



GST FAQ

This list of Frequently Asked Questions (FAQ) provides answers pertaining to the imposition of Malaysia's Goods and Services Tax (GST) in relation to PPM's licence fees. This list is for guidance only and is subject to change from time to time. For further information, please visit the official GST website at <http://www.gst.customs.gov.my/>

Q1: When will GST be implemented?

GST will be implemented with effect from **1 April 2015**.

Q2: Will there be any changes for PPM in terms of its licences after the imposition of GST?

There will be no related increase in the Licence Fees charged by PPM. However, all Licence Fees for any Licence Period which extends over 1 April 2015 is subject to GST at the prevailing rate of 6%. During this transitional period, all applicable License Fees will be split accordingly by pre and post GST periods.

Q3: Are the licences granted by PPM to designated duty free areas, i.e. Labuan, Langkawi and Tioman, subject to GST?

Yes. You may refer to GST Act 2014 under section 156 (b), *"tax shall be charged on taxable supply of services made by any taxable person from a designated area to *Malaysia or from Malaysia to a designated area but excluding a supply of services which comprises the use of goods under any lease agreement from a designated area to Malaysia;"*

* "Malaysia" excludes the designated areas.

Q4: Once GST is implemented, how will PPM's licence fees be affected?

Fees for PPM's licences issued before April 2015 are GST exclusive and once GST has been implemented, PPM will charge GST on top of all applicable licence fees.

Q5: PPM sent GST notifications to all its licensees commencing from November 2014. What does this mean?

The GST notification was sent to inform licensees that PPM's licence fees fall under the definition of taxable services under the GST Act 2014. It further informed that PPM is required to collect GST from licensees on behalf of the Customs Department during the transitional period for licence fees spanning the GST imposition date of 1 April 2015 and thereafter.

Q6: My licence fee is charged for the period of 1 July 2014 to 30 June 2015. The GST imposition date is 1 April 2015. How will GST be charged on my licence fee payable?

GST will be charged for the licence period from 1 April 2015 onwards. Example: -

Licence fee	RM1,200.00
Licence fee subject to GST (91 days from 1 April 2015 to 30 June 2015, inclusive)	RM299.18 <i>(91/365 days x RM1,200)</i>
GST chargeable at pro-rated	RM17.95 <i>(6% x RM299.18)</i>

Q7: Will GST be charged if the licence fee was paid prior to 1 April 2015?

Regardless of whether payment is made prior to, on or after 1 April 2015, all licence fees for periods spanning after the imposition date of 1 April 2015 are subject to GST. PPM is therefore required to charge GST on the licence fees spanning GST period (i.e. after 1 April 2015).

You may clarify any queries you have with the Customs at 1-300-888-500 or 03-8882 2111 or alternatively submit them to <http://aduan.customs.gov.my/aduanawam/> .