

Import Service Treatment :

GST on Imported Services (Sec 13) is accounted by way of the reverse charge mechanism.

Reverse Charge Mechanism (also known as Self Recipient Accounting-RSA)

A *supplier who* does not belong in Malaysia and supplies services to a customer in Malaysia does not have to charge GST. However, the customer who received the services is required to account for GST by a reverse charge mechanism. The recipient have to pay tax for the imported services he received and the same time claim input tax in his GST return. Reverse charge mechanism is an accounting procedure where a recipient (as the customer) of the supply, acts as both, the supplies and the recipient of the services.

Video Guide Link: [http://www.sql.com.my/video/sqlacc_tutorial/GST-21-Imported_Services\(RSA\).mp4](http://www.sql.com.my/video/sqlacc_tutorial/GST-21-Imported_Services(RSA).mp4)

Example:

1. Royalty fee charged in Malaysia by non resident business situated outside Malaysia from Jan - Dec 2016 = USD 200,000
2. Date of invoice = 10 March 2016
3. Bank prevailing rate = Rm2.50 (Date: 10 March 2016)

Calculation for GST:

1. Consideration for the supply @Rm2.50 = Rm500,000.00 + GST 6%
2. GST to be accounted by recipient @6% GST = Rm30,000.00

RSA:

Account GST output = Rm30,000.00

Claim GST Input = Rm30,000.00

Time of Supply

1. When supply are paid for (Date of payment made) - no longer
2. Since 01 Jan 2016, which ever is the earlier:-
 - a. Payment made; or
 - b. Invoice date.

Step 1 : Make sure you have create a tax coder which under **RSA** and Tax type is under **Easy GST- Recipient Self-Accounting**, Input Tax = TX, Output Tax = DS.

Code: RSA Active

Description: Easy GST - Recipient Self-Accounting

Switch to Standard Mode

Tax Type: Easy GST - Recipient Self-Accounting

Input Tax: TX

Purchases with GST incurred at 6% and directly attributable to taxable supplies

Output Tax: DS

Deemed supplies

Payment made before the invoice

Step 1 : Click GL | Cash Book Entry (PV) | New PV.

Voucher No.	Date	Description	Cheque No	From	Local DR	Local CR
OR-00058	01/01/2010	ALPHA & BETA COMP...		PM	1,500.00	0.00
4	01/01/2011	ALPHA & BETA COMP...		PM	106.00	0.00
OR-00030	07/01/2011	ALPHA & BETA COMP...	87678868	PM	100.00	0.00
OR-00027	09/01/2011	KITTY SECURITY SDN ...		PM	10,000.00	0.00
OR-00003	11/01/2011	KITTY SECURITY SDN ...	OBB 124358	PM	4,000.00	0.00
OR-00036	13/01/2011	ALPHA & BETA COMP...		PM	2.00	0.00
OR-00004	22/01/2011	KITTY SECURITY SDN ...	EBB 124789	PM	6,000.00	0.00
OR-00005	20/02/2011	KITTY SECURITY SDN ...	MBB 393000	PM	10,000.00	0.00
OR-00006	20/02/2011	ALPHA & BETA COMP...	MBB 388900	PM	5,000.00	0.00
OR-00008	20/02/2011	AB ENTERPRISE SDN ...	MBB 399921	PM	6,000.00	0.00
CS-00009	18/03/2011	AB ENTERPRISE SDN ...		PM	475.00	0.00
MCOR-00010	12/09/2011	CASH SALES	1240 3154 3419 ...	PM	1,500.00	0.00
CS-00002	09/12/2011	KITTY SECURITY SDN ...		PM	25,600.00	0.00
MCOR-00011	15/12/2011	ALPHA & BETA COMP...		PM	10.00	0.00
OR-00012	17/12/2011	ALPHA & BETA COMP...		PM	2.50	0.00
OR-00014	17/12/2011	ALPHA & BETA COMP...		PM	5.00	0.00
VCOR-00013	17/12/2011	ALPHA & BETA COMP...		PM	50.00	0.00
OR-00016	30/12/2011	A'BEST TELECOMMUN...		PM	1,234.00	0.00
OR-00019	30/12/2011	A'BEST TELECOMMUN...	1234	PM	80.00	0.00
OR-00021	31/12/2011	AB ENTERPRISE SDN ...		PM	100.00	0.00
OR-00022	31/12/2011	AB ENTERPRISE SDN ...		PM	100.00	0.00
OR-00056	21/02/2013	CASH SALES		PM	1,000.00	0.00
OR-00057	21/11/2013	ALPHA & BETA COMP...		PM	10.00	0.00
51 vouchers					87,786.20	106.00

Step 2 : Enter the payment date eg. 02/06/2016

Step 3 : Select RSA in tax column.

