

Malaysia GST – Preparing and Filing GST Returns From May 2015

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On 25 October 2013, Malaysia's Minister of Finance announced the implementation of the Goods and Services Tax (GST), set to begin 1 April 2015 with a tax rate of 6%. This introduction of GST represents a total reform of the country's current single-stage consumption tax system.

Who needs to Register and File GST?

Businesses with an annual sales turnover of more than RM500,000 are required to register for GST with the Royal Malaysian Customs Department by 31 December 2014 and file GST returns **with effect from May 2015**. Businesses with less than RM500,000 in annual sales turnover could voluntarily register their companies for GST, but will be bound by a two-year registration law, unless they closed their operation and companies during that period.

When is the GST Return due?

The GST reporting frequency depends on the annual turnover of the company. For annual turnover below RM5 million, the frequency of filing is quarterly. Those companies that are achieving annual turnover above RM5 million, the filing frequency will be increased to monthly.

Deadline for filing of the GST Returns and payment of GST is the last day of the month following the taxable period. Example, if the taxable period is April 2015, then the deadline for filing and GST payment shall be 31 May 2015.

What is the Penalty for Filing an Incorrect Return?

- Penalty equal to the GST undercharged
- Fine not exceeding RM50,000; and/ or
- imprisonment not exceeding 3 years;

What should businesses do?

It is important for them to be "GST ready" by 1 April 2015. The necessary processes and controls must be in place and encapsulated in their accounting systems. More importantly, they must display the ability to file GST returns correctly and promptly.

How can we help you to be GST ready?

We assist both local and international clients to manage their compliance with all aspects of the GST system in relation to doing businesses in Malaysia. Our GST services include attending to routine compliance matters to complex transactions arrangements. These services include:

- Preparation and filing of GST returns (Forms GST-03 and GST-04).
- GST procedures manual / checklists
- Customised in-house GST training
- Annual GST health checks
- Application for GST registration
- GST planning and consultancy; and
- GST implementation services.

Contact us

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Our smart business solution suite comprises the following services:

- Taxation
- Accounting & Finance
- Corporate Secretarial
- Directors' Training
- Human Resource & Payroll
- Internal Audit & Risk Management
- Share Registry

Cautionary Note

This summary of Goods and Services Tax update has been prepared to keep you informed of recent developments in the tax environment in Malaysia.

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