

# ***GST Work Plan***

## **Purpose and Limitation**

This document serves as a framework for an identified work plan detailing action steps to be taken by the project team. This document may draw information from previous deliverables to describe areas of review and sets out the scope in which the project will operate within.

*Penang Global Tourism  
Sdn Bhd ("PGT")*

### **Work Plan:**

#### **GST 07 – Tax Coding for GST**

|                         |                      |
|-------------------------|----------------------|
| <b>Work Stream Lead</b> | Michelle             |
| <b>Team Members</b>     | <i>[To complete]</i> |



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# *Work to be done*

1. Management to decide on the most effective approach to this tax coding exercise. (i.e. account, customer or transaction approach)
2. Identify and list down within the template provided, all revenue and expenditure items.
3. Review and assign an appropriate GST tax code to each of the revenue and expense line items.
4. Confirm the GST treatment assigned to each account.

## *Policies, processes and systems*

5. Where a general ledger account contains more than one GST treatment, management to assess the need for the account to be split to capture the GST treatments individually.
6. Where general ledger accounts are split, to establish new accounts.
7. For items not currently captured (e.g. deemed supplies), create new general ledger accounts.
8. Establish a new GST payable and GST claimable general ledger account.
9. Establish controls and procedures to ensure the correct GST treatment is identified at the point of capturing the transaction (i.e. transaction processing – checking of validity of tax invoice, foreign GST/VAT not claimed, review of transactions).
10. Management to review and sign off on the populated tax coding template.
11. Implement system and process changes, if any.
12. Educate relevant staff on the above changes.

# Appendix 1

## List of specified blocked input tax

| Items blocked from input tax claim                                                                                                                                                                                                                                                                           | Exceptions                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• The purchase or hire of a passenger motor car<sup>1</sup></li> <li>• Repair, maintenance or refurbishment of a passenger motor car</li> </ul>                                                                                                                       | <ul style="list-style-type: none"> <li>- Purchase of car to be used exclusively for the purposes of business<sup>1</sup>.</li> <li>- Purchase of vehicles other than motorcars (e.g. motorcycles, lorries etc)</li> </ul>                                                               |
| <ul style="list-style-type: none"> <li>• Recreational or sporting club fees:               <ul style="list-style-type: none"> <li>- subscription fee</li> <li>- joining fee</li> <li>- membership fee</li> <li>- transfer fee</li> <li>- other consideration in relation to the above</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>- Professional membership fees</li> <li>- Trade association fees</li> </ul>                                                                                                                                                                      |
| <ul style="list-style-type: none"> <li>• Medical insurance &amp; personal accident insurance premium for any person</li> </ul>                                                                                                                                                                               | <ul style="list-style-type: none"> <li>- Insurance contracts that are incurred due to the Employees' Social Security Act 1969, Workmen's Compensation Act 1952 or the Industrial Relations Act 1967</li> </ul>                                                                          |
| <ul style="list-style-type: none"> <li>• Medical expenses for employees</li> </ul>                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>- Medical expenses incurred under the provisions of the Employees' Social Security Act 1969, Workmen's Compensation Act 1952 or the Industrial Relations Act 1967</li> <li>- Fees to panel doctor for medical report on policyholders</li> </ul> |
| <ul style="list-style-type: none"> <li>• Family benefits               <ul style="list-style-type: none"> <li>- Benefit for                   <ul style="list-style-type: none"> <li>➢ Spouse;</li> <li>➢ Child; or</li> <li>➢ Parents</li> </ul> </li> </ul> </li> </ul>                                    | <ul style="list-style-type: none"> <li>- The portion of these transactions which may be attributable to employees can be claimed</li> </ul>                                                                                                                                             |

|                                                                                                                                                          |                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Entertainment expenses<sup>2</sup> for persons other than employees<sup>3</sup> or clients<sup>4</sup></li> </ul> | <ul style="list-style-type: none"> <li>Entertainment expenses for employees and current clients</li> </ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|

*Notes:*

<sup>1</sup> Conditions for motor car which is exclusively for the purposes of business as may be approved by the Director General subject to the following conditions:

- The motor car is registered in the name of the company;
- The motor car is not let on hire;
- There is no intention to make the motor car available for private use;
- The motor car is kept at business premises, used for business trips and must not be taken home overnight by any employees; and
- The motor car has the business's name.

<sup>2</sup> "Entertainment expense" includes –

- The provision of any food, drink, recreation or hospitality of any kind, or
- The provision of accommodation or travel associated with the provision of food, drink or recreation

by a person or an employee of his to anyone in connection with a trade or business carried on by that person.

"recreation or hospitality" would include:

- A trip to a theme park or recreation centre;
- A stay at a holiday resort;
- Tickets to a show or theatre; and
- Entry to sporting activities/events.

<sup>3</sup> "Employee" will exclude agents.

<sup>4</sup> "Clients" is restricted to current clients and would exclude potential clients.