

For All MySoft ERP User:

Guide on GST Rate Amendment

Malaysia government have announced that the GST rate will be reduced from 6% to 0%, with effect from **1st June 2018**. However, this does not mean the GST have been abolished. You still need to submit your GST return as usual, even though the total output tax is zero.


In MySoft ERP, You do not need to update the software until further notice announced by government. What you need to do is below:

1. Change the GST tax codes settings for **SR and TX** from 6% to 0% on the early 1st June 2018.
2. We suggest you to create additional tax code **SR-1** with 6% rate. For example, if the goods is delivered before 1st June, the invoice is issued after 1st June, you have to charge 6% GST by using SR-1.
3. We suggest you to create additional tax code **TX-1** with 6% rate for late invoice posting.
4. Update Zero-Rated Stock and Customer default output tax code from **ZRL** to **SR**.
5. Update Zero-Rated Stock and Supplier default input tax code from **ZP** to **TX**.
6. If the stock selling price is set with **"Inclusive tax"**, you have to **manually deduct** the 6% from the price.

We will make sure all our MySoft ERP user getting minimal impact when moving forward to the new tax system. We will follow closely with any announcement from the RMCD. MySoft will inform you as soon as possible if there are any announcement and guideline on the new tax system.

(Updated: 31 May 2018)

Tax Code Amendment after 1st June 2018

 The most important commonly used tax code.

| Tax Type | Description | Existing Tax Rate (%) | No Change | Rate Change to 0% | Additional New Code (6%) | Refer to Note |
|-----------|---|-----------------------|-----------|----------------------------|--------------------------|---------------|
| Input Tax | | | | | | |
| AJP | Any Bad Debt Relief made to Input Tax | 6.00 | ✓ | | | 2.0 |
| BL | Purchases with GST incurred but not claimable | 6.00 | ✓ | | | 3.0 |
| EP | Purchases exempted from GST | 0.00 | ✓ | | | |
| GP | Transactions which disregarded GST legislation | 0.00 | ✓ | | | |
| IM | GST incurred for import of goods | 6.00 | ✓ | | | 4.0 |
| IS | Imports under special scheme with no GST incurred | 0.00 | ✓ | | | |
| NP | Matters to be treated as neither a supply of goods nor a supply of services, and no GST chargeable. | 0.00 | ✓ | | | |
| NR | Non GST-registered supplier with no GST incurred | 0.00 | ✓ | | | |
| OP | Transactions out of the scope of GST legislation | 0.00 | ✓ | | | |
| OP-NA | Tax code will not appear in GAF file purchase section | 0.00 | ✓ | | | |
| RP | Relief Purchase under GST legislations. (e.g: purchase of RON 95 petrol & Diesel) | 0.00 | ✓ | | | |
| TX | Purchase Tax | 6.00 | | ✓ | TX-1 | 5.0 |
| TX-CG | Capital Goods Acquired | 6.00 | ✓ | Use "TX" From June Onwards | | 6.0 |
| TX-E43 | Directly attributable to incidental exempt supplies | 6.00 | ✓ | | | |
| TX-ES | Purchase with GST incurred directly attributable to non-incidental exempt supplies.(Note: Replace TX-N43) | 6.00 | ✓ | | | |
| TX-FRS | Purchase under Flat Rate Scheme. | 2.00 | ✓ | | | |
| TX-IES | Purchase with GST incurred directly attributable to incidental exempt supplies.(Note: Replace TX-E43) | 6.00 | ✓ | | | 6.0 |
| TX-N43 | Attributable to non-incidental exempt supplies | 6.00 | ✓ | | | |
| TX-NC | GST incurred and choose not to claim the input tax. | 6.00 | ✓ | | | |
| TX-RE | Attributable to taxable or exempt supplies | 6.00 | ✓ | | | |
| ZP | GST-registered supplier with no GST incurred | 0.00 | ✓ | | | |

