

GST FREQUENTLY ASKED QUESTIONS (FAQ)

A. General

1. What is GST?

Goods and Services Tax (GST) is a multi-stage broad-based consumption tax based on the value-added concept.

2. When will GST be implemented?

GST will be implemented nation-wide from 1 April 2015 and onwards.

3. How will I know if I will be charged GST?

Generally, GST will be charged on fees and charges for products offered by the Bank. Where GST is charged, the GST amount will be disclosed separately in the tax invoice.

4. What is the rate of GST?

6%.

5. Will I be charged GST on any CIMB products purchased?

Financial services are generally classified as exempt supplies where no GST will be imposed on interest charged by the Bank. However, fee, service charge, commission, or other similar charges imposed by the Bank will be subject to 6% GST.

6. How does GST work?

In Malaysia, the person who is registered under the Goods and Services Tax Act 2014 is known as a “registered person”. A registered person is required to charge GST (output tax) on his taxable supply of goods and services made to his customers. He is allowed to claim input tax credit on any GST incurred (input tax) on his purchases which are inputs to his business. Thus, this mechanism would avoid double taxation and only value added at each stage is taxed.

7. Where can I obtain more info about the GST mechanism in Malaysia?

Please refer to the official website of the Royal Malaysian Customs Department (RMCD) at <http://gst.customs.gov.my/> for more GST-related information, legislation and guidelines.

8. Is CIMB a GST registered person?

Yes, both CIMB Bank Berhad and CIMB Islamic Bank Berhad are GST registered persons with the following GST registration number as below:

No.	Entities	GST Registration No.
1.	CIMB Bank Berhad	001476694016
2.	CIMB Islamic Bank Berhad	000125841408
3.	CIMB Investment Bank Berhad	001064697856

9. What are the GST treatments for fees and charges imposed by CIMB?

The 3 main types of GST treatment are as follows:

- Standard Rated supply (“SR”) and is taxable at 6%,;
- Zero-rated supply (“ZR”) and is taxable at 0%, and
- Exempt supply (“ES”) is a non-taxable supply.

10. Are fines or penalties subject to GST?

Fines and penalties that are punitive in nature are not subject to GST i.e. out of scope.

11. Will CIMB issue tax invoice?

Yes, CIMB will issue a valid tax invoice for all standard rated supplies.

12. Will GST be charged on any fees incurred for MEPS transactions to foreign parties?

As the service is consumed in Malaysia, MEPS transaction fees to foreign parties will be subject to GST.

For e.g., a foreigner who is a customer with a foreign bank comes into a CIMB branch in Kuala Lumpur to make a cash withdrawal at the SST (Self-Service Terminals), the foreigner will be charged a fee for using the SST with a foreign bank card. That fee imposed to the foreign customer will be subject to 6% GST.

13. Are ATM card annual fees subject to GST?

ATM card annual fee is subject to GST at 6%.

14. Can the Bank waive the GST chargeable to me?

Under the GST Act 2014, the Bank is required to collect GST, on behalf of the Royal Malaysian Customs Department (RMCD), on fees and charges imposed.

15. Are Islamic products subject to GST?

Profit charged by the Bank on financing is not subject to GST. Fees/charges for Islamic products are subject to 6% GST.

16. Is stamp duty subject to GST?

Stamp duty is not subject to GST.

B. Deposit**17. Will I be charged for depositing or withdrawing my Deposits Accounts (e.g. Current Account, Savings Accounts, Fixed Deposits)?**

No, you will not be charged with GST for depositing or withdrawing your Deposits Accounts. However, if there are any fees or charges associated with the depositing or withdrawal from your account, GST will be imposed at 6% on the fee/charges.

C. Lending**18. Will I be charged with GST on the monthly loan instalment payment?**

No, you will not be charged with GST on your monthly loan instalment payment.

D. Credit Cards**19. After the implementation of GST, what will happen to the RM50 service tax on credit cards?**

Beginning 1 April 2015, the RM 50 service tax will be abolished. From 1 April 2015 onwards, fees charged on credit cards will be subject to GST.

20. Will I be charged GST on every credit card transaction I make?

There will not be any fees and GST imposed by the Bank on any payments or purchases made using the Bank's credit card, other than those charges (e.g. cash withdrawal fee etc) listed in the credit card terms & conditions. However, the merchant or retailer may charge you GST on the goods and services you purchase from the merchant or retailer.

