

# GST Health Check

Grant Thornton Malaysia



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## Our Approach

Our GST Health Check is intended to assist business to identify the GST risks that impact upon their daily operations. Many businesses are experiencing rapid changes in their business processes without taking sufficient account of the GST implications that are potential risks. GST risks are often transactional and as such, businesses are prone to make repetitive mistakes. If businesses do not take the risks into serious consideration, it may eventually result in penalties being imposed by the Royal Malaysian Customs Department (RMCD).

The penalty charges for GST in Malaysia are based on both criminal and civil regimes. The criminal regime states that any person who commits an offense under the Goods and Services Tax Act 2014 shall be liable to a fine not exceeding Ringgit Malaysia fifty thousand or imprisonment for a term not exceeding 3 years or both. On the other hand, the civil regime provides that any person who fails to pay an amount of GST within the specified period will be penalised based on the numbers of days the tax is due as stated in the Good and Services Tax Act 2014.

With our valuable experience working on pre-implementation and post-implementation of GST for various prominent clients in Malaysia, we have gained intimate knowledge of high-risk areas which pose as potential pitfalls where businesses commonly make errors related to GST. We can provide guidance and assistance to identify the GST risk areas, and subsequently, your business can prepare remedial measures or undertake further work or review to mitigate the GST risks.

## Our Methodology

- Identify the key risks areas.
- Review and analyze the GST risk areas.
- Discussion with your personnel on those areas that are potentially exposed to GST risk.
- Analysis of the findings and prioritisation of GST risks to identify those areas that require more detailed evaluation.
- Face to face meeting at your site, where we will walk through our draft findings with your personnel.
- Our findings and recommendations, highlighting all the GST risk areas, will be summarized in a report to you.



## Our Additional Specific Services Include:

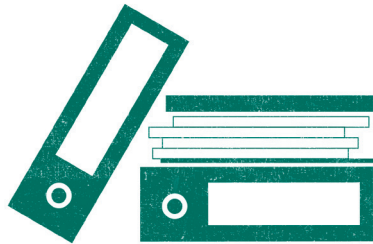
We do provide additional specific GST review services based on your needs once our GST Health Check has identified the specific GST risk areas.

### Our Specific GST Health Check Services

- GAF Reconciliation Review
- Sample Transaction Review
- Supply Chain Review
- Tax Coding Review

## GAF Reconciliation Review

The GST Audit File (GAF) is a file containing a standard set of accounting information which is required by the Royal Malaysian Customs Department (RMCD).



The GAF is a method for businesses to submit information to the RMCD on its request. There are two formats of GAF which are:-

- XML file
- Bar-Delimited file

The RMCD sets out specific requirements of a GAF in its guide and it must be submitted to RMCD on its request.

### Our scope of work consists of:-

- Reviewing the structure of the GAF to determine whether it complies with the RMCD requirements.
- Reconciling the data in the GAF to a GST-03 return.
- To conduct a high level review to identify any issues that need to be resolved before the filing date for the submission of the GST-03 return.

Our deliverable is a comparison of the GST-03 return with the GAF file. We will provide a review feedback report based on the documents and information provided to us.

## Sample Transaction Review

The Goods and Services Tax (GST) treatment applied to a particular transaction will depend on various attributes of the transaction. It is important to review these attributes in order to ensure that the right GST treatment is applied.



Businesses may encounter uncertainties on the application of GST on specific transactions, particularly if these transactions are new or non-recurring. Our Sample Transaction Review service assist businesses to review and determine the most appropriate GST treatment to be applied to specific transactions.

### Our scope of work may include:-

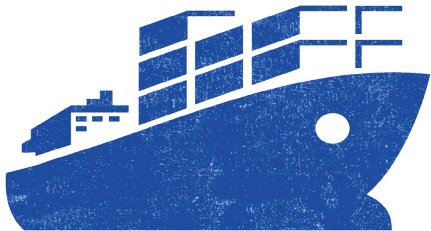
- Providing a detail review on selected transactions.
- Reviewing the selected transactions for each type of supply, purchases and journals, and determine whether the most appropriate GST treatment has been applied.
- Tracing and reviewing the original invoices of selected selections.

Our deliverables will be a summary of the reviewed transactions with the correct and accurate GST treatments.

**\*Please note that the GAF Reconciliation Review and Sample Transaction Review can be packaged together as a single review in any engagement.**

## Supply Chain Review

As a supply chain grows longer or becomes international, the impact of Goods and Services Tax (GST) will become more crucial.



Companies should understand intimately how GST is applied to their supply chain and adopt the most tax-efficient model. They ensure that GST does not get trapped in the supply chain and becomes a cost to businesses.

### Our scope of work includes:-

- Understanding the clients' commercial drivers.
- Understanding and mapping the supply chain and any potential permutations.
- Reviewing all the contracts underlying the supply for the application of GST.

