			
1.8.20	Issuing Demand Draft	X			
1.8.21	Commission-Issuing Cashier's Order	X			
1.8.22	Commission-Issuing Telegraphic Transfer	X			
1.8.23	Commission-Inward Remittance	X			
1.8.24	Commission-Demand Draft Repurchase	X			
1.8.25	Commission-Cashier Order Repurchase	X			
1.8.26	Commission-Other Remittances	X			
1.8.27	Standing Instruction Charges	X			
1.8.28	Standing Order Fees	X			
1.8.29	Cash Withdrawal Fees	X			
1.8.30	Telex Transfer Charges	X			
2 FINANCING SERVICES					
<i>The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.</i>					
2.1	Interest Charged			X	
2.2	Service / commitment fee	X			
2.3	Mortgage Financing				
2.3.1	Initiation Fee	X			
2.3.2	Administration Fee	X			
2.3.3	Payment of Retention Amount Fee	X			
2.3.4	Release of Sectional Title Units Fee	X			
2.3.5	Release of Bonded Property/Collateral Fee	X			
2.3.6	Second Bond in respect of Third Party Fees	X			

ACTIVITY / NATURE OF FEE		STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
2.3.7	Registration of Servitude, Consolidations & Sub-Divisions Fee	X			
2.3.8	Re-advance Fee	X			
2.3.9	Initiation Fee	X			
2.3.10	Variation Fee	X			
2.3.11	Facility Fee:				
	- Application Fee	X			
	- Agreement Fee	X			
	- Establishment Fee	X			
	- Approval Fee	X			
2.3.12	Employer Subsidy Fee	X			
2.3.13	Capped Interest Rate Option (Derivative)			X	
2.3.14	Capped Interest Rate Facility (Interest)			X	
2.3.15	Fee for Capped Interest Rate (Fee)	X			
2.3.16	Recovery of non-performing loans				
	- Statutory notices charges				X
	- Letter of Demand charges				X
	- Liquidator fee				X
	- Legal fee				X
2.3.17	Will writing commission fees	X			
2.3.18	Sales agent commission fees	X			
2.3.19	Letter of Offer charges	X			
2.3.20	Refinancing and rescheduling fee	X			
2.3.21	Redemption statement (per request)	X			
2.3.22	Security document retrieval (per request)	X			
2.3.23	Loan statement (per request)	X			
2.3.24	Re-draw charges/ fees for excess payment (per request)	X			
2.3.25	Letter of confirmation for EPF withdrawal (per request)	X			
2.3.26	GIRO / RENTAS transaction fee / Banker cheque issuance	X			
2.3.27	Processing Fee (only for extension of certain loan per existing approved product programme)	X			
2.4	In Relation to Lending by Bank				
2.4.1	Securitisation of Debt Security			X	
2.4.2	Securitisation Fee	X			
2.4.3	Preparation and Completion of Securities Fee	X			
2.4.4	Release of Securities Fee	X			
2.4.5	Guarantee Fee	X			
2.4.6	Property Loans Fee	X			

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
2.4.7 Modifications (including priority) of Securities Fee	X			
2.4.8 Asset Inspection by Bank of Security Fee	X			
2.4.9 Provision of Balance Sheet on Behalf of Customer Fee	X			
2.4.10 Asset Fee Home Loans	X			
2.4.11 Bank Nominee Company Activity Fee	X			
2.4.12 Copies of Documents Held as Security Fee	X			
2.5 Certificates				
2.5.1 Documents Held as Securities/List of Securities Fee	X			
2.5.2 Certificates of Interest Charged Fee	X			
2.6 Interview Time				
2.6.1 Lending, Credit or other obligations to Bank Fee	X			
2.7 Handling Fee				
2.7.1 Financing Application Fee	X			
2.8 Loans				
2.8.1 Interest			X	X <i>(Punitive in nature)</i>
2.8.2 Commitment Fee				X <i>(Punitive in nature)</i>
2.8.3 Unutilised Renewal Fee	X			
2.8.4 Documentation Fee	X			
2.8.5 Redraw fee	X			
2.8.6 Compensation on late instalment				X
2.8.7 Early Termination				
- Interest Adjustment			X	X <i>(Punitive in nature)</i>
- Penalty Fee				X <i>(Punitive in nature)</i>
2.9 Raising Fee	X			
2.10 Bankers Acceptances				
2.10.1 Dealing Profit			X	
2.10.2 Trading in Bankers Acceptances			X	
2.10.3 Discount on Face Value			X	
2.10.4 Commission (spread in nature)			X	
2.11 Promissory Notes				
2.11.1 Dealing Profit			X	
2.11.2 Trading in Promissory Notes			X	
2.11.3 Discount on Face Value			X	

