

All you want to know about

GST,
Shopping
at
Airports
and
Tourist
Refund
Scheme



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INTRODUCTION



With effect from April 1, 2015, Goods & Services Tax (GST) will be implemented throughout Malaysia.

What does this mean to travelers shopping at airports managed by Malaysia Airports? Why should travelers shop at airports? What are the advantages of shopping at airports? What about GST Refund?

This booklet serves to answer some of the more commonly-asked questions **clearly**.

Our goal is to minimise confusion, particularly during the initial period of GST implementation. We invite you to read through each of the sections.

SHOPPING AT AIRPORTS



Airports today are more than just transit hubs. In Malaysia, as in other countries, airports are lifestyle destinations – places where travelers can pick up the most-coveted brand, which they may not get if they shop downtown, and get their hands on some of the latest and hottest travel exclusives especially if you are travelling via the country's premier gateways -- KLIA and klia2.



Many of you may wonder, with the implementation of GST, would shopping at airports be still worth it? Definitely!

Come 1 April 2015, shopping at airports will become even more appealing!

SHOPPING AT AIRPORTS

Smart reasons to shop at airports ...



- Shopping for duty-free items at airports means **you don't have to pay GST!** You can shop hassle-free and not worry about applying for GST Refund! All you have to do is Shop and Fly!
*(Travel tip: If you holidaying in Langkawi, Tioman or Labuan, you are in for a shopping treat! The entire island is duty-free which means you **don't** have to pay GST on **ALL** goods! What a shopper's paradise!)*
- Enjoy early bird **travel exclusives!** Be one of the firsts to get your hands on airport travel exclusives and value buys! Airport retailers are attuned to travelers' needs so when you shop at airports, you may pick up specials that make your travel experience all the more sweeter!
- Do you know that there are **brands and products that are ONLY available at airports** and nowhere else? So take advantage of this and indulge in a wider variety when you shop at airports
- When you shop at airports, you are assured of top **quality and value** - Save More! Satisfaction at its best!
- Finally, you can only claim GST Refund when you **depart by air** which makes shopping at airports even more convenient!

AIRPORTS AND GST

Here's what you need to know about airports and GST.

- **What does it mean by duty-free items?**

Duty-free items are goods where "duty" or "tax" are not imposed. Examples are tobacco and liquor. Usually, these items are sold at duty-free shops located at the airside (the side after Immigration) of airports.

- **Would GST impact duty-free goods at airports?**

Duty-free items are allowed to be sold GST-free. Therefore, GST will not impact duty-free goods sold at airports. This means you enjoy greater savings!

- **What does it mean to me in terms of cost savings?**

The good news is, you don't have to pay GST on duty-free items. This means you can actually get more shopping done with the same amount of money!



AIRPORTS AND GST

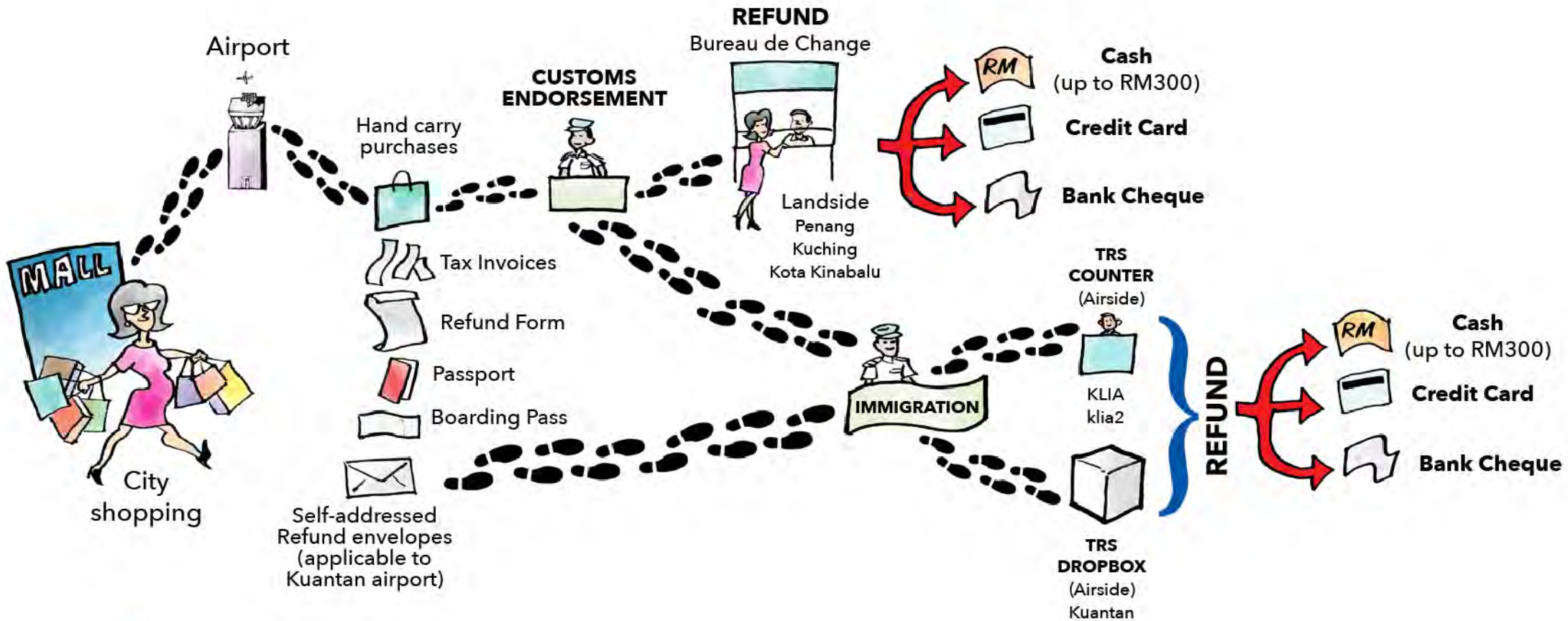
- **What about my favourite airport buys such as cosmetics and chocolates?**