| Tax Type | Description | Existing Tax Rate (%) | No Change | Rate Change to 0% | Additional New Code (6%) | Refer to Note |
|------------|---|-----------------------|-----------|----------------------------|--------------------------|---------------|
| Output Tax | | | | | | |
| AJS | Any adjustment made to Output Tax | 6.00 | ✓ | Use "SR" from June Onwards | | 2.0 |
| DS | Deemed supplies | 6.00 | ✓ | | | 7.0 |
| DS-ATS | Deemed supplies-Approved Trader Manufacturer | 6.00 | ✓ | | | |
| DS-IMS | Supplies of imported services where reverse charge mechanism is made by recipient. | 6.00 | ✓ | | | |
| ES | Exempt supplies under GST. | 0.00 | ✓ | | | |
| ES43 | Incidental Exempt supplies | 0.00 | ✓ | | | |
| ES-DCA | Exempt capital assets. | 0.00 | ✓ | | | |
| ESN43 | Non incidental Exempt supplies | 0.00 | ✓ | | | |
| GS | Disregarded supplies | 0.00 | ✓ | | | |
| IES | Incidental exempt supplies under GST legislations.(Note: Replace ES43) | 0.00 | ✓ | | | |
| NS | Matters to be treated as neither a supply of goods nor a supply of services, and no GST chargeable. | 0.00 | ✓ | | | |
| NTX | Matters to be treated as neither a supply of goods nor a supply of services, and no GST chargeable. | 0.00 | ✓ | | | |
| OS | Out-of-scope supplies | 0.00 | ✓ | | | |
| OS-NA | Tax code will not appear in GAF file supply section | 0.00 | ✓ | | | |
| OS-TXM | Out-of-scope supplies made outside Malaysia. | 0.00 | ✓ | | | |
| RS | Relief supply under GST | 0.00 | ✓ | | | |
| SR | Standard-rated supplies with GST | 6.00 | ✓ | ✓ | SR-1 | 8.0 |
| SR-DCA | Value of a taxable capital assets of the businesses which they are supplied | 0.00 | ✓ | Use "SR" from June Onwards | | |
| SR-JWS | Standard-rated supplies under Jeweller Scheme | 0.00 | ✓ | | | |
| SR-MS | Standard-rated supplies under Margin Scheme | 6.00 | ✓ | | | |
| ZDA | Exportation of goods from Malaysia to Designated Area (Pulau Langkawi, Labuan, & Pulau Tioman) which are subject to zero rated supplies. (By referring Customs Form No. 2 (K2), and/or other reference documents) | 0.00 | ✓ | | | |
| ZRE | Zero Rated Export Supplies | 0.00 | ✓ | | | |
| ZRL | Zero Rated Local Supplies | 0.00 | ✓ | | | 9.0 |