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
2.11.4 Commission	X			
2.12 Structuring 2.12.1 Structuring Fee 2.12.2 Commitment Fee 2.12.3 Breakage Fee 2.12.4 Legal Fee – as Agent (ie. Charge is not reflected as income by bank) 2.12.5 Legal Fees – as Principal 2.12.6 Unwinding Fees 2.12.7 Audit Certificates – as Principal 2.12.8 Audit Certificates – as Agent (ie. Charge is not reflected as income by bank)	X X X X X X X			X X
2.13 Business Banking and SME Banking / Virtual Banking & Payments 2.13.1 Documentation and processing fee in relation to loan products 2.13.2 Letter of support/undertaking fee in relation to loan products 2.13.3 Subscription – Phone banking / Online transaction fee 2.13.4 Company search fee 2.13.5 Credit Guarantee Corporation fee 2.13.6 Commission fee – commercial / islamic card 2.13.7 Fund transfer fee / MEPS Charges 2.13.8 Remittance	X X X X X X X			
2.14 Investment Banking Advisory and Consultancy 2.14.1 Commission – Bonds sale 2.14.2 Arranger fees	X X			
2.14.3 Participation fees 2.14.4 Structuring fees 2.14.5 Advisory fee (Subject to tax) 2.14.6 Underwriting fee 2.14.7 Early consent fee 2.14.8 Agency fees 2.14.9 Administrative agent fee 2.14.10 Security agent fees 2.14.11 Service agreement fee (Non service tax)	X X X X X X X X			

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
2.15 Global Markets and Corporate Banking				
2.15.1 Structuring of securities fee	X			
2.15.2 Processing fee	X			
2.15.3 Participation in deals fee	X			
2.15.4 Pass-through deal fee	X			
2.15.5 Upfront fee – Premium for structured products	X			
2.15.6 Unwinding fee / termination fee – structured products				X (Punitive in nature)
2.15.7 Late payment penalty charges				X (Punitive in nature)
2.15.8 Administrative charges	X			
2.15.9 Letter of Undertaking / Support / Credit Advice charges	X			
2.15.10 Annual review of facilities fee	X			
2.15.11 Restructuring / rescheduling fee	X			
2.15.12 Extension fee	X			
2.15.13 Gain/loss on disposal of fixed income securities			X	
2.15.14 Forex gain / loss			X	
2.15.15 Legal fee recovery				X
2.15.16 Insurance agency fee	X			
2.16 Cash Management				
2.16.1 Subscription – Online transaction fee	X			
2.16.2 Intra-company/intrabank fund transfer fee	X			
2.16.3 GIRO / RENTAS transaction fee	X			
2.16.4 Vasco token charges	X			
2.16.5 Cheque outsourcing fees	X			
2.16.6 Processing fees – cheque collection / foreign currency payment	X			
2.17 Financing Related Service Charges				
2.17.1 Audit confirmation service charge	X			
2.17.2 MM2H application service charge	X			
2.17.3 Account sweeping service charge	X			
2.17.4 Miscellaneous service charges	X			
2.17.5 Financing processing fee	X			
2.17.6 Financing extension fees	X			

