

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 26 - Sponsorship

Work Stream Lead	<i>[To complete]</i>
Team Members	All Staffs



Work to be done

1. Identify and categorise sponsorships that PGT has been involved.
2. Develop a policy on sponsorship/donation arrangement for PGT, taking into the account the following:

Sponsorship/Donation received by PGT

- a) Identify nature of sponsorship/donation received:
 - o Cash; or
 - o Goods; or
 - o Services; or
 - o A hybrid of the above.
- b) Establish process to determine whether PGT shall need to issue tax invoice to the sponsor / donor based on:-
 - i. Any benefits provided by PGT to the sponsor / donor (e.g. advertising, free table during functions, etc) – to issue tax invoice to the sponsor / donor; or
 - ii. No benefit provided by PGT (pure donation) – no issuance of tax invoice required.
- c) If the issue of a tax invoice is required, establish a process to determine the value of the sponsorship / donation and the amount of GST to be accounted in the tax invoice.
- d) Establish processes to ensure that GST output tax is properly captured and accounted in the GST return Form GST-03 in the correct taxable period.

Sponsorship / Donation made by PGT

- a) Identify nature of sponsorship/donation given:
 - o Cash; or
 - o Goods; or
 - o Services; or
 - o A hybrid of the above.
- b) Establish process to determine whether PGT shall need to issue tax invoice / received tax invoice as follows:-

Nature of sponsorship / donation given	Benefit received in return	Required to issue tax invoice on the sponsorship given (Account for output tax)	Entitled to claim input tax on the consideration for benefit received (provided tax invoice received)
Cash	No	No	No
Cash	Yes	No	Yes
Goods	No	To consider 'gift rule' deemed supply	No
Goods	Yes	Yes	Yes
Services	No	No*	No
Services	Yes	Yes	Yes

* except where recipient is a connected person.

- c) If the issue of tax invoice is required, establish process to determine the value of the sponsorship / donation subjected to GST and the amount of GST to be accounted in the tax invoice.

- d) If there is input tax is claimable, establish process to ensure tax invoice are received for input tax claim purposes.
 - e) Establish processes to ensure that GST output and input tax are properly captured and accounted in the GST return Form GST-03 in the correct taxable period.
- 3. Establish process and policy to ensure that all future contracts or arrangements related to sponsorship / donation arrangement have GST clauses (inclusive / exclusive).
- 4. Determine and implement the processes and systems changes required to incorporate the GST impact and implications related to sponsorship / donation received / made.
- 5. Review current accounting and recording of sponsorship / donation (received / made) and determine the appropriate tax codes to be applied.
- 6. Educate employees on the processes, policies and systems changes.