Our deliverable is to provide a summary report detailing the various structuring options and the benefits.

## Tax Coding Review

The implementation of Goods and Services Tax (GST) in Malaysia employs the use of tax codes that determines the GST treatment of a particular transaction.



It is crucial that a taxpayer adopts the correct tax codes to ensure the correct GST treatment is applied. Taxpayers who have not reviewed the tax coding of their supply chain or have doubts on the tax coding applied should perform a Tax Coding Review to ensure a greater level of comfort.

Some businesses are uneasy in selecting tax codes for a transaction. As tax consultants, we provide assistance to businesses in selecting the most appropriate GST tax codes for the selected transactions.

### Our scope of work consists of:-

- Reviewing of multiple supply chains.
- Reviewing the tax codes adopted for a list of supplies and / or acquisitions.
- Confirm the applied tax codes or suggest better alternatives.

Our deliverable is to provide a list of appropriate tax codes for the supply chain(s) reviewed.



# Our Team



## Seah Siew Yun

### Tax Practice Leader, Tax Advisory & Compliance Services



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**Seah Siew Yun**

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**Professional Designations:**

- Tax Agent under Section 153(3) of the Malaysian Income Tax Act 1967
- Approved tax agent under Section 170 of the GST Act 2014
- Deputy President of Chartered Tax Institute of Malaysia (CTIM)
- Head of Compliance and Operation Working Group, CTIM
- Committee member of the FRS Joint Working Group

### Experience

Seah Siew Yun is Tax Practice Leader who oversees the Tax Compliance & Advisory Department. Siew Yun has more than 28 years of experience in tax compliance and advisory work. She handles both local and international companies covering industries like manufacturing, property development, agriculture, shipping, mining, tourism, education, energy, retail and others.

She is involved in the tax planning of inbound and outbound investments with specialisation in the following areas:

- Domestic taxes
- Tax audit and investigation
- Corporate restructuring
- Tax incentives application
- Cross border tax specialists service
- Transfer Pricing

Recognising the changes in local tax laws, Siew Yun has undertaken the responsibility to assist and advise clients on the role of rulings, group structure planning and others. In her personal capacity, she is a regular speaker in various taxation seminars.

## Alan Chung

Executive Director, GST



**Alan Chung**

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### Qualifications

- Approved tax agent under Section 170 of the Goods and Services Tax Act 2014
- CA (M)
- FCPA (Australia)
- Associate Member of Chartered Tax Institute of Malaysia (CTIM)

### Experience

Alan has more than 20 years of experience in tax compliance and advisory work. He is leading the tax advisory team to provide solutions to tax issues that included inbound investments, corporate restructuring, mergers and acquisition, tax incentives application and cross border taxation. He is currently assisting tax payers resolve various issues in the goods and services tax, after having aided a number of large organisations to implement the goods and services tax into their systems and operations.

Alan has contributed updates to a widely acknowledged tax publication as well as organised various national level tax seminars and conferences. He assisted in the implementation of the Self-Assessment System and possesses a wealth of experiences dealing with various government agencies and departments.

Presently, Alan is a regular speaker in various seminars to provide insights and updates on various developments in both direct and indirect taxation.

### Membership

- Member of the Chartered Tax Institute of Malaysia's Self-Assessment System Working Group
- Member of the Chartered Tax Institute of Malaysia's Technical Committee – Indirect Taxation
- Member of CPA Australia Malaysia Division Council's Tax Committee.

## Chong Ee-Feng

Manager, Indirect Tax & GST



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**Chong Ee-Feng**

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**Qualifications**

- Approved tax agent under Section 170 of the Goods and Services Tax Act 2014
- CPA (Australia)
- CA(M)
- Associate Member of Chartered Tax Institute of Malaysia (CTIM)

**Experience**

Ee-Feng is a Manager of our Indirect Tax and GST Department.

**Sector experience**

Ee-Feng has accumulated of nine years of experience in commercial and taxation. She was involved in the implementation of GST projects since the introduction of Malaysian GST was announced.

Prior to that, she has exposure to tax compliance for companies covering industries like property development, manufacturing, trading, investment holding including public listed companies, plantation, agriculture, hotel, operational headquarters and individual taxes inclusive of locals and expatriates as well as trust bodies taxes.

She has also been involved in tax due diligences for Merger and Acquisition (M&A), various applications such as service tax licence, manufacturing licence, Investment Tax Allowance (ITA), Multimedia Super Corridor (MSC) status, advance ruling, stamp duty relief and other tax advisory matters.

## Jet Toh

### Senior Executive, Indirect Tax & GST



**Jet Toh**

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**Qualifications**

- CAT
- Oxford Brookes BSc (Hons) in Applied Accounting

### Experience

Jet Toh is the Senior Executive of our Indirect Tax and GST Department. He has more than five years of experience specialising in tax advisory and consultancy.