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
2.17.7 Financing annual review fees	X			
2.17.8 Re-issuance of redemption letter fees	X			
2.17.9 Synd financing processing fees	X			
2.17.10 Commission - Takaful	X			
2.17.11 Commission – Takaful (Mortgage financing)	X			
2.17.12 Commission – Takaful (Personal financing)	X			
2.17.13 Commission – Takaful (Auto financing)	X			
2.17.14 SLA incentive - Koperasi	X			
2.17.15 Financing income for Al Ijarah Thuma Al Bait (AITAB)			X	
3 WEALTH MANAGEMENT PRODUCT <i>The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.</i>				
3.1 Travellers Cheques Sold				X
3.2 Travellers Cheques Purchased Fees	X			
3.3 Commission – Unit Trust	X			
3.4 Commission - Bankatakaful	X			
3.5 Commission – Structured Product	X			
3.6 Commission - Wasiat	X			
3.7 Commission – Wealth Management Products	X			
4. CARD SERVICES <i>The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.</i>				
4.1 Credit/Debit Cards (Including SMART CARDS)				
4.1.1 Credit Card:				
- Authorisation Fees	X			
- Cash Withdrawal Fee	X			
- Cardholder Fee (including renewal)	X			
- Merchants Discount (including Interchange Fee) – local service providers	X			
- Merchants Discount (including Interchange Fee) – international service providers		X		
- Transaction Fee	X			
- Issuer reimbursement fee	X			
- Statement Fee	X			
- Statement copy fee	X			
- Call Back Charge	X			
- Cash Withdrawal Fee	X			
- Lost Card Protection Fee	X			
- Commission fees	X			
- Cash back / profit sharing arrangement with selected merchants				X
- Collection of legal fees				X
- Cash advance fee	X			

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
- Program fee for selected cards	X			
- Regional cross border authorization fee	X			
- Frequent traveller option fee	X			
- Excess limit charge	X			
- Administrative charges for conversion for overseas transaction	X			
- Service charge	X			
- Microfilm copy fee	X			
- Courier delivery fee	X			
- Joining fee	X			
- Merchandising fee	X			
- Foreign exchange spread			X	
- Stamp duty				X
- Fee and charges paid by card brand companies	X			
- Not-on-us cash advance fee	X			
- Upfront interest for balance transfer			X	
- Upfront interest for flexipay			X	
- Overlimit fees	X			
- Balance transfer fee	X			
- Transaction slip retrieval	X			
- Flexi Payment Plan fee / Cash Instalment Plan fee	X			
4.1.2 - Management Fee	X			
4.1.2 Debit/Cheque Card:				
- Transaction Charge	X			
- Card Fee	X			
- Lost Card Protection Fee				X
- Cash Withdrawal Fee	X			
4.1.3 Smart Card:				
- Card Issue Fee	X			
- Transaction Fee	X			
4.1.4 Interbank Fees:				
- Fee for maintaining their accounts and processing their transactions	X			
4.1.5 Imprinter/Dial Terminal:				
- Rentals	X			
- Transaction Fee	X			
4.1.6 Membership Fees:				
- Loyalty Programme	X			
4.1.7 Income Cheque Verifier Fee	X			
4.1.8 Insurance Lost Card Fee	X			
4.1.9 Card Linkage Fee	X			
4.1.10 Interest Charge (for purchases and cash advance)			X	
4.1.11 Late payment charge				X (Punitive in nature)
4.1.12 Copy Voucher Fee	X			
4.1.13 Commission Travellers Cheques	X			
4.1.14 Card Stop Fee	X			
4.1.15 Lost Card Replacement Fee				X (Punitive in nature)
4.2 Fleet Cards:				
4.2.1 Fleet Card:				
- Fixed Card Fee	X			
- Variable Transaction Fee	X			
- Interest Charge			X	

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
4.3 Private Label Cards				
4.3.1 Merchants Discount (Commission)	X			
4.3.2 Discount or Premium in respect of a Debt Security Cession <i>Regarded as part of the consideration for the payment of a Debt Security</i>			X	
4.3.3 Card Fee	X			
4.3.4 Transaction Fee	X			
4.3.5 Statement Fee	X			
4.3.6 Insurance Lost Card Fee	X			
4.3.7 Interest Charge			X	
4.3.8 Card Stop Fee	X			
4.3.9 Lost Card Replacement Fee				X <i>(Punitive in nature)</i>
4.3.10 Goodfaith Collection Handling Fee	X			
4.3.11 Authorisation Related Chargeback Handling Fee	X			
4.3.12 Late Payment Fee (penalty for late payment)				X <i>(Punitive in nature)</i>
4.3.13 Interchange Fee (earned from local Merchant Acquiring Bank/paid to local Card Issuing Bank)	X			
4.3.14 Interchange Fee (earned from overseas Merchant Acquiring Bank/paid to overseas Card Issuing Bank)		X		
4.3.15 Early Settlement Fee (penalty for early settlement of Flexi Credit Plan/Easy Payment Plan)				X <i>(Punitive in nature)</i>
4.3.16 Currency Conversion Fee (fees earned for International transactions)		X		
4.3.17 Merchant Reward Fee (award to Merchant for pick-up card)	X			
4.3.18 Cash Rebate (award to customer)				X
5. MEPS				
<i>The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.</i>				
5.1 MEPS IBG Fee Income	X			
5.2 MEPS Successful Withdrawal & Fund Transfer	X			
6. WESTERN UNION				
<i>The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.</i>				
6.1 Western Union Service Fee Income	X			
7. TREASURY SERVICES/TRADE SERVICES				