21. Are late payment charges subject to GST?

Late payment charges are not subject to GST as it is punitive in nature.

22. Are finance charges (monthly interest) subject to GST?

Finance charges (monthly interest) are exempted from GST.

23. The Bank also issued me a tax invoice. Why do I need one?

After the GST implementation on 1 April 2015, the Bank will issue a valid tax invoice for all standard rated supplies. A valid tax invoice acts as a supporting document for GST registered person to claim back the GST amount from RMCD. The tax invoice is issued by the Bank in the name of the GST registered person and contains the information required under the GST regulations.

24. I have received two separate invoices from different entities. Usually, I receive a single invoice for all transactions from the Bank. Why am I now being sent multiple invoices?

Due to requirements under the GST Act, invoices will now act as Tax Invoices. As such, the legal entities which provide the taxable service will be required to issue you a valid tax invoice.

E. Corporate Customers

25. I currently receive a single invoice for multiple trade confirmations. Moving forward, will I continue to receive a single invoice for multiple trade confirmations?

Due to requirements under the GST Act, invoices will now act as Tax Invoices. As such, tax invoices are required to be issued by the respective legal entities.

Where the trade confirmations are delivered by the same entity, then a single invoice will still be issued. However, if the trades are served by multiple entities, then separate invoices will be provided from the respective entities.

26. I have received two separate invoices from different entities. Usually, I receive a single invoice for all transactions from the bank. Why am I now being sent multiple invoices?

Due to requirements under the GST Act, invoices will now act as Tax Invoices. As such, the legal entities which provide the taxable service will be required to issue you a valid tax invoice.

27. We currently receive a single invoice which contains multiple contract notes. What happens when one of the contract notes were to be voided?

Post-1 April 2015, there will still be a single invoice issued for multiple contract notes. If one of the contract notes turns void, a credit note will be issued to void/cancel the contract note in reference to the original invoice.

28. Are placement fees subject to GST?

Placement fees are subject to GST.

F. Current Account and Online Banking Facility – BizChannel@CIMB

29. Are the fees and charges for Current Account and BizChannel@CIMB subject to GST?

Yes. All the transactions with fees and charges are subject to GST.

30. Do I receive Tax Invoice for each transaction performed via Current Account and BizChannel@CIMB?

Yes. Tax Invoice is issued on monthly basis and available in BizChannel@CIMB for each account level but not by transaction level.

31. How do I receive Tax Invoice for Current Account and BizChannel

For Current Account tagged under BizChannel@CIMB:

Tax Invoice is available for download in BizChannel@CIMB on the 3rd of the following month.

For Current Account NOT tagged under BizChannel@CIMB:

Tax Invoice will be sent to you on the 10th of the following month via mail.

32. How do I receive my Bank Statement for my Current Account?

As per current practise, Bank Statement will be sent out to you on the 10th of the following month via mail.

33. Can I view the GST charges in Bank Statement?

Yes. There is a separate line to indicate the GST charged for each transaction shown in the Bank Statement.

G. Trade Finance**34. How is GST charged for trade finance products and services?**

All fees and commissions charged for trade finance products and services will be subject to 6% GST.

35. Are charges on trade financing subject to GST?

Interests charged on financing are exempted. However, Trade Financing for the purpose of export are subject to GST at zero-rated.

36. Why is the existing Credit Advice renamed to Tax Invoice? What is it for?

An existing document has been renamed as a tax invoice as under the GST Act, any supplies made by a GST registered persons must be supported by a valid tax invoice. Furthermore, if you are a GST registered person, it is to enable you to use this documentation as a supporting document for input tax credit claim.

37. Why is the existing Debit Advice renamed to Credit Note? Why have you changed it and what is it for?

A Credit Note is issued to the customer when the amount previously invoiced is reduced for the same supply. In the content of the credit note it will reflect the adjustment made to the fees / charges and the corresponding GST amount.

H. Agents and Brokers**38. Are commissions paid to agents subject to GST?**

Commission paid to agents will be subject to GST if the agent is a GST registered person.

39. I am an agent and I receive a commission from CIMB. Who is responsible to issue the tax invoice?

Under the GST regime, it is the responsibility of the income earner i.e. agents/brokers to issue a tax invoice for commission received from CIMB if the agents/brokers is a GST registered person.