

**LEGISLATION CHANGE**

No.	GST Matter	Relevant legislation	Current legislation	Proposed amendment	Rational for proposed change
1	Price display	Section 9(5)	Where any registered person displays, advertises, publishes or quotes in any manner the price of any supply of goods or services he makes or intends to make, such price shall include the tax that is chargeable on the supply unless the Director General approves otherwise under subsection (7).	To insert a new subsection (5A) which states that: “Subsection (5) shall not apply to any display, advertisement, publication or quotation which is intended solely for the purpose of making the supply to a taxable person and which is in a form not ordinarily available for distribution to the public.”	A registered person should be allowed the flexibility of quoting the price of his supply exclusive of GST to another taxable person especially when the price quotation is not ordinarily available to the general public.

*Response from RMCD - Unit Panel Teknikal*

Tax inclusive prices are in compliance with section 8 of the Price Control and Anti Profiteering Act 2011 and section 9 of the GST Act 2014.

ALL prices must be quoted **INCLUSIVE** of GST with no exceptions. The GST component, must be shown as a separate item in the total.

Rather than have the recipient/buyers questioning whether the price is inclusive or exclusive, especially when a contract is silent or a display is silent, the government policy to adopt an inclusive pricing will benefit ALL.

However, in the DGs Decision 1/2015 item 3 states that the price may be displayed exclusive if the supply is made to a registered person with a qualifying statement below:

- (i) goods and services are subject to GST at 6% ; and
- (ii) the price payable is exclusive of GST

This would not be misleading or deceptive.

Prices may be indicated exclusive of tax at an outlet or through advertisement from which all of your business is with business customers registered for GST.

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2.	Joint venture	section 69	Currently only registered persons who participate in a petroleum-related activity under a venture can apply to DG of Customs to be deemed as a joint venture.	To allow registered persons who are involved in property development to apply to be deemed as a joint venture.	Joint venture should not be restricted to petroleum-related activity because joint ventures in property development are also very common.
<p><i>Response from RMCD_ - Sector III</i></p> <p>Section 69 GSTA is only applicable to Joint venture in petroleum upstream industry under production sharing contract (PSC) signed with Petroliam Nasional Bhd (PETRONAS). It is not extended to the property sector because the conditions and mechanism of operations stipulated under PSC do not jive with the property JV contract.</p> <p>However, under the item 7, DG's Decision 4/2014 (amended on 21/3/2015) has elaborated on the role of the JV in property development. In property development, the parties involved in JV is treated as two separate persons with separate business. They incurred separate acquisitions and make separate supplies. Hence, they are liable to be registered separately, submit different returns, tax invoices and liabilities and claim their own input tax credit. Therefore, they are not jointly and severally liable on any of the cause of action.</p> <p>Therefore, there is no necessity to have a new GST provision to allow JV in property development.</p>					
3.	Penalty regime	Part XI - s88-98 of GSTA	Absence of clear procedure for submission of amendment returns or de minimis for submission of errors.	Errors less than a) RM5,000 and b) 1% of 5(b) figure can be submitted in next GST return.	No clarity on procedure or implications of incorrect GST return.
<p><i>Response from RMCD – Unit Panel Teknikal</i></p> <p>The procedure for submission of amendment returns can be referred in the GST Guide on Amendment Return GST -03 available on the GST portal. RMCD is in the process of updating the procedure</p>					

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4.	Blocked input tax	Regulation 36(b) & (f)	Insurers blocked from claiming input tax credit on medical and motor car expenses.	Exception to Regulation 36(b) & (f) - does not apply to insurers	Genuine business cost to insurers
<p><i>Response from RMCD – Sector IV</i></p> <p>Insurers are not allowed to claim deemed input tax credit as provided under regulation 47(2A) since the cash payments made are related to supplies which credit for input tax is disallowed under regulation 36. This means that insurers are not able to claim any input tax incurred on any cash payment made to the insured or third parties which is related to blocked input tax under regulation 36(b)</p>					