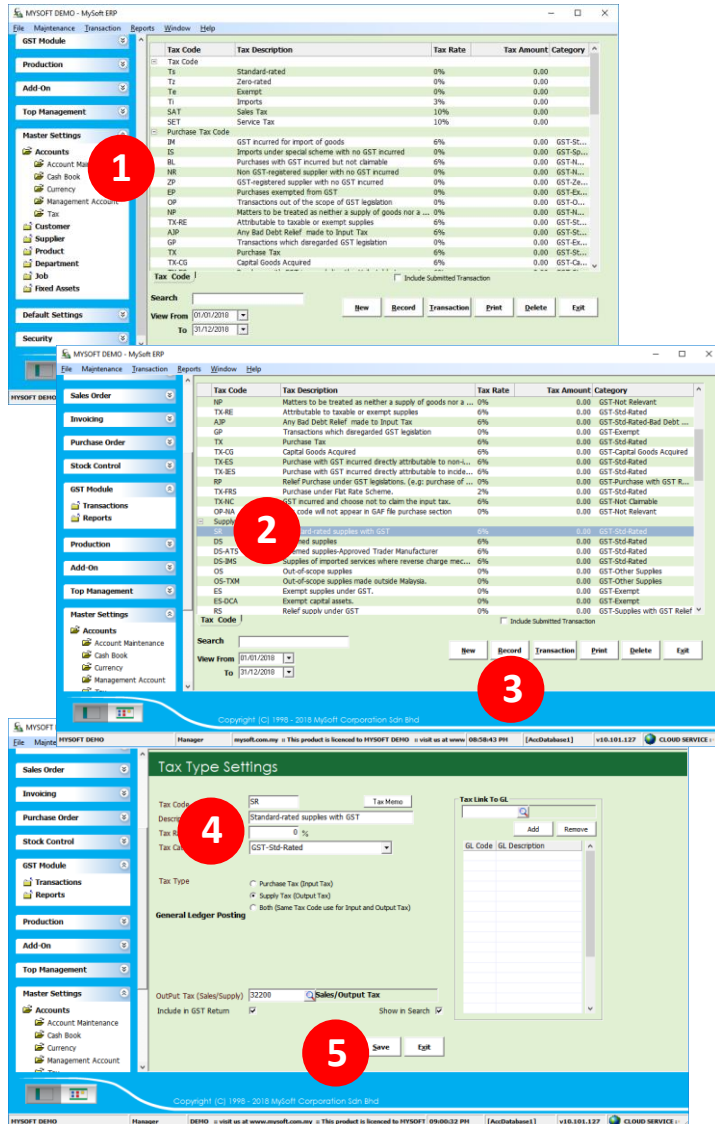
(Updated: 31 May 2018)

Note:

- 1.0 Additional new code is created for transitional period if necessary. For Example, you might need to issue the credit note with 6% GST after 1st June, because the credit note is against 6% taxable invoice.
- 2.0 The Bad Debt Relief for input tax is optional, Bad Debt Relief for output tax is compulsory. If you run Bad Debt Relief for customer invoice before, you still have to do Bad Debt Recover until all the customer invoices are fully recovered.
- 3.0 Since all the purchase is zero rated, there is no block items after 1st June, this code can be used for any late purchase invoice posting with block item during transitional period.
- 4.0 Since all the imported goods is zero rated, there is no imported goods posting anymore. This IM can be used for transitional period posting if any.
- 5.0 This is the most important tax code. You have to change the rate to 0% when you started to do June Posting. You may need to create a new code TX-1 (6%) during the transitional period for late invoice posting.
- 6.0 For tax code TX-CG to TX-RE, some is new code, some is old code. If you do not use any of the code, just leave it. You have to use tax code "SR" while you doing June Posting. You may need to use back the original tax code during the transitional period for late invoice posting.
- 7.0 You have to use "SR" from June onwards. You can use the deemed supplies tax code for the transition period posting if any.
- 8.0 This is the most important tax code. You have to change the rate to 0% in the early morning of 1st June before any transaction. You may need to create a new code SR-1 (6%) during the transitional period. For example,
 1. If the goods is delivered before 1st June, the invoice is issued after 1st June, you have to charge 6% GST by using SR-1.
 2. If the credit note or debit note is issued against invoice with 6% GST, you have to charge 6% GST by using SR-1.
- 9.0 According to the instruction announced on 25 May 2018, you have to use Standard-Rated 0% (SR) for zero-rated supplies under Schedule 2 of GST (Zero-Rated) Order 2014

(Updated: 31 May 2018)