Cash Book Entry

Payment Voucher

Voucher No: <<New>>
 Next No: PV-00001
 Date: 02/06/2016
 Project: ----

Pay To: Royalty Oversea LTD

Payment By: HSBC - USD ACCOUNT Currency: USD Rate: 4.1000 Agent: ----
 Bank Charge: 0.00 Cheque No: Area: ----

Document Detail Grid

G/L Code	GL Description	Description	Amount	Tax	Tax R...	Tax I...	Tax Amo...	Sub Total (Tax)
999-999	ROYALTY FEE	MAYBANK - Royalty Oversea LTD	10,000.00	RSA	0%	<input type="checkbox"/>	0.00	10,000.00
1 records			Total: 10,000.00				0.00	10,000.00

Note: Tax amount will be calculated after process the GST Return.

Step 4 : After GST Return processed, you can check the double entry posting from GL | **Print Journal of Transaction Listing.**

Journal of Transaction Listing

Date: 01/06/2016 to 30/06/2016

Journal: BANK

Project:

Agent:

Area:

Payment Method:

Sort By: Date, Ref No

Use 2nd Description

Apply

Ref No 1	Account C...	Post Date	Description	Project	Curr...	Account Description	Local DR	Local CR	Tax
PV-00001	999-999	02/06/2016	MAYBANK - Royalty Oversea ...	----	USD	ROYALTY FEE	41,000.00	0.00	RSA
PV-00001	GST-101	02/06/2016	MAYBANK - Royalty Oversea ...	----	----	GST - CLAIMABLE	2,460.00	0.00	TX
PV-00001	310-004	02/06/2016	Royalty Oversea LTD	----	USD	HSBC - USD ACCOUNT	0.00	41,000.00	
PV-00001	GST-201	02/06/2016	MAYBANK - Royalty Oversea ...	----	----	GST - PAYABLE	0.00	2,460.00	DS
Count = 4							43,460.00	43,460.00	

Double Entry - RSA:

Account Code	Account Description	Tax Code	Local DR	Local CR	Taxable Period
GST-101	GST - Claimable	TX	2,460.00	0.00	June 2016 (follow payment date)
GST-201	GST - Payable	DS	0.00	2,460.00	June 2016 (follow payment date)

Invoice first payment after

Step 1 : Create a **purchase invoice** and select the tax code is under **RSA**.

Note: Tax amount will be calculated after process the GST Return.

Step 4 : After GST Return processed, you can check the double entry posting from **GL | Print Journal of Transaction Listing**.

Journal of Transaction Listing

Date 01/06/2016 to 30/06/2016

Journal: PURCHASE

Project:

Aqent:

Area:

Payment Method:

Sort By: Date, Ref No

Use 2nd Description

Apply

Ref No 1	Account C...	Post Date	Description	Project	Curr...	Account Description	Local DR	Local CR	Tax
PI-00012	999-999	02/06/2016	NOKIA CORP LTD	----	USD	ROYALTY FEE	84,000.00	0.00	RSA
PI-00012	GST-101	02/06/2016	NOKIA CORP LTD	----	----	GST - CLAIMABLE	5,040.00	0.00	TX
PI-00012	400-N0001	02/06/2016	Purchase	----	USD	NOKIA CORP LTD	0.00	84,000.00	
PI-00012	GST-201	02/06/2016	NOKIA CORP LTD	----	----	GST - PAYABLE	0.00	5,040.00	DS

Count = 4

89,040.00 89,040.00

(Ref No 1 = PI-00012) Customize...

Double Entry - RSA:

Account Code	Account Description	Tax Code	Local DR	Local CR	Taxable Period
GST-101	GST - Claimable	TX	5,040.00	0.00	June 2016 (follow invoice date)
GST-201	GST - Payable	DS	0.00	5,040.00	June 2016 (follow invoice date)