

## ***Malaysia Updates: Abolition of Goods and Services Tax***

### **Abolition of Goods and Services Tax (GST)**

Effective 1 June 2018, the rate of GST will be reduced from six to zero percent. GST on importation of goods and removal of goods from Free Zone to the Principal Customs Area (Malaysia except Langkawi, Labuan and Tioman), for example, are now set at zero percent.

Any abolition of GST and any re-introduction of Sales and Services Tax (SST) has yet to be announced to the public. Therefore, GST reporting requirements remain until further announcement is made. It is also yet to be known whether the SST will be reintroduced in the same form, or if changes will be made to the framework adapt to changing business needs and realities.

The Royal Malaysia Customs Department (RMCD) published a “Frequently Asked Question (FAQ) – Transitional 6% to 0%” which can be found at the following link:

[http://www.customs.gov.my/en/Documents/FAQ%20TRANSITIONAL%20GST/FAQ%20\(ENG\)%20-%20UPDATED%2017.5.18%20\(1PM\).pdf](http://www.customs.gov.my/en/Documents/FAQ%20TRANSITIONAL%20GST/FAQ%20(ENG)%20-%20UPDATED%2017.5.18%20(1PM).pdf)

In addition to the abolishment of GST, the RMCD has also revoked various GST regulations and orders such as the GST for supplies in respect of Free Zones and Designated Area, where GST will no longer be charged.

### ***Let's talk***

If you would like further advice or a deeper discussion of how this issue might affect your business, please contact:

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