How to Amend the GST Tax Code Rate – Task List Mode



1. Go to **Master Settings**
→ **Accounts** → **Tax**

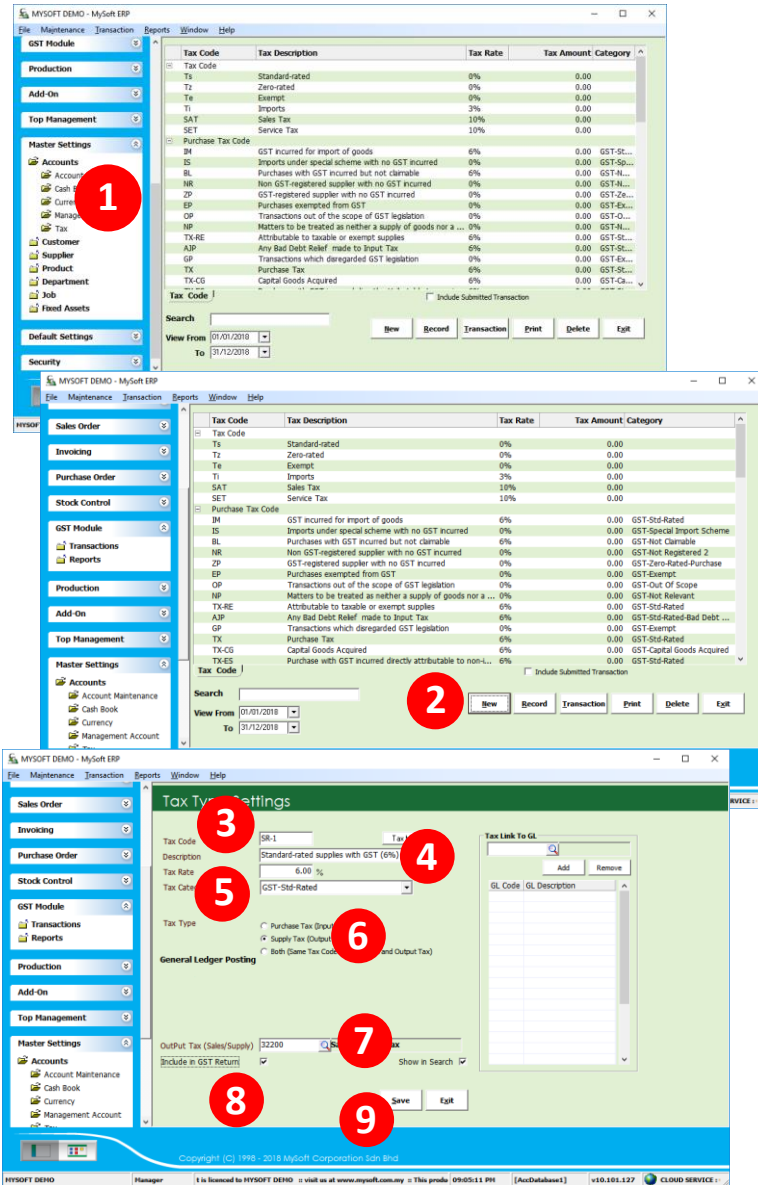
2. Select **Tax Code**

3. Click **"Record"**

4. Change the **Tax Rate** to **"0"**

5. Click **"Save"**

How to Create A New GST Tax Code – Task List Mode



1. Go to
Master Settings
→ **Accounts** → **Tax**

2. Click **“New”**

3. Key in **Tax Code**
“SR-1”

4. Key in **Description** and
Tax Rate

5. Select **Tax Category**
