Frequently Asked Questions for Goods and Services Tax ("GST")

1. What is GST?

GST is a consumption tax based on the value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain.

2. What is the rate of GST imposed?

The rate will be at prescribed rate, currently at 6%.

3. Will sales tax and service tax still be enforced with GST implementation?

GST will replace the current consumption tax - the sales tax and the service tax.

4. How does GST work?

A taxable person will charge GST on taxable supplies (output tax) he makes. In turn, he will claim the GST incurred on his purchases (input tax) used for making his taxable supply of goods and services. The net GST amount (after netting off the output tax against the input tax) would then be remitted to Customs.

5. Is buying of unit trust subject to GST?

The buying and selling of units in a unit trust fund is not subjected to GST. However, the fees and charges incurred in relation to the act of buying or selling will be subjected to GST.

6. What are these fees and charges?

Examples of such fees and charges are

- Sales Charge or Front End Load
- Management Fee

7. Does GST implementation make it more expensive to buy unit trust?

There is a GST element on the fees and charges when buying, switching and where applicable, redeeming unit trust.

Note: This FAQ is intended to provide a high level understanding on GST and its impact to investors. It is not meant to provide expert advice for the implementation of GST for your investments. If you need professional advice, please refer to a qualified GST consultant or a lawyer.