These items are subject to the 6% GST. However, when you shop for these items at the airside, you will find a greater variety of brands, travel exclusives and value buys that are NOT available downtown!



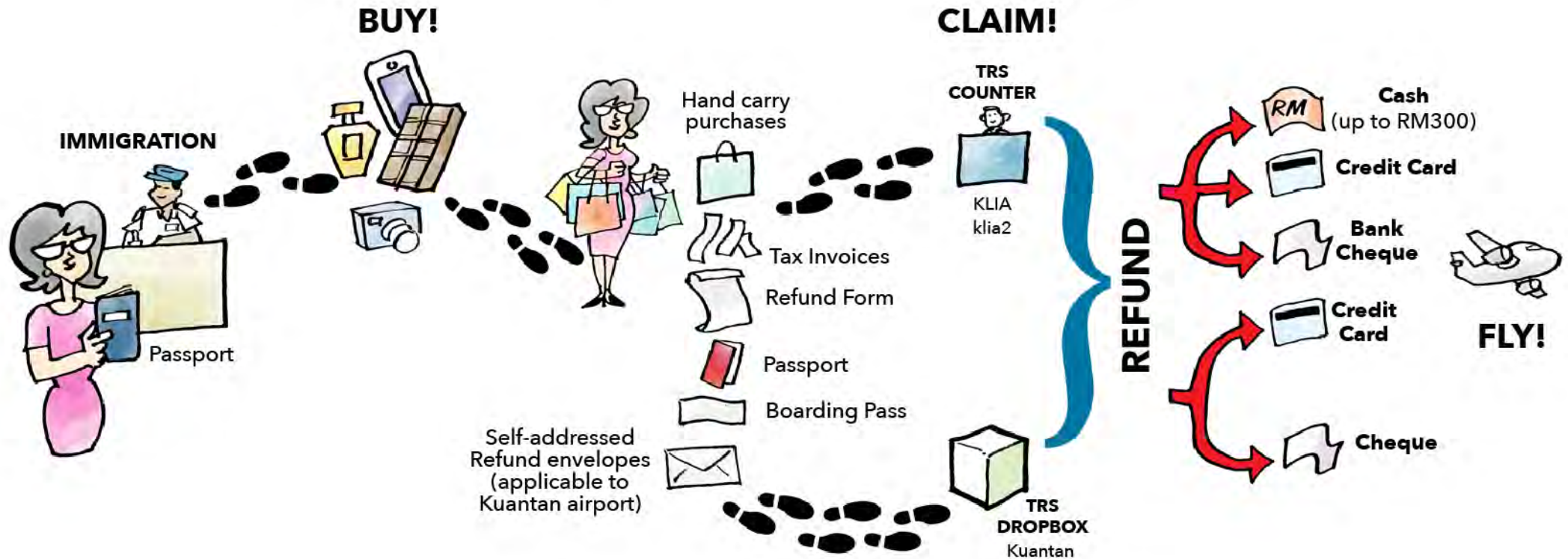
AIRPORTS AND GST

GST refund process for city shoppers



AIRPORTS AND GST

GST refund process for airport shoppers



Since we are an airport we will tell you that it is easier and more fun to shop at the airport! TRY IT!

