

# Question and Answer#1...

## GST Registration – Legal Name and Trading Name

Your story:

What is the usage of legal name and trading name?

Answer as follow:

### Legal Name:

SW Project Consulting Sdn Bhd  
SW Project Consulting Sdn Bhd



### Trading Name:

GST System Changes  
SW Project Consulting Sdn Bhd

- Company Name
- Enterprise Name
- Other business and not business establishment
- Firm Name
- Personal Name
- Others

- It is optional
- It is a brand
- It is an alternative name
- It is also a business name
- It is the same as legal name
- It is showing to the public

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# Question and Answer#2...

## Using Purchase Clearing Account for K1 Value

Your story:

How do I use purchase clearing to account for K1 value so that importation is showing correctly in GST-03?

Refer to the example and slides

Answer as follow:

Using the purchase clearing account with tax code assignment as IM, we capture the correct acquisition value to match with 6% GST on importation. It will not arise any deviation from the standard rated acquisition inside input tax.

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## GST Accounting – Importation of Goods

SWPC imports a passenger car from USA. The car value given by Customs is \$2,000,000. The provision of freight and insurance is 10% of the car value. The customs duty is levied at 30% and the excise duty is at 5%. Please calculate the GST payable to Customs.

Customs Exchange Rate  
is 4.50

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## GST Accounting – Importation

Goods import from overseas

Item		GST Tax Code Option	Reference
Take the amount stated in the K1 Form and treat it as purchase clearing			
Dr Purchase Clearing	9,900,000.00	IM	K1 value
Dr Customs Duties	3,613,500.00	IM	Check from K1 Form
Dr GST on Imports	810,810.00	IM	Actual GST paid in K1
Cr Purchase Clearing	9,900,000.00	Blank or OP	Offset against Purchase Clearing
Cr Bank   Forwarder	4,424,310.00	Blank	GST Payment to Customs or forwarder
Reason	Capture correct GST paid on importation		

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# GST Accounting – Importation

Goods import from overseas

Item		GST Tax Code Option	Reference
Take the actual overseas invoice into accounts @ 4.00			
Dr Purchases	8,000,000.00	OP	Original overseas invoice
Cr Overseas Creditor	8,000,000.00	Blank or OP	

Item	GST Tax Code Option	Reference
Take the actual freight forwarder invoice into accounts based on tax invoice		
Dr Freight	TX or NR	Freight forwarder may not be GST Registrant
Dr Insurance	TX or NR	Insurance for goods
Dr GST Input Tax	TX or NR	Input Tax Credit
Cr Creditor	OP or Blank	

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## Question and Answer#3...

### Write off Bad Debt After Bad Debt Relief

Your story:

The management decides to write off bad debt one year after claiming bad debt relief. What would be the accounting entry?

Accounting Entries for bad debt relief

Dr Input Tax Credit (AJP)

Cr GST Refund for Bad Debt (AJP)

Accounting Entries for bad debt written off:

Dr Bad Debt (OP)

Dr GST Refund for Bad Debt (OP)

Cr Debtor (Blank or OP)

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# Question and Answer#4...

## Write off Bad Debt Without Claiming Bad Debt Relief

Your story:

The management decides to write off bad debt one year later but did not claim the bad debt relief. What would be the accounting entry?

Accounting Entries for bad debt written off:

Dr Bad Debt (OP)

Dr GST Expenses (OP)

Cr Debtor (Blank or OP)

\* This will become output tax borne by the business and this is not a tax deductible item.

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## Disclaimer Clause

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