



Crowe Flash News

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TAX

Audit / Tax / Advisory

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Customs will expedite GST refunds



Refund of less than RM100,000

Will be paid back to the GST registrant if the GST refund claim passes the desk review verification process.



Refund of RM100,000 or more

Will be paid back to the GST registrant if the GST refund claim passes the risk rating and desk review processes. Otherwise, only 90% or 100% will be paid but subject to conditions.

Details of GST refunds

1. GST refund of less than RM 100,000

GST refund which is less than RM100,000 would be paid back to the respective GST registrants if the GST refund claim passes the desk review verification process.

2. GST refund of RM100,000 or more

GST refunds of RM RM100,000 or more will need to go through a risk rating process. If the GST refund claim passes this process and a desk review process, the GST refund will be paid in full to the respective GST registrant.

If the GST refund claim does not pass the risk rating process, the GST refund will only be paid to the GST registrant of up to ninety per cent (90%) of the total outstanding GST refund as of 1 January 2019. The remaining GST refund i.e. the balance of ten per cent (10%), will not be paid back to the GST registrant until a field audit is completed by the Royal Malaysian Customs Department (RMCD).

However, the registrant can still get back the full GST refund prior to the field audit being conducted by the RMCD provided that the following conditions are met:

- The registrant passes the desk review verification process;
- The registrant's Director declares that the information given is correct and agrees to pay any underpayment of GST and penalty; and
- The registrant provides a bank guarantee amounting to ten per cent (10%) of the total outstanding GST refund as of 1 January 2019.

The registrant may check the actual amount of the bank guarantee to be provided to the RMCD through email. If the registrant likes to apply for a bank guarantee, the registrant is required to submit a formal letter to the RMCD at the same email address.

Details of GST refunds

3. Taxpayers still subject to audit

The announcement highlighted that even though a full GST refund is being paid by the RMCD, all registrants would **still be subject to an audit** to be carried out by the RMCD at any time within the period of six (6) years from 1 September 2018. With this new approach by the RMCD, it is hopeful that it will ease the cashflow of the GST registrants particularly during this Recovery Movement Control Order (RMCO) period when business is down and cash flow is constricted.

4. Checking on GST status

If a GST registrant would like to check on the latest GST refund status, he may use any of the following methods:

Check from the Taxpayer Access Point (TAP) portal
(<https://gst.customs.gov.my/TAP/>)

Send email to ccc@customs.gov.my

Visit RMCD's office
(i.e. nearest RMCD Controlling Station or HQ at Menara Tulus, Putrajaya)

Call the Customs Call Center
(1-300-88-8500)

5. Rejected GST refund cases

Many GST refund cases have been rejected by the RMCD because the GST registrants are either not contactable or the information requested has not been furnished to the RMCD within the stipulated time. Problems with contacting may be due to the registered email address being no longer valid or due to change of contact details (e.g. business address, contact number, etc.) by the registrant without updating the RMCD. Therefore, the registrant should always ensure that its profile that had been registered in the TAP portal is up-to-date and is valid to avoid any delay in the GST refund verification process.

Please feel free to contact us if you need assistance or clarification on the abovementioned or on any other indirect tax matters.



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