

# Technical Update

## TU003/2023

ISSUED IN AUGUST & SEPTEMBER  
2023

These articles covered the important regulations issued by the GDT and MOEF on the following area:

### THIS NEWSLETTER COVERS

1. INSTRUCTION NO. 018 MEF.GDT ON THE PROCEDURE FOR REQUESTING VAT CREDIT AND VAT REFUND
2. NOTIFICATION NO. 28271.GDT ON ADJUSTS THE RATES OF SPECIFIC TAX (SPT) THAT APPLY TO LOCALLY PRODUCED NON-ALCOHOLIC BEVERAGES
3. NOTIFICATION NO. 34369 GDT ON EXTENSION THE TAX PAYMENT ON IMMOVABLE PROPERTY AND UNUSED LAND FOR YEAR 2023 UNTIL 31 OCTOBER 2023

#### I. INSTRUCTION NO. 018 MEF.GDT ON THE PROCEDURE FOR REQUESTING FOR VAT CREDIT AND VAT REFUND REQUEST DATED 8 AUGUST 2023

This instruction might be interesting to all medium and large taxpayers

The instruction is issued by the Ministry of Economy and Finance to provide the convenience for taxpayers who wish to request for VAT credit or VAT refund.

##### 1. PROCEDURE OF REQUESTING VAT CREDIT

To request for VAT credit, taxpayers shall follow as below:

- a. request VAT credit via E-Filing system
- b. allow to request VAT input credit in the month of supply only by local taxable supplies or import goods by VAT-registered.
- c. VAT input credit can only be claimed on VAT taxable supplies by a taxpayer that carries out taxable supplies. A taxpayer that carries out non-taxable.
- d. Supporting documents for requesting VAT credit
  - Any local purchases or services, taxpayers shall obtain an original and proper tax invoice as stated in the Prakas No. 723 MEF.PK dated 14 August 2019. VAT input credit shall not be allowed for commercial invoices.
  - Any importation of goods, taxpayers shall obtain customs declaration and payment receipts (original) with the valid name and information of the requesting enterprise.

##### 2. PROCEDURE OF REQUESTING VAT REFUND

To request for VAT refund, taxpayers shall follow as below:

- a. Taxpayers whose main activity relates to exports or that are registered as a qualified investment project (QIP) and other taxable persons who have VAT input credit for more than 3 consecutive months can request for a VAT refund within 3 or 6 months or no more than 1 year to avoid the accumulated of VAT credit for several years. The requesting of VAT refund shall not apply if the taxpayers has accumulated the VAT input credit and fail to request the refund for more than 1 year as stated in Prakas No. 576 MEF. dated 19 June 2018.
- b. VAT refund is not allowed if the taxpayers has accumulated VAT input credit more than 3 years (N-3). However, VAT refund before FY2020 taxpayers can request to the GDT before 31 December 2023.
- c. To ensure that the Company's bank account details and information are up to date.
- d. Provide required documents and VAT accounting records adequately and timely as per the requirement of GDT, otherwise, the request for VAT refund shall be suspended or refused until GDT has received those documents and records.
- e. GDT may suspend the VAT refund temporarily if the enterprise requesting a refund has tax liability or is subject to tax reassessment until the tax reassessment is settled.



**II. NOTIFICATION NO.28271. GDT ON ADJUSTS THE RATES OF SPECIFIC TAX (SPT) THAT APPLY TO LOCALLY PRODUCED NON-ALCOHOLIC BEVERAGES DATE 15 AUGUST 2023**

This notification might be interesting to all taxpayers who locally produced and supply of certain goods and services

The GDT would like to adjust the SPT tax rate on locally produced and supplied of non-alcoholic beverages which effective from 1 September 2023 onwards as follow:

- a. 15% on all types of energy drinks;
- b. 5% on specific of non-alcoholic drinks including:
  - Ultra-high temperature (UHT) milk-based drinks;
  - Soy milk drinks;
  - Coconut water-based drinks;
  - Coffee-based/flavoured drinks and
  - Non-carbonated drinks ready for immediate consumption.
- c. 10% on non-alcoholic drinks which is not mentioned in (1) and (2).

**III. NOTIFICATION NO. 34369 GDT DATED 26 SEPTEMBER 2023 ON THE EXTENTION OF TAX PAYMENT FOR IMMOVABLE PROPERTY AND UNUSED LAND FOR YEAR 2023 UNTIL 31 OCTOBER 2023**

This notification might be interesting to all general taxpayers

The GDT has extended the deadline for tax payment on immovable property and unused land FY2023 until 31 October 2023.

The GDT hope that all the immovable property owners aware of this notification and fulfil the tax obligation within the deadline to avoid any penalty on the late submission.

## Disclaimer

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