

Question and Answer#1...

Reimbursement to overseas is subject to GST?

Answer: No. Based on the following facts:

- It is zero rated according to Zero Order Gazette Item 12
- Beneficiary is an overseas entity who is not Malaysian registrant
- It shall issue invoice instead of tax invoice DG06/2015 Item 1

Question and Answer#2...

Visa fee reimburses to overseas is subject to GST?

Answer: No. Based on the following facts:

- It is zero rated according to Zero Order Gazette Item 12
- Visa fee is out of scope supply because it is an overseas consular service.
Guide on Supply Item 57 and 58
- It is a disbursement even if the recovery is within Malaysia
- It shall issue invoice instead of tax invoice DG06/2015 Item 1

Question and Answer#3...

Provision of legal services to overseas is subject to GST?

Answer: No. Based on the following facts:

- It is zero rated according to Zero Order Gazette Item 12 & 13
- It is exportation of services Guide on Legal Practitioners Q1 & A1

Question and Answer#4...

Goods purchased from local vendor can qualify for relief supply for LMW?

Answer: No. Based on the following facts:

- Relief supply is applicable for goods and raw material Minister's Relief 2/2015
- Relief supply is not applicable for local sourced goods Guide on FIZ Q2&A2
- Relief supply is not applicable for goods consumed

Question and Answer#5...

Supply of furniture with staff hostel is subject to GST?

Answer: Yes. Based on the following facts:

- It is standard rated according to [Guide on Employee Benefits](#)
- It is a deemed supply if the furniture supplied is without consideration
- Employer has to account for GST
- Employer can claim input tax credit on furniture
- Accommodation and furniture for staff family members is block

Supporting Facts...

Zero Order Gazette 2014

Item 12

12. Services supplied under a contract with a person who belongs in a country other than Malaysia and which directly benefit a person who belongs in a country other than Malaysia who is outside Malaysia at the time the services are performed, but shall not include—

Item 13

13. Notwithstanding item 12, the following services which are supplied under a contract with and which directly benefit a person wholly in his business capacity (and not in his private or personal capacity) and who in that capacity belongs in a country other than Malaysia:

- (a) services of engineers, lawyers, accountants and other similar consultancy services, not being services which are supplied directly in connection with—
 - (i) land situated in Malaysia or any improvement to such land; or
 - (ii) goods which are in Malaysia at the time the services are performed, other than goods for export outside Malaysia;

Supporting Facts...

DG Decision 6/2015

Item 1

NO	ISSUES	DECISION
1.	Tax invoice for disregarded supply and out of scope supply.	<p>(1) Every registered person shall issue a tax invoice when making any taxable supply of goods or services (s.33 GSTA) including taxable supply which is disregarded and granted relief.</p> <p>(2) For the taxable supply which is disregarded or granted relief, the tax element in the tax invoice must be presented as 'NIL' and specified as 'disregarded' or 'relief'.</p> <p>(3) No tax invoice shall be issued for an out of scope supply or an exempt supply. However, if the transaction involves a combination of exempt supply and taxable supply, or taxable supply and out of scope supply, the registered person must issue a tax invoice and specify each type of the supply.</p>

Supporting Facts...

Guide on Supply

Item 57 and 58

Supply by Diplomatic and Consular Mission

57. Any supply by a diplomatic foreign mission shall be treated as neither a supply of goods nor a supply of services.

58. Foreign diplomatic and consular missions are governed under the Vienna Convention. The supplies made by these missions include issuing of visa, travelling permit and temporary passage certificate and they are treated as neither a supply of goods nor a supply of services.

Supporting Facts...

Guide on Legal Practitioners

Q1 & A1

Place of Supply

Q1. If I provide legal services to an entity outside Malaysia and billed to the recipient in Malaysia, do I have to account for GST?

A1. A supply of legal services to an entity outside Malaysia but billed to a recipient in Malaysia is regarded as exported services and it is zero-rated supply as the services is performed outside Malaysia. There is no GST on the supply.

Example 4:

A legal counsel AB provided legal advice to an accused person, BC who was detained and faced prosecution overseas. This provision of legal advice is regarded as a supply of export services even though payment for the services was made in Malaysia by BC's employer.

Supporting Facts...

Guide on Export

Item 9

9. Generally all exported services are zero-rated provided the conditions as specified under the Goods and Services Tax (Zero Rate Supplies) Order 2014 are complied with. These services are also generally referred to as international services. Example of such services are services rendered:-

- (a) under a contract with a person who belongs in a country other than Malaysia; and
- (b) which directly benefit a person who belongs in a country other than Malaysia and who is outside Malaysia at the time the services are performed;

Supporting Facts...

Minister's Relief 2/2015

NOTES:

1. GST remains chargeable on –
 - 1.1 Supply of goods by FIZ companies and LMW companies to a company in Principal Customs Area (PCA) or *vice versa*; and
 - 1.2 Supply and acquisition of services by FIZ and LMW companies.
2. Any GST registered person relieved from charging shall issue a tax invoice with a statement that the GST is relieved under s.56(3)(b) GSTA

Guide on FIZ and LMW Q2&A2

Q2. Can GST charged on local purchases made by a company having LMW status be suspended?

A2. GST charged on local purchases made by a company having LMW status cannot be suspended. GST on the acquisitions has to be paid but it can be claimed as input tax credit. Similar treatment applies to local purchases made by companies operating in a FIZ.

Supporting Facts...

Guide on Employee Benefits

21. EB includes or covers the supply of accommodation or residential housing to the employee provided free of charge but excludes the supply of furniture for use in those premises.
22. Supply of accommodation under EB is an exempt supply under the GST (Exempt Supply) Order 2014 and is considered as used for the purposes of business. The employer is not required to account for GST on the supply and is not entitled to claim the input tax incurred on the acquisition of the accommodation.
23. However, in the case where-
 - (a) The supply of accommodation includes the supply of furniture, the supply of furniture whether or not for consideration is subject to GST at a standard rate. The employer is liable to account for GST accordingly and is entitled to claim input tax incurred on the acquisition of the furniture;
 - (b) The supply of accommodation to the employee and to the employee's family (family benefits) irrespective of whether it is furnished or unfurnished, the employer is blocked from claiming the input tax incurred as provided under Regulation 36(g) of the GST Regulations 2014.