

Question 111 (Sungei Petani, Kedah)

How to enter tax code IS?

“Please advise me how to key in Imported services entry with IS code.
 My company barred all the cost and expenses of Taiwan's company, which is called imported services.
 However, I holding the LMW license so there is no GST 6% charge upon the cost.
 In this case, how can I show this value into my GST03 form?
 Please advise me how to key in Imported services entry with IS code.”

Answer:

Approved Trader Scheme (ATS) is introduced as stipulated in **section 71 of the Goods and Services Act (GSTA) 2014** which allows the Director General (DG) to suspend payment of tax chargeable on the **goods imported** by an approved person under ATS.

The input tax code applicable in this case is **IS**. **The GST is suspended on importation and therefore only need to be declared in Item 14 and 15 of the GST03 return.**

Tax code - input

IS	0%	Imports under special scheme (Approved Trades Scheme) with no GST incurred
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Explanation:

- Goods imported under ATS
- GST is suspended on importation
- Related documents – Customs declaration: K1, K9 etc

GST-03	
Declare in item	Amount to declare
14	Value of supply (customs valuation)
15	GST suspended (6% x item 14)

In **Aplus** system, create a batch entry to key in the GST accounting entries in order to declare the value of imported goods under ATS in Item 14 and GST suspended in Item 15 of the GST return.

By Aplus GST Support
 Email: support@aplustax.com.my
 Tel: 016-6680012
 Date: 01/11/2016