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
<i>The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.</i>				
7.1 Bills Negotiated or Collected Within Malaysia 7.1.1 Acceptable Fee 7.1.2 Discount 7.1.3 Negotiation Fee 7.1.4 Collection Fee 7.1.5 Extension/Roll Over Fee 7.1.6 Endorsement Fee 7.1.7 Confirming Fee 7.1.8 In-lieu of Exchange Fee 7.1.9 Courier Charge 7.1.10 Cable/SWIFT Fee 7.1.11 Postage Fee 7.1.12 Redirect Fee 7.1.13 Amendment Fee	X X X X X X X X X X X X X		X	
7.2 Foreign Bills for Collection 7.2.1 Outwards <i>(ie. Where a MALAYSIAN Bank receives an instruction from an exporter who is a resident)</i>				
7.2.1.1 Documentary Collection Fee 7.2.1.2 Clean Collection Fee 7.2.1.3 Direct Collection Fee 7.2.1.4 Extension/Roll Over Fee 7.2.1.5 Transfer of Proceeds Fee 7.2.1.6 Swift/Telex etc. Message Fee 7.2.1.7 Negotiation Fee 7.2.1.8 Confirming Fee 7.2.1.9 Endorsement Fee 7.2.1.10 In-lieu of Exchange Fee 7.2.1.11 Courier Charge 7.2.1.12 Cable/SWIFT Fee 7.2.1.13 Postage Fee 7.2.1.14 Redirect Fee 7.2.1.15 Amendment Fee			X X X X X X X X X X X X X X X	

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
7.2.1.16 Establishment		X		
7.2.1.17 Discount		X		
7.2.1.18 Pass Through Charge (as Agent) <i>Local bank collects charge levied by foreign bank from the customer – charge is not reflected as income in local bank</i>				X
7.2.2 Inwards <i>(ie. Where a MALAYSIAN Bank receives an instruction from an exporter who is a non-resident)</i>				
7.2.2.1 Documentary Collection Fee		X		
7.2.2.2 Clean Collection Fee		X		
7.2.2.3 Extension/Roll Over Fee		X		
7.2.2.4 Consignment to Bank(s) Order Fee		X		
7.2.2.5 Acceptance and Return Fee		X		
7.2.2.6 Swift/Telex etc. Message Fee		X		
7.2.2.7 Avalising Fee (Guarantee)		X		
7.2.2.8 Establishment Fee		X		
7.2.2.9 Charges in lieu of foreign exchange		X		
7.2.2.10 Courier Charge		X		
7.2.2.11 Cable/SWIFT Fee		X		
7.2.2.12 Postage Fee		X		
7.2.2.13 Redirect Fee		X		
7.2.2.14 Pass Through Charge (as Agent) <i>Local bank collects charge levied by foreign bank from the customer – charge is not reflected as income in local bank</i>				X
7.3 Letters of Credit				
7.3.1 Outwards <i>(ie. Where a MALAYSIAN Bank receives an instruction from an exporter who is a resident)</i>				
7.3.1.1 Establishment Fee		X		
7.3.1.2 Drawing:				
- Negotiation Fee		X		
- Payment Fee		X		
- Acceptance Fee		X		
- Deferred Payment Fee		X		
7.3.1.3 Amendments:				
- Extension of Maturity Date Fee		X		
- Increase in Amount Fee		X		