“GST-Std-Rated”

6. Select **Tax Type**
“Supplier Tax”

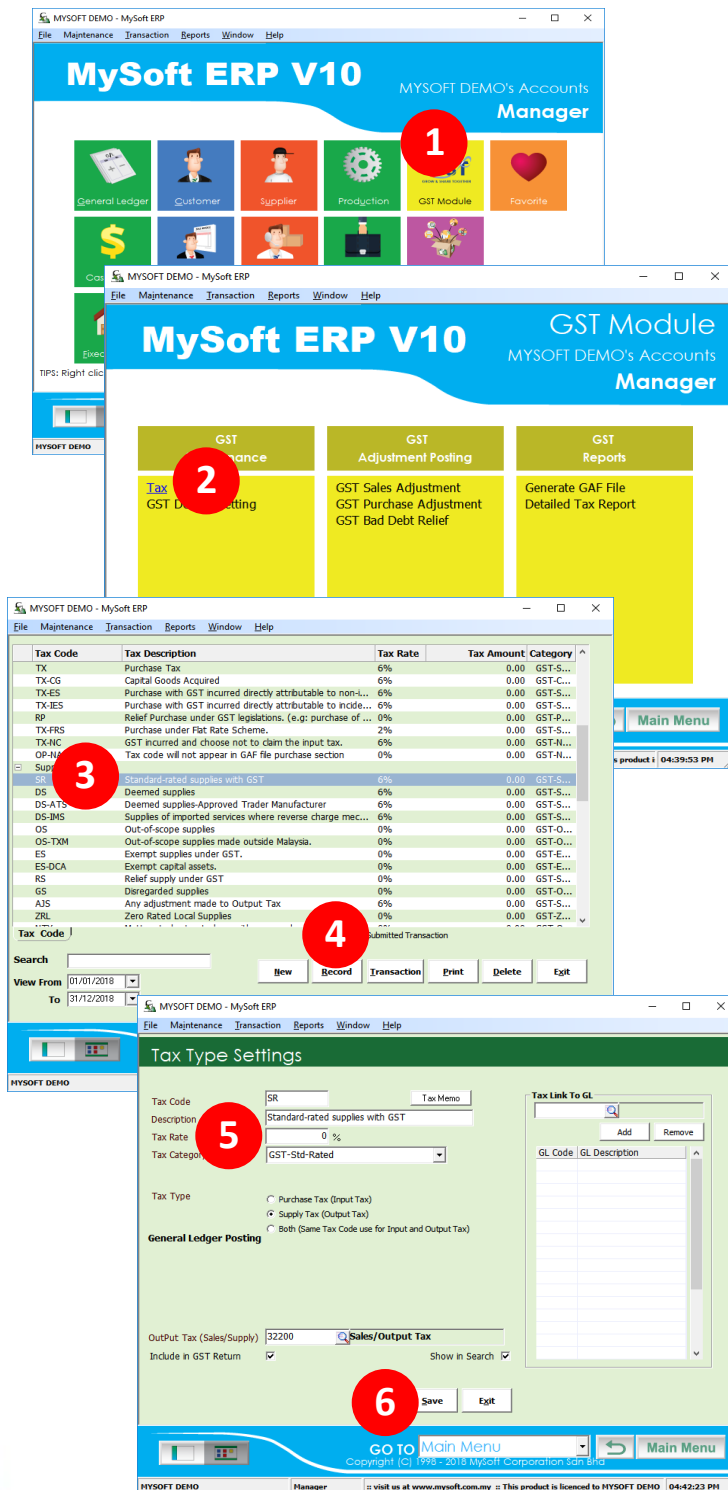
7. Key in **Output Tax**
GL Code **“32200”**

8. Tick
“Include in GST Return”

9. Click **“Save”**

**Note: The Tax GL Code can refer to the
Tax Code Amendment list above.**

How to Amend the GST Tax Code Rate – Icon Mode



Step 1: Select GST Module

Step 2: Select Tax under Maintenance Block

Step 3: Select Tax Code

Step 4: Click "Record"

Step 5: Change Tax Rate to "0"

Step 6: Click "Save"