TOURIST REFUND SCHEME (TRS) AND YOU*



ourists to Malaysia can apply for GST Refund on eligible goods purchased in Malaysia when they leave the country. This portion seeks to explain how you can get a refund.

GENERAL INFORMATION

Mode of travelling out of Malaysia	GST Refund
By land or By sea	No
By Air	Yes

GST Tourist Refund Scheme (TRS)



- **What is Tourist Refund Scheme (TRS)?**

TRS allows tourists to claim a refund of the GST they paid on eligible goods purchased from **Approved Outlets** (shops that participate in the TRS) if the goods are taken out internationally from Malaysia **by air** from one of the airports in Malaysia managed by Malaysia Airports.

If you buy in shops that do not participate in the TRS, you will not get any tax refund.

- **How do I know which outlet is an Approved Outlet for TRS?**

Retailers participating in the TRS will display a "TRS logo" at their retail shop. Tourists can look out for the logo or check with the retailer if their purchases are eligible for GST refund.

**All information in this section are sourced from www.gst.customs.gov.my and are deemed correct at the time of upload.*



TOURIST REFUND SCHEME (TRS) AND YOU



YOUR ELIGIBILITY

- **Who are eligible for TRS?**

To be eligible for a GST refund, you must satisfy all of the following criteria:

- You are **not** a Malaysian citizen or permanent resident of Malaysia
- You hold a valid international passport
- You are not a member of the crew of the aircraft on which you are departing Malaysia
- You must take the goods out of Malaysia by air within 3 months of purchase

- **What if I am here on a student pass? Am I entitled to a GST refund?**

Yes, provided that you are a non-Malaysian and is not a permanent resident of Malaysia. Student pass holders are treated as normal foreign tourists and are eligible for GST refund if you fulfill all the criteria.

- **Are Malaysians eligible for a refund under TRS?**

TRS is applicable only to non-Malaysians and non-permanent residents of Malaysia.

TOURIST REFUND SCHEME (TRS) AND YOU



ELIGIBILITY OF GOODS

- **Can I claim tax refund for everything I buy? If not, what are the goods that are exempted for a refund?**

GST refund is only applicable to Approved Outlets bearing the "TRS logo" and applies to only eligible goods.

You may claim refund on the GST charged and paid on goods purchased from an Approved Outlet, except for the following:

- Wine, spirits, beer and malt liquor
- Tobacco and tobacco products
- Precious metal and gem stones
- Goods wholly or partially consumed in Malaysia (except for clothing/tax invoices to be maintained)
- Goods which are absolutely prohibited from export under the written law
- Goods which are not taken out as accompanied (hand carried) or unaccompanied (checked-in) luggage

TOURIST REFUND SCHEME (TRS) AND YOU

- **Can refund be claimed for services such as accommodation, car rental and entertainment?**

GST refund is not applicable for consumable goods and services such as hotel accommodation, entertainment, car rental, etc.

Goods or services	GST Refund
Services - car hire, hotel accommodation, tours, entertainment	No
Goods consumed or partly consumed in Malaysia - foods, snacks, drinks, chocolates, perfumes	No
Unconsumed goods	Yes
Goods taken out with you when you leave Malaysia	Yes
Purchased but used clothes, camera, laptop	Yes

- **Can tourists use the purchases before applying for TRS?**

Purchases that have been used, wholly or partly, will not be eligible for GST Refund - except for non-consumable goods such as clothing, cameras and laptops. Tax invoices for non-consumable goods must be maintained.

TOURIST REFUND SCHEME (TRS) AND YOU



AT THE APPROVED OUTLET

• What must I do at the Approved Outlet?

- You must show your valid international passport to prove your eligibility
- Inform the outlet that you intend to leave Malaysia via air within 3 months from date of purchase
- Obtain and keep the original tax invoice/receipt for your eligible purchases
- Get an original Refund Form from the sales assistant/cashier at the Approved Outlet and ensure that the refund form is completed correctly
- Complete the Refund Form which is in triplicate. The Form must be completed by you personally and NOT by a representative
- The tourist must keep the original copy of the tax invoice or receipt and the completed original Refund Form and produce these documents together with the purchased goods to a Customs Officer at the airport prior to departure
- If you want to mail in your Refund Form, get a self-addressed envelope with pre-paid postage from the Approved Outlet

TOURIST REFUND SCHEME (TRS) AND YOU

IS THERE A TIME LIMIT?