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
- Other Amendments Fee		X		
7.3.1.4 Cancellation/Utilised Fee		X		
7.3.1.5 Confirming Fee		X		
7.3.1.6 Discrepancies Fee		X		
7.3.1.7 Payment Fee		X		
7.3.1.8 Handling fee for issuance and amendment of Letters of Credit (LC) in hardcopy - i.e. Mode of transmission is mail / courier (applicable to all types of LC)		X		
7.3.1.9 Transferring Fee		X		
7.3.1.10 Bulk Commission Charge		X		
7.3.1.11 Swift/Telex etc. Message Fee		X		
7.3.1.12 Refinance/Renewal/Notation Fee		X		
7.3.1.13 In-lieu of Exchange Fee		X		
7.3.1.14 Courier Charge		X		
7.3.1.15 Cable/SWIFT Fee		X		
7.3.1.16 Postage Fee		X		
7.3.1.17 Pass Through Charge (as Agent) <i>Local bank collects charge levied by foreign bank from the customer – charge is not reflected as income in local bank</i>				X
7.3.2 Inwards <i>(ie. Where a MALAYSIAN Bank receives an instruction from an exporter who is a non-resident)</i>				
7.3.2.1 Advising Fee		X		
7.3.2.2 Confirmation Fee		X		
7.3.2.3 Drawings: - Negotiation Fee - Payment Fee		X X		
7.3.2.4 Amendment Charges: - Extension of Maturity Date Fee - Increase in Amount Fee - Other Amendments Fee		X X X		
7.3.2.5 Reimbursement Charges Fee		X		
7.3.2.6 Discrepancy Charges Fee		X		
7.3.2.7 Cancellation/Unutilised Charges Fee		X		
7.3.2.8 Payment/Negotiation Fee		X		
7.3.2.9 Transfer Fee		X		
7.3.2.10 Swift/Telec etc. Message Fee		X		
7.3.2.11 Acceptance Fee		X		

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
7.3.2.12 Document Handling Fee		X		
7.3.2.13 Miscellaneous Fee		X		
7.3.2.14 Bulk Commission Charge		X		
7.3.2.15 Bank Cheque Charge		X		
7.3.2.16 Letter of Indemnity Fee		X		
7.3.2.17 Silent Confirmation Fee (a separate charge to the beneficiary which is not included in the letter of credit)	X			
7.3.2.18 Notice of Cession Fee (a separate charge where the bank assigns proceeds to a 3 rd party of behalf of the beneficiary)	X			
7.3.2.19 Discount		X		
7.3.2.20 In-lieu of Exchange Fee		X		
7.3.2.21 Courier Charge		X		
7.3.2.22 Postage Fee		X		
7.3.2.23 Pass Through Charge (as Agent) <i>Local bank collects charge levied by foreign bank from the customer – charge is not reflected as income in local bank</i>				X
7.4 Letters of Credit (Domestic)				
7.4.1 Fees	X			
7.4.2 Interest			X	
7.4.3 Amendment Fees	X			
7.4.4 SWIFT/Cable Fee	X			
7.4.5 Courier Fee	X			
7.4.6 Inward Bill Issuance Fee	X			
7.4.7 Postage Fee	X			
7.5 Bank Guarantee / Standby Letters of Credit (SBLC)				
7.5.1 Fees	X			
7.5.2 Amendment fees	X			
7.6 Airway Release Orders/Guarantees				
7.6.1 Commission	X			
7.6.2 Courier Fee	X			
7.6.3 Postage Fee	X			
7.7 Shipping Guarantees				
7.7.1 Commission	X			
7.7.2 Courier Fee	X			
7.7.3 Postage Fee	X			
7.8 Currency Accounts				

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
7.8.1 Service Charge	X			
7.8.2 Interest			X	
7.9 Offshore Loans				
7.9.1 Interest-Resident Account			X	
7.9.2 Interest-Non Resident Account			X	
7.9.3 Service Charge	X			
7.9.4 Establishment/Repayment Fee	X			
7.10 Export Credit Loans				
7.10.1 Interest			X	
7.10.2 Service Charge	X			
7.11 Credit Facility/Commitment Fees				
7.11.1 Facility Fee for Arranging and Marking Limit				X
7.12 Derivatives Trading				
7.12.1 Brokerage Fee	X			
7.12.2 Buying and Selling of Derivatives			X	
7.12.3 Supply of Underlying Commodity	X			
7.13 Public Sector Finance				
7.13.1 Primary Capital Market Placement Fee	X			
7.14 Foreign Exchange Branch/Dealing				
7.14.1 Fee for Swift/Telegraphic Transfer Outward	X			
7.14.2 Fee for Using a Foreign Cheque	X			
7.14.3 Fee for Using Travellers Cheques	X			
7.14.4 Fee for Using Foreign Notes	X			
7.14.5 Fee for Swift/Telegraphic Transfer Inward	X			
7.14.6 Fee for Bills Negotiated	X			
7.14.7 Fee for Purchase of Foreign Notes	X			
7.14.8 Fee for Establishing Foreign Exchange Contract ("FEC")	X			
7.14.9 Fee for FEC Cancellation	X			
7.14.10 Fee for FEC Extensions	X			
7.14.11 Fee for Early Drawdown of FEC				X <i>(Punitive in nature)</i>
7.14.12 Handling Fee	X			
7.14.13 Miscellaneous Fee	X			
8. MOTOR AND OTHER ASSET FINANCE				