| Tax Code | Tax Description | Tax Rate | Tax Amount | Category |
|----------|---|----------|------------|----------|
| TX | Purchase Tax | 6% | 0.00 | GST-S... |
| TX-CG | Capital Goods Acquired | 6% | 0.00 | GST-C... |
| TX-ES | Purchase with GST incurred directly attributable to non... | 6% | 0.00 | GST-S... |
| TX-IES | Purchase with GST incurred directly attributable to incide... | 6% | 0.00 | GST-S... |
| RP | Relief Purchase under GST legislations. (e.g: purchase of ... | 0% | 0.00 | GST-P... |
| TX-FPS | Purchase under Flat Rate Scheme. (e.g: purchase of ... | 2% | 0.00 | GST-S... |
| TX-NC | GST incurred and choose not to claim the input tax. | 6% | 0.00 | GST-N... |
| OP-NV | Tax code will not appear in GAF file purchase section | 0% | 0.00 | GST-N... |
| SR | Standard-rated supplies with GST | 6% | 0.00 | GST-S... |
| DS | Deemed supplies | 6% | 0.00 | GST-S... |
| DS-ATS | Deemed supplies-Approved Trader Manufacturer | 6% | 0.00 | GST-S... |
| DS-IMS | Supplies of imported services where reverse charge mec... | 6% | 0.00 | GST-S... |
| OS | Out-of-scope supplies | 0% | 0.00 | GST-O... |
| OS-TXM | Out-of-scope supplies made outside Malaysia. | 0% | 0.00 | GST-O... |
| ES | Exempt supplies under GST. | 0% | 0.00 | GST-E... |
| ES-DCA | Exempt capital assets. | 0% | 0.00 | GST-E... |
| RS | Relief supply under GST | 0% | 0.00 | GST-S... |
| GS | Disregarded supplies | 0% | 0.00 | GST-O... |
| AJS | Any adjustment made to Output Tax | 6% | 0.00 | GST-S... |
| ZRL | Zero Rated Local Supplies | 0% | 0.00 | GST-Z... |

Tax Type Settings

Tax Code: SR
Description: Standard-rated supplies with GST
Tax Rate: 0 %
Tax Category: GST-Std-Rated

Tax Type:
☐ Purchase Tax (Input Tax)
☒ Supply Tax (Output Tax)
☐ Both (Same Tax Code use for Input and Output Tax)

