

GST FREQUENTLY ASKED ISSUES (FAI)

BIL.	ISSUES	DECISION
1.	What type of newspapers fall under the GST (Zero Rate Supply) Order 2014	<p>(i) Newspapers listed in the Appendix to the First Schedule under the GST (Zero Rate Supply) Order 2014 only covers daily or weekly, in the form of unbound sheets of printed matter consisting mainly of current news of general interest, together usually with literary articles on subjects of current, historical, biographical, etc., interest. They also generally devote a considerable amount of space to illustrations and advertisements.</p> <p>(ii) The zero rating does not include journals and other periodicals, issued weekly, fortnightly, monthly, quarterly or half-yearly, either in the form of newspapers or as paperbound publications. They may be mainly devoted to the publications of intelligence on subject of a specialised nature or sectional interest (e.g., legal, medical, financial, commercial, fashion or sporting), in which case they are frequently published by or for organizations of the interest concerned. Or they may be of more general interest, such as the ordinary fiction magazines. These include periodicals published by or for named industrial concerns (e.g., motor car manufacturers) to promote interest in their products, staff journals normally having circulation only within the industrial, etc., organisations concerned and periodicals such as fashion magazines which may be issued by a trader or an association for publicity purposes.</p>

(iii) The difference between newspapers and journals is the content, frequency, circulation and expiry date as shown below:

TYPES	CONTENT	FREQUENCY	CIRCULATION	EXPIRY DATE
Newspaper E.g. NST, The Star, Utusan Malaysia, Berita Harian, Sin Chew Jit Poh, Malaysia Nanban, Utusan Borneo or Utusan Sarawak	mainly of current news of general interest	Daily or weekly	Society at large	Expires at the time of purchase
Journal/periodicals E.g. The Edge, SME, The Times, Reader's Digests, Solusi, Mangga or The Focus	mainly devoted to the publications of intelligence on subject of a specialised nature or sectional interest (e.g., legal, medical, financial, commercial, fashion or sporting),	weekly, fortnightly, monthly, quarterly or half-yearly	Specific segment of the society e.g., industrial, medical practitioners, businesses or automotive within the industrial, political , etc., organisations concerned and periodicals such as fashion magazines which may be issued by a trader or an association for publicity purposes.	Not applicable

		<p>(iv) Old newspaper is not considered as newspaper. Sale of old newspapers is a standard rated supply because newspaper done for the day would not be sold as a newspaper but more as paper (ordinary meaning i.e. scrap). It can be used as input (recycle) to produce other products (e.g. carton boxes, toilet roll or serviettes). There is also a difference in the tariff code number where the old newspaper falls under the tariff code 4707.30.000 and the tariff code for newspaper is 4902.10.</p>
2.	<p>What is the GST treatment on supply made by the healthcare professional?</p>	<p>(i) Paragraph 18(3)(b) to the Second Schedule of the GST (Exempt Supply) Order 2014 has defined “healthcare professional” includes a medical practitioner, dental practitioner, pharmacist, clinical psychologist, nurse, midwife, medical assistant, physiotherapist occupational therapist and other allied healthcare professional and any other person involved in the giving of medical, health, dental or pharmaceutical services under the jurisdiction of the Ministry of Health.</p> <p>(ii) Paragraph 18(2) to the Second Schedule of the GST(Exempt Supply) Order 2014 also defined ‘private healthcare facilities’ means any premises, other than a Government healthcare facility, used or intended to be used for provision of healthcare services such as private hospital, hospice, ambulatory care centre, nursing home, maternity home, psychiatric hospital, psychiatric nursing home, community mental health centre, haemodialysis centre, medical clinic and dental clinic and such other healthcare premises as specified by the Minister charged with the responsibility for health by notification in the gazettes under the Private Healthcare Facilities and Services Act 1998 (PHFSA).</p> <p>(iii) Healthcare professional employed (contract of service) by the private healthcare facilities providing healthcare services to patients is treated as making an exempt supply.</p>

		<p>(iv) Healthcare professional who is not employed by the private healthcare facilities but provides healthcare services to a private healthcare facility under a contract for service or outsourcing services is treated as making a standard rated supply to the private healthcare facilities.</p> <p>Example: Locum doctors or a specialist doctors provide their services to a hospital registered under the PHFSA on a contract basis is treated as making a standard rated supply.</p>
3.	Further explanation to item 8 FAI 1/2014 for GST treatment on Office holders/directors' fees?	<p>(i) Office holder/director's fees is subject to GST when a person is carrying on a profession or vocation and he is –</p> <ul style="list-style-type: none">(a) employed under contract for service; and(b) accept the position of a holder of an office in his personal capacity;

Examples:

No.	Type	Subject to GST	Not Subject to GST
1.	A person appointed as a director - a. in his personal capacity (including government pensioner) b. on his expertise (example tax consultant, medical specialists, economists, accountants, including management of the company but hold positions in companies that are not subsidiaries/subsidiary) c. on his personality (example politician or NGO)	√	
2.	A person is appointed as a director on the capacity of his post (contract of services) - a. civil servants, on office he held b. company's manager, due to his positions he held and became director in subsidiary or subsidiaries Those who serve on a contract for services, but appointed on the capacity of the office he held and not under his personal capacity.		√
3.	A chartered accountant in a listed company is appointed as a director. He also is an expert and qualified person and has his own businesses or hold positions in other companies.	√	
4.	Members of hospitals visitors' board or members of Syariah Advisor which is not under the personal capacity.		√