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.				
8.1 Hire Purchase 8.1.1 Cash Value 8.1.2 Finance Charges 8.1.3 Document Fee 8.1.4 Disbursement charges (admin fee / service charge) 8.1.5 Early Termination - Interest Adjustment - Penalty Fee 8.1.6 Compensation on Late Instalment 8.1.7 Interest subsidy from dealer for lower interest rate 8.1.8 Subsidy from Motor Dealer/Manufacturer	 X X 	 	 X X X 	 X (Punitive in nature) X X
8.2 Rental Agreements 8.2.1 Rentals 8.2.2 Documentation Fee 8.2.3 Penalty Interest/Additional Rental (Early Termination) 8.2.4 Interest on Late Instalment 8.2.5 Interest subsidy from dealer for lower interest rate 8.2.6 Subsidy from Motor Dealer/Manufacturer	 X X 	 	 X X 	 X (Punitive in nature) X
9 SECURITIES SERVICES The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.				
9.1 Commercial Bill Transactions (Interest/Discount)			X	
9.2 Derivatives Trading 9.2.1 Brokerage Fee 9.2.2 Buying and Selling of Derivatives 9.2.3 Supply of Underlying Commodity 9.2.4 Initial/Variation Margin –Futures 9.2.5 Option Premiums – Options 9.2.6 Trading Income on the underlying shares or commodity 9.2.7 Arranger fee 9.2.8 Rollover fee 9.2.9 Upfront fee 9.2.10 Early Redemption fee	 X X X X X	 	 X X X X 	 X

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
				<i>(Punitive in nature)</i>
9.3 Short Term Money Market Transactions				
9.3.1 Trading (as Principal)			X	
9.3.2 Brokerage fee	X			
9.3.3 Collection Fee in respect of Dividend, Interest, Coupon	X			
9.4 Government Stock, Treasury Bills and Other Capital Market Transactions				
9.4.1 Trading (as Principal)			X	
9.4.2 Brokerage Fee	X			
9.4.3 Collection Fee in respect of Dividend, Interest, Coupon	X			
9.5 Debentures				
9.5.1 Trading (as Principal)			X	
9.5.2 Brokerage Fee	X			
9.5.3 Coupon collection Fee on behalf of Third Parties	X			
9.6 Banking				
9.6.1 Settlement Charge for Transfer of Funds	X			
9.6.2 Communication – Fax Charge Duplicate Statements	X			
9.6.3 Commission on Foreign Currency Trade	X			
9.6.4 Bank Meeting Cheque Fee	X			
9.6.5 Statement Fee	X			
9.6.6 Sale of Cheque Books	X			
9.6.7 Transaction Service Fee	X			
9.6.8 Transfer of Funds Fee	X			
9.7 Settlements (Securities Settlement)				
9.7.1 Re-charge of Central Securities Depository Fee	X			
9.7.2 Commission Income	X			
9.7.3 Transaction Fee	X			
9.7.4 Settlement Fee	X			
9.7.5 Safe Custody of Securities Fee	X			
9.7.6 Drafts Issue and Encashment Fee	X			
9.8 Settlement and Nominees				
9.8.1 Brokerage fees	X			
9.8.2 Clearing fees	X			