General Ledger Posting
Output Tax (Sales/Supply): 32200
Include in GST Return: ☒

Save

1. Select **GST Module**

2. Select **Tax**
under **Maintenance Block**

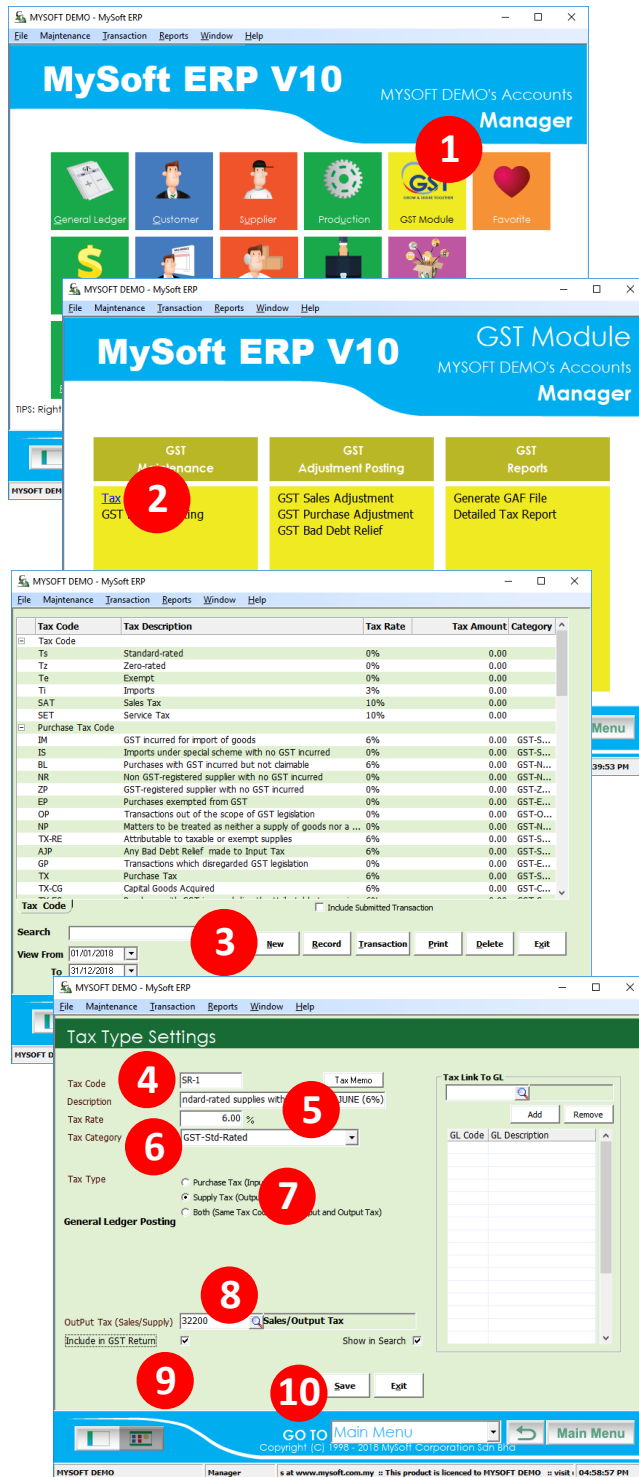
3. Select **Tax Code**

4. Click **"Record"**

5. Change **Tax Rate**
to **"0"**

6. Click **"Save"**

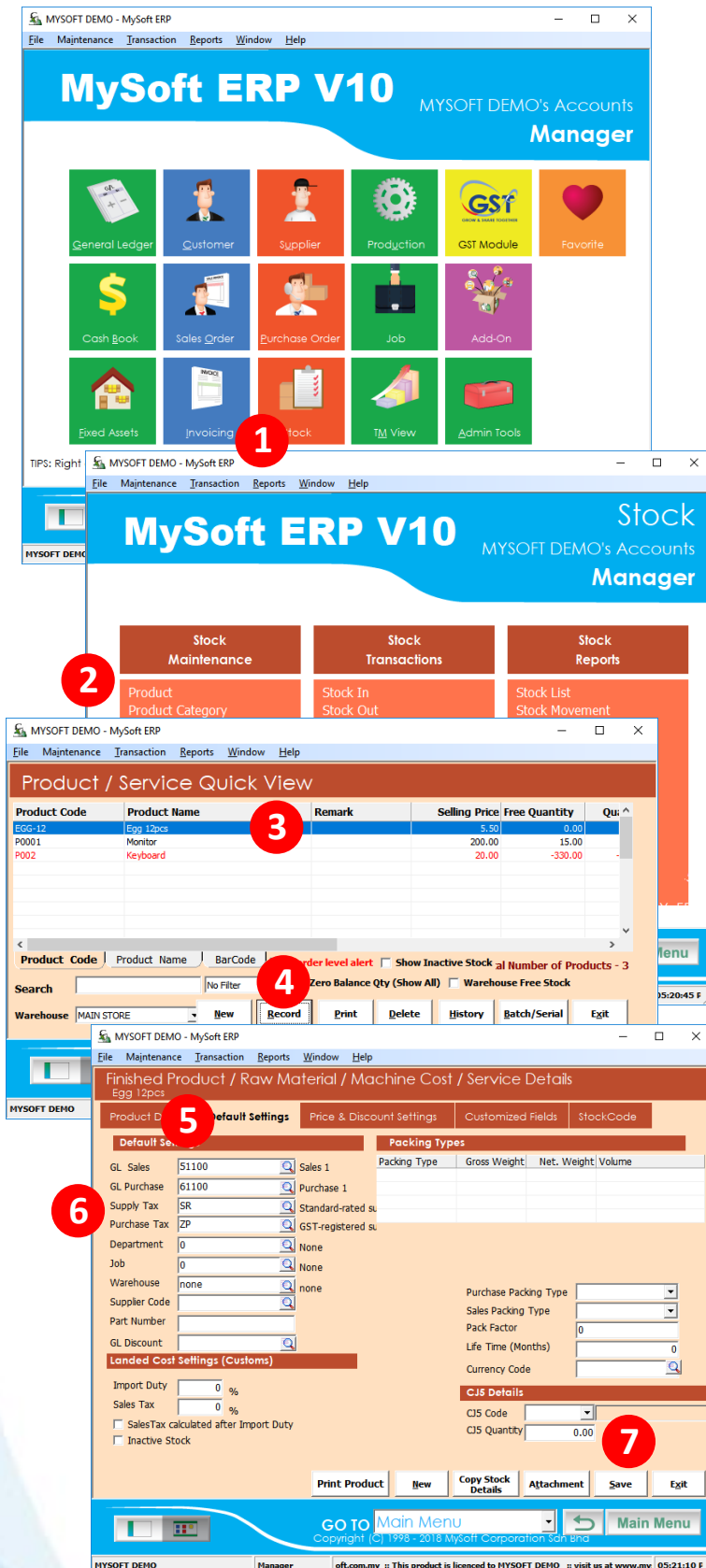
How to Create A New GST Tax Code – Icon Mode



