

Question 102

Need to know more detail about gift rules transaction, can give some example?

Answer:

Any gift given to a recipient must be recorded with personal identification or company business registration and details of the gift item.

Gift Rule:

1. The gift item is based on Open Market Value (OMV)
2. Free gifts to be same person or company in the same financial Tax year exceeding RM 500.00 will be charged 6% inclusive on the total cumulatively gift value.
3. Goods taken for private use.

Example:

In a single accounting fiscal period

Recipient= Alan Tan Al King IC

1st receive of gift Pen OMV RM 200.00

2nd receive of Handphone OMV RM 400.00

3rd receive of hamper OMV RM 100.00

4th receive of laptop OMV RM2000.00

TXN Gift value Cum Value. GST Charge

1. RM 200.00 RM200.00 -

2. RM 400.00 RM600.00 RM 33.96

3. RM 100.00 - RM 5.66

4. RM 2,00.00. - RM 113.30