AMOUNT AND TIMING

Is there a minimum amount for the refund?

You must spend at least RM300 (including GST) to be eligible for a refund. Your claim for tax refund must be supported by the relevant tax invoices or receipts and Refund Forms.

• Is there a time limit on the purchases under the TRS?

Yes. Your purchase should not be more than 3 months from your date of departure in order to be eligible under TRS.

Time limit of claim for tourist refund	GST Refund
Goods purchased for more than 3 months before departure	No
Goods purchased for less than 3 months before departure	Yes

TOURIST REFUND SCHEME (TRS) AND YOU

THE REFUND FORM



- **Where do I get my Refund Form?**

You can get a Refund Form from the Approved Outlet where the eligible goods have been bought. A Refund Form cannot be issued by the Customs at the airport.

- **What information do I need to provide on the Refund Form?**

The refund form should contain the following particulars:

- Tourist's name
- Tourist's passport number
- Tourist's country of residence
- Date of arrival in Malaysia
- Intended date of departure from Malaysia
- Date of purchase of the eligible goods
- Tax invoice or receipt number for the eligible goods
- Description and quantity of the eligible goods purchased
- The total amount paid for the eligible goods, inclusive of GST, the total amount of GST refundable, the amount of the administrative/processing charge/fee and the net amount of GST refundable to the tourist.

TOURIST REFUND SCHEME (TRS) AND YOU



THE REFUND PROCESS

- **What documents must be presented during a refund?**

- You must show your valid international passport
- Your boarding pass or confirmed air ticket as proof of departure
- The goods purchased (jewellery must be in sealed plastic bags)
- Your completed Refund Form for your purchases
- Your tax invoices/receipts

- **Where do I obtain my refund at the airport?**

Once you have completed your Refund Form(s) and the form(s) are endorsed by the Customs, you can apply for your GST refund at the TRS counters located at the respective airports before you check-in your purchases.

It is important for you to arrive at the airport early to allow sufficient time for processing of your GST Refund and inspection of goods.

TOURIST REFUND SCHEME (TRS) AND YOU



- **Will I be charged a handling fee?**

Yes, you will be charged a handling fee and it will be deducted from the GST amount due to you.

This means you will not receive the full amount of GST as refund. GST Refund is made in Ringgit Malaysia at the prevailing exchange rates.

- **What's the currency used for GST Refund and what are the payment methods?**

Your refund will be made in Ringgit Malaysia (minus the Agent handling fee). You may choose to have your refund in any of the available methods.

- in cash up to RM300;
- to a credit card account; or
- through a bank cheque if neither of the previous refund options is feasible

FREQUENTLY ASKED QUESTIONS

?????



Passenger Service Charges (PSC)

1. Is GST applicable on Passenger Service Charges (PSC)?

Yes. GST is applicable on both International and Domestic Passenger Service Charges (PSC).

However, it is not applicable at Langkawi International Airport, Labuan Airport and Tioman Airport due to their duty-free status.

Procurement Processes

1. Are all works, supply and services subjected to GST?

Yes. All works, supply and services are subjected to GST as per the guidelines by Royal Malaysian Customs.

2. My Company is not GST registered. Can my Company participate in Malaysia Airports quotation or tender?

Yes. Our quotations / tenders are open to all companies regardless of whether they are GST or non-GST registered.

FREQUENTLY ASKED QUESTIONS

?????



Procurement Processes

3. Is the price of tender documents subjected to GST?

Yes. The price of tender documents is subjected to GST and is stated in the tender advertisement (except for Langkawi International Airport, Labuan Airport and Tioman Airport due to their duty-free status).

4. Should GST be included or excluded from the Quotation / Tender Price submission?

All quotation / tender price submission must exclude GST. However, the GST amount must be stated by the tenderer in the same document as a separate line item.

5. Is Vendor Registration fees be subjected to GST?

Yes. Vendor Registration fees will be subjected to 6% GST.

FREQUENTLY ASKED QUESTIONS

?????



F&B Outlets

1. Is F&B subject to GST?

Yes. F&B is subjected to GST.

2. What was the old tax rate and what is the GST rate?

The old tax rate (Service Tax) was 6% and is now replaced with GST, at the same rate.

3. Is the price displayed on the menu card / menu board inclusive or exclusive of GST?

The price displayed on the menu card / menu board should be GST inclusive.