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
9.8.3 Nominee handling charges (including handling of dividend payment / claims, right issue, etc)	X			
9.8.4 Annual custodian fee	X			
9.8.5 Bank draft charges	X			
9.8.6 Replacement of subsidiary income tax certificate charges	X			
9.8.7 Replacement of cheque charges	X			
9.8.8 Outright Foreign Share transfer charges	X			
9.8.9 Deposition of foreign physical scrip on foreign shares	X			
9.9 Safe Custody of Securities Fee Settlement	X			
10 OTHER SERVICES <i>The Standard rated / Exempt supplies set out below can be Zero rated if it falls under ambit of items 9, 10, 11 or 13 of the Zero rated Supply Order.</i>				
10.1 Safe Custody Services				
10.1.1 Rentals of Safety Deposit Boxes	X			
10.1.2 Activation fee on blocked account	X			
10.1.3 Loss / replacement of key				X (Punitive in nature)
10.1.4 Overdue safe deposit rental fee (penalty)				X (Punitive in nature)
10.1.5 Safe deposit stamp duty of the lease agreement				X
10.1.6 Force opening charges (recovery of actual cost incurred)	X			
10.2 Information Technology Services				
10.2.1 System Maintenance Fee	X			
10.2.2 Processing Fee	X			
10.2.3 Systems Implementation Fee	X			
10.2.4 Systems Support Fee	X			
10.2.5 Access Services Fee	X			
10.2.6 Technical Support Fee	X			
10.2.7 Hardware Charges Fee	X			
10.2.8 Software Charges Fee	X			
10.3 Other Services				
10.3.1 Payroll Service Fee	X			
10.3.2 Security Charge Fee	X			
10.3.3 Funeral Policy Collection Service Fee	X			
10.3.4 Wages Payment Fee	X			

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
10.3.5 ATM Payment Transaction Fee	X			
10.3.6 Cheque Issue and Enhancement Fee	X			
10.3.7 Re-imbursement of Incidental Charges Fee	X			
10.3.8 Transaction Fee	X			
10.4 Electronic/Internet Banking Services				
10.4.1 Electronic/Internet Banking Services	X			
10.4.2 ATM and Mini ATM Rentals	X			
10.4.3 Smart Box Rentals	X			
10.4.4 Smart Box Collection/Handling Fees	X			
10.4.5 Corporate Account Management Fees	X			
10.4.6 Loyalty Programme: - Membership Fee - Annual Fee - Issue of Loyalty Units - Purchase of Loyalty Unit - Award of Loyalty Units	X X 			X X X X X
10.5 Custody & Securities Services, Trustees and Asset Management				
10.5.1 Sales charge to end customers for purchase of unit trust fund	X			
10.5.2 Sales charge to Fund Manager	X			
10.5.3 Redemption/exit fee				X <i>(Punitive in nature)</i>
10.5.4 Transfer agency fee	X			
10.5.5 Fund accounting service fee	X			
10.5.6 Fund setup fee	X			
10.5.7 Transaction fee on receipt and withdrawal	X			
10.5.8 Safekeeping fee	X			
10.5.9 Custodian account opening fee	X			
10.5.10 Collateral management fee	X			
10.5.11 Management fee / trailer fee	X			
10.5.12 Buying/selling of investments charge	X			
10.5.13 Issuance/redemption of units fee	X			
10.5.14 Trust administration fee	X			
10.5.15 Referral fee	X			
10.5.16 Performance fee	X			
10.5.17 Escrow fee	X			

ACTIVITY / NATURE OF FEE	STANDARD RATED SUPPLY	ZERO RATED SUPPLY	EXEMPT SUPPLY	OUT-OF-SCOPE SUPPLY
10.5.18 Documentation fee	X			
10.5.19 Legal fee	X			
10.5.20 Upfront fee on purchase of unit trust funds	X			
10.5.21 Transfer/switching of funds fee	X			
10.5.22 Marketing/promotion incentive fee	X			
10.5.23 Recharge/sharing of unit trust sales commission with Fund Manager	X			
10.5.24 Switching commission	X			
10.5.25 Trailer commission	X			
10.5.26 Sales commission	X			
10.5.27 Will writing commission	X			
10.5.28 Investment income – Marked-to-market gains and interest income			X	
10.5.29 Interest income on staff loans			X	
10.5.30 Interest income on deposits			X	
10.5.31 Dividend income				X
10.5.32 Initial investment by fund manager			X	
10.5.33 American Depository Receipt (ADR) Fees	X			
10.6 Central Depository System				
10.6.1 Opening CDS fees (both local and foreign customers)	X			
10.6.2 Transfer fees (both local and foreign customers)	X			
10.7 Telco Host System				
10.7.1 Commission earned from e-pay	X			
10.8 Wakalah Fees	X			