

## Phillip Mutual Berhad

### **GST – Frequently Asked Questions (FAQ)**

#### **1. What is Goods and Services Tax (“GST”)?**

A Goods and Services Tax (GST) is a consumption tax based on the value-added concept. GST is charged on any taxable supply of goods and services made in the course or furtherance of any business by a taxable person in Malaysia. GST is also charged and levied on the importation of goods and services into Malaysia.

#### **2. What is the rate of GST that will be imposed effective from 1 April 2015?**

The GST rate to be imposed is 6 %.

#### **3. Do I need to be registered under GST?**

Any person who makes a taxable supply for business purposes and the taxable turnover of that supply for a period of 12 months or less exceeds the threshold of RM500,000.00 is required to be registered with GST. However, business with taxable turnover of RM500,000.00 and below may choose to apply for voluntary registration.

For further enquiries, kindly refer to this official GST website:

<http://gst.customs.gov.my/en/Pages/default.aspx>

#### **4. How does GST work?**

In Malaysia, a person who is registered under the Goods and Services Tax Act 2014 is known as a “registered person”. A registered person is required to charge GST (output tax) on his taxable supply of goods and services made to his customer. He is allowed to claim input tax credit on any GST incurred (input tax) on his purchases which are inputs to his business. Thus, this mechanism would avoid double taxation and only the value added at each stage is taxed.

#### **5. Is Phillip Mutual Berhad a GST registered person?**

Yes, Phillip Mutual Berhad is GST registered person with registration number 001683357696.

#### **6. Are gains or losses subject to GST?**

Gains or losses are not subject to GST.

#### **7. What will investors receive?**

Investors who invest in any of our third party funds will receive a confirmation statement from Phillip Mutual Berhad with GST information incorporated. For investors who invest in any of Phillip Mutual Berhad in-house funds, Phillip Mutual Berhad will issue a tax invoice.

#### **8. Is buying and selling of units under a unit trust fund subject to GST?**

The buying and selling of the units under a unit trust fund is an exempt supply therefore is not subject to GST. However, any fee based charges related to buying/selling/switching of the units such as sales or service charge, redemption fee (if the fee is for a service), switching fee, transfer fee are subject to GST at a standard rate.

## 9. What are the GST treatments of fees charged by Phillip Mutual Berhad?

With effect from 1 April 2015, Phillip Mutual Berhad will charge GST at the standard rate of 6 % (where applicable), as governed by the GST Act 2014. The table below are example of fees which may be charged by Phillip Mutual Berhad;

Phillip Mutual Berhad (PMB)	Type of fees
Unit Trust Scheme (All fees are subject to GST at standard rate – 6%)	<ol style="list-style-type: none"> <li>1. Sales Charge</li> <li>2. Transfer Fee</li> <li>3. Redemption Charge, if penalty no GST will be imposed.</li> <li>4. Switching Fee</li> <li>5. Annual Management Fee</li> <li>6. Trustee Fee</li> </ol>
Private Retirement Scheme (All fees are subject to GST at standard rate – 6%)	<ol style="list-style-type: none"> <li>1. Sales Charge</li> <li>2. Transfer Fee</li> <li>3. Redemption Charge, if penalty no GST will be imposed.</li> <li>4. Switching Fee</li> <li>5. Annual Management Fee</li> <li>6. Trustee Fee</li> <li>7. PPA Account Opening Fee</li> <li>8. PPA Annual Fee</li> </ol>

### Examples:

#### 1. Calculation Illustration on Sales Charge (if GST inclusive)

Gross Investment	RM10,000.00
Net Investment	RM 9,496.68
Sales Charge (5%)	RM 474.83
GST 6% on Sales Charge	RM 28.49
<b>Grand Total</b>	<b>RM10,000.00</b>

#### GST 6 % on Sales Charge

$$\text{Net Investment} = \frac{\text{Gross Investment}}{[1 + \text{Sales Charge} + (\text{Sales Charge} \times \text{GST Rate})]}$$

$$= \frac{\text{Gross Investment}}{(1.053)}$$

Note : The illustration of calculation above is based on assumption that Sales Charge is 5%.

#### 2. PRS Fees (if GST exclusive)

PRS Fee	Fee (RM)	GST @ 6%	Total Fee
PPA Account Opening	RM10	RM0.60	<b>RM10.60</b>
PPA Annual Fee	RM8	RM0.48	<b>RM8.48</b>

#### Disclaimer:

The information presented in this GST FAQ is for your information only. Phillip Mutual Berhad does not assume any responsibility in the accuracy of the information presented and hence shall not be liable for any losses or damages suffered as a result of reliance on the information contained herein. For more information on the GST, please refer directly to the Royal Malaysian Customs Department website at [gst.custom.gov.my](http://gst.custom.gov.my).