### Sector experience

Jet was involved in various major projects specialising in areas such as domestic taxes, transfer pricing, tax due diligence, tax incentive application and GST / VAT advisory.

He has also vast experience in dealing with the Ministry Of Finance, Malaysian Inland Revenue Board and Royal Malaysian Customs Department in performing his duties advising domestic and international clients.

Jet constantly keeps himself updated with local and international commercial and tax developments to achieve his best tax advices and plannings to clients.

## Jasvin Mann

Executive, Indirect Tax & GST



**Jasvin Mann**

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### Qualifications

- CAT
- Oxford Brookes BSc (Hons) in Applied Accounting

### Experience

Jasvin Mann is an Executive of the Indirect Tax and GST Department. She has been working in the GST Department for over a year and specialises in consultancy and GST advisory services to various companies in different field of businesses.

### Sector experience

Jasvin Mann was involved in servicing various multinational companies during the pre and post-implementation of GST projects. Besides that, she has also been exposed and involved in various transfer pricing projects and services to a number of clients in Malaysia.

Prior to joining Grant Thornton Malaysia, Jasvin has worked for investment banking, commercial finance and external auditing. She has also dealt with the Royal Malaysian Customs Department on private ruling requests for both domestic and international clients.

Jasvin constantly keeps herself abreast of the latest developments in GST / VAT in Malaysia and internationally to ensure her clients receive the best possible service specific to their business needs.

## Deven Ganesan

Executive, Indirect Tax & GST



**Deven Ganesan**

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**Qualifications**

- BA (Hons) Accounting

### Experience

Deven Ganesan is an Executive with the Indirect Tax & GST Department. He has been working in the GST department for almost two years and specialising in GST advisory services to various prominent client in Malaysia.

### Sector experience

Deven was involved in various major clients specializing in areas such as GST advisory and transfer pricing.

Prior to joining Grant Thornton Malaysia, he has experience in the audit field for almost two years.

Deven constantly updates his knowledge of GST related issues and has attended various seminars conducted by the Royal Malaysian Customs Department in order to give clients an added value advisory service. In addition, Deven was exposed to transfer pricing issues and was involved in providing transfer pricing services to a number of clients in Malaysia.

## Ris Ikhwanuddin

Executive, Indirect Tax & GST



**Ris Ikhwanuddin**

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### Qualifications

- Bachelor in Accounting (Hons.)

### Experience

Ris Ikhwanuddin is an Executive of our Indirect Tax and GST Department. He has been working in the GST department for almost two years and specialising in GST Advisory services to various prominent clients in Malaysia.

### Sector experience

Ris was involved in servicing various large clients specialising in areas such as GST advisory and transfer pricing.

Prior to joining GST advisory with Grant Thornton Malaysia, he has some experience in the external audit and accounting line of work.

Ris constantly updates his knowledge in GST related issues and attends various seminars conducted by the Royal Malaysian Customs Department in order to give clients an added value advisory service. In addition, with, Ris is also exposed to transfer pricing and is involved in providing transfer pricing services to a number of clients in Malaysia.



## Zaim Azfar

Executive, Indirect Tax & GST



**Zaim Azfar**

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**Qualifications**

- Bachelor in Accounting (Hons.)

### Experience

Zaim Azfar is an Executive of our Indirect Tax and GST Department. He has more than one year experience specialising in Indirect Tax and GST. He also has external audit experience prior to joining Grant Thornton.

### Sector experience

Zaim was involved in various major projects specializing in GST such as GST Implementation Projects and GST Go Live Projects.

He is currently helping and advising his clients such as a statutory body, multinational companies and large corporations for their GST matters.

He also has considerable experience dealing with the Ministry of Finance and Royal Malaysian Customs Department in performing his duties advising domestic and international clients.

Zaim is constantly keeping himself up to date with current issues, especially those relating to accounting, tax and the economy in order to provide the best services for his clients.

## Hazrul Azhari

Executive, Indirect Tax & GST



**Hazrul Azhari**

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**Qualifications**

- BA Accounting and Finance
- ACCA (Pursuing)

**Experience**

Hazrul Azhari is an Executive in our Indirect Tax and GST Department. He has been working in the Indirect Tax and GST department for almost a year and has been working on GST related issues with notable clients in Malaysia.

**Sector experience**

Hazrul was involved in various major projects specialising in areas such as GST / VAT advisory and transfer pricing.

Prior to joining Grant Thornton Malaysia, he has experience in the construction industry for more than two years.

He constantly updates his knowledge with GST related issues and has attended seminars to give clients an added value advisory service. In addition, he also has exposure to transfer pricing issues and was involved in providing transfer pricing services to a number of clients in Malaysia.



## Our office

If you would like to find out how our GST team at Grant Thornton can assist you and your business, please contact us at:

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