4. Is the GST charges shown separately on the receipt?

The GST charges should be shown separately on the same receipt.

5. If my bill is less than RM5.00, can I be exempted from GST?

No. GST must be charged once the business is GST-registrant.

FREQUENTLY ASKED QUESTIONS

?????



Retail Outlets

1. Is GST charged on all goods and services?

No. Not all goods are charged with GST. For example, basic food items are not charged with GST. Please log on to:

<http://gst.customs.gov.my/PdfFile.html> for list of basic food items.

2. Why does Gardenia white sliced-bread have GST charges but not a Gardenia sardine bun?

White sliced-bread is an example of a basic food item which is not charged with GST. However, a sardine bun is not considered a basic food item.

3. Why are there codes such as SR and ZRL stated on my receipt? What are they for?

The codes are used to categorise the GST charges based on the guidelines by Royal Malaysian Customs. For an example SR stands for Standard Rate which is 6% and ZRL means Zero Rated Local which is 0%.

FREQUENTLY ASKED QUESTIONS

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Hotel

1. What type of facilities/ services in hotels are subjected to GST standard rate of 6%?

- Room with furnished sleeping accommodation
- Spa
- Masseur services
- Gym
- Laundry services

Note: List may not be exhaustive.

2. Is GST charged on telecommunication services such as facsimile, email/internet and IDD phone used by hotel guest?

Yes, GST is charged for all telecommunications service charges by the hotel at the standard rate of 6%.

However, international calls are zero rated (0%).

FREQUENTLY ASKED QUESTIONS

?????



Hotel

3. **Is GST charged for complimentary rooms?**

Complimentary rooms offered under promotional packages are not subject to GST.

4. **A guest was charged for breaking the hotel tea pot. Is the charge subject to GST?**

Yes. The charge for the broken hotel teapot is subject to GST.

FREQUENTLY ASKED QUESTIONS

?????



General & Commercial lots

1. Is the price displayed for an item inclusive of GST?

Yes. The price displayed for an item is inclusive of GST.

2. Is a tax invoice required for zero-rated or exempt supplies?

*Yes. A tax invoice is required for *zero-rated supplies because these are still considered taxable supplies although zero rated.*

*However, no tax invoices are required for *exempt supplies as they are not considered taxable supply.*

3. Are rental charges of commercial lots within the airport and the terminal building subjected to GST?

Yes. It is subjected to GST at the standard rate of 6%.

FREQUENTLY ASKED QUESTIONS

?????



General & Commercial lots

4. What are some of the other services within the airport that are subjected to GST?

- a) *Parking charges for car, taxis and busses around the airport area - *standard rate*
- b) *Advertising space at an airport terminal by an airport operator - *standard rate*

Note:

** Standard rate- Taxable supplies of goods and services which are subject to GST at standard rate of 6%. A taxable person who is registered under GST has to collect GST on the supply and is eligible to claim input tax credit on his business inputs in making taxable supplies.*

**Zero rate- Goods and services sold by the companies are free from Goods and Services Tax (GST). No GST will be charged on these goods & services. In this context, businesses do not collect any GST on their supplies but are entitled to claim credit on business inputs.*

** Exempt supply- Goods and services that are not subjected to GST. In this context, businesses do not collect any GST on their supplies and are not entitled to claim credit on business inputs.*

GLOSSARY

Airside:

The area beyond security checks and passport and customs control in an airport terminal

Approved Outlet:

Outlets or retailers participating in the Tourist Refund Scheme. Purchases from Approved Outlets are eligible for GST refund

Duty Free:

Goods that are exempted from payment of duty

GST:

Goods and Services Tax. It is a tax collected by companies on the sales of goods and services and paid to the Malaysian Government. Currently the GST rate is set at either 6% or 0% depending on the type of product

GST Free:

Where the 6% GST is not imposed

GST Refund:

Amount claimed by tourists on the GST they paid on eligible goods purchased from Approved Outlets while in Malaysia

Landside:

Area in an airport terminal that is accessible to the general public. It is the area where airline check-in and ticketing counters are located

Refund Form:

A form to be completed by all tourists who wish to make a GST refund claim on their purchases in Malaysia. The Refund Form must be accompanied by Tax Invoices/ Receipts and be endorsed by the Malaysian Customs to before submission

TRS:

Tourist Refund Scheme (TRS) is a scheme that allows tourists to claim a refund on the GST they paid on eligible goods purchased from Approved Outlets in Malaysia

USEFUL INFORMATION

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