1. Select **GST Module**
2. Select **Tax**
under **Maintenance Block**
3. Click **“New”**
4. Key in **Tax Code**
“SR-1”
5. Key in **Description** and
Tax Rate
6. Select **Tax Category**
“GST-Std-Rated”
7. Select **Tax Type**
“Supplier Tax”
8. Key in **Output Tax**
GL Code **“32200”**
9. Tick
“Include in GST Return”
10. Click **“Save”**

**Note: The Tax GL Code can refer to the
Tax Code Amendment list above.**

How to Change Stock Tax Code – Icon Mode



Step 1: Select **Stock Module**

Step 2: Select **Stock Module** under **Stock Maintenance**

Step 3: Select product

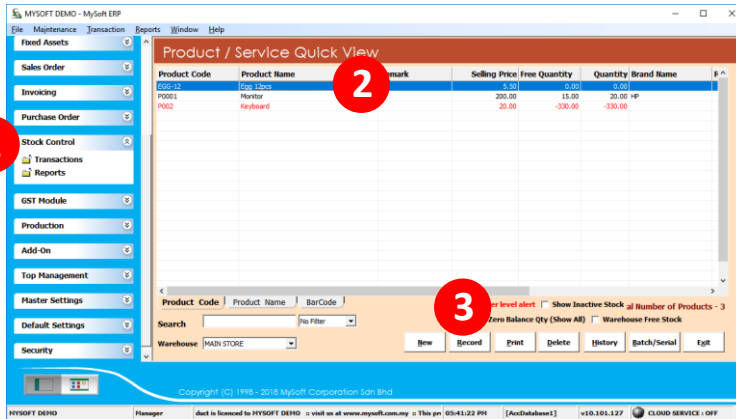
Step 4: Click **Record**

Step 5: Go to **Default Settings** tab

Step 6: Change Supply Tax from **“ZRL”** to **“SR”**

Step 7: Click **Save**

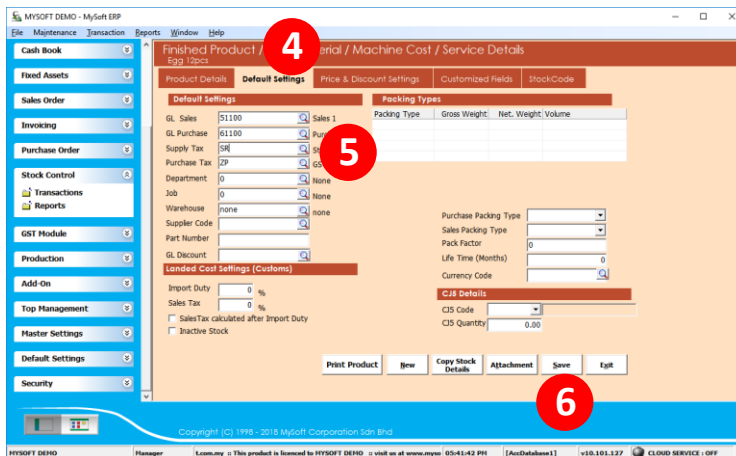
How to Change Stock Tax Code – Task List Mode



1. Go to
Stock Control

2. Select product

3. Click “Record”



4. Go to **Default Settings**
tab

5. Change Supply Tax
from “ZRL” to “SR”

6. Click “Save”