



## **Indirect Tax Alert** GST to SST Transition - How can Deloitte help?

The abolition of the GST and the transition to SST has been a major talking point for the past two weeks. For the 2,500 or so client attendees who have attended or registered for our series of briefings across Malaysia and our special edition webcasts, we hope that you found the content both useful and relevant. However, getting informed is only one aspect and it is important that you focus on the immediate tasks at hand with regard to the abolition of the GST and the ultimate implementation of SST.

We are already working with a number of our clients to get ready for the transition, and we have adopted a phased approach in helping

our clients meet the transition. We have set out below for your benefit the structure of our phased approach.

### **Phase 1 - Technical support on GST rate change transition from 6% to 0% on 1 June 2018**

<b>A Transition from 6% to 0% GST – 1 June 2018</b>	
<b>1</b>	Review all supplies identified as spanning the date of the change of rate to determine correct GST treatment: <ul style="list-style-type: none"><li>➤ Review of the underlying agreements where necessary</li><li>➤ Advise on mapping each supply transaction to the appropriate 6% or 0% GST rate.</li><li>➤ Determine correct GST liability of each spanning supply</li></ul>
<b>2</b>	Review Agreements for taxable supplies which have not yet been supplied at the date of rate change, to determine the GST impact under Section 67 of the GST Act, 2014.
<b>3</b>	Comment on pricing considerations and strategy for post-1 June 2018 pricing from a GST or Anti-Profiteering legislation perspective.
<b>4</b>	Advise on the completion of the GST 03 Return for all supplies and acquisitions of goods and services, with specific focus on ensuring the transactions spanning the change of rate are reported correctly.
<b>5</b>	Assist in seeking confirmation of treatment from Customs for supplies spanning the change of rate if required for high risk or significant transactions.

### **Phase 2 - Transition from GST to SST**

<b>A Technical implementation assistance and support on transition from GST to SST</b>	
<b>1</b>	Provide implementation assistance and technical support through meetings, emails or telephone calls, to discuss and advise on the following matters relating to implications of transition from GST to SST on Client's business operations and IT systems.

<b>2</b>	Impact of SST invoicing, tax points and tax rate(s) on Client's billing and payment processes.
<b>3</b>	SST documents / record keeping requirements
<b>4</b>	Additional / new controls to be implemented by the Client on processes and IT systems
<b>5</b>	Impact on current and new tax codes, if any.
<b>6</b>	GST/SST developments/updates
<b>7</b>	SST reporting process requirements
<b>8</b>	Cut-off and transitional issues
<b>9</b>	SST training (half-day session)
<b>Optional</b>	Assist to make written representation to the relevant Government authorities for a specific tax treatment or concession to be adopted by the client under the new SST.

<b>B Pricing strategy and anti-profiteering implications</b>	
<b>1</b>	Provide comments on pricing strategy considerations moving from GST to SST.
<b>2</b>	Provide comments on any applicable existing or new anti-profiteering rules that may be introduced and potential implications from pricing perspective.
<b>3</b>	Assist in reviewing and commenting on potential pricing decisions from anti-profiteering perspective, if required.
<b>Optional</b>	Assist in making written representation (to be on Client's letterhead) to Ministry of Domestic Trade, Cooperatives and Consumerism ("MDTCC") to seek any clarification (if applicable).

<b>C Close out of GST</b>	
<b>1</b>	Reviewing of GST Return trends to assess whether final returns are likely to be in a payable or refund position.

<b>2</b>	Calculation of potential adjustments upon GST de-registration for stock on hand and other assets.
<b>3</b>	Prioritising close-out of GST issues, e.g., clarifications, notifications, outstanding refunds, etc.
<b>4</b>	Review of historical GST position in anticipation of a final audit.
<b>5</b>	Assist client with any GST audit that may arise prior to GST deregistration.
<b>Optional</b>	Assist in making written representation to Customs to seek clarification on any outstanding GST issues.

### Fee structure

Due to the fact that time lines are very fluid at the moment, we have adopted flexible billing arrangements (e.g., retainers) or specific task-based engagements as and when required. These can be tailored to your needs.

If you would like to discuss this further, please feel free to reach out to the contacts listed below.

Name	Email address	Telephone
<b>Tan Eng Yew</b> Indirect Tax Country Leader	<a href="mailto:etan@deloitte.com">etan@deloitte.com</a>	+603 7610 8870
<b>Senthuran Elalingam</b> Financial Services Indirect Tax Leader for Asia Pacific	<a href="mailto:selalingam@deloitte.com">selalingam@deloitte.com</a>	+603 7610 8879
<b>Wong Poh Geng</b> Director	<a href="mailto:powong@deloitte.com">powong@deloitte.com</a>	+603 7610 8834
<b>Chandran TS Ramasamy</b> Director	<a href="mailto:ctsramasamy@deloitte.com">ctsramasamy@deloitte.com</a>	+603 7610 8873

**Larry James  
Sta Maria**  
Director

[lstamaria@deloitte.com](mailto:lstamaria@deloitte.com)

+603 7610 8636

---

Best regards,

**Indirect Tax Team**



**Deloitte Tax Services Sdn Bhd**

Level 16, Menara LGB  
1, Jalan Wan Kadir  
Taman Tun Dr Ismail  
60000 Kuala Lumpur  
Malaysia

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 264,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

**About Deloitte Malaysia**

In Malaysia, services are provided by Deloitte Tax Services Sdn Bhd and its affiliates.

*This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.*

© 2018 Deloitte Tax Services Sdn Bhd

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.