



Support Note

Import Service (Reverse Charge)

This Support note is suitable for:

MYOB Accounting V 21 Malaysia and MYOB Premier V16 Malaysia.

Introduction

Imported services are subject to GST through the concept of a "reverse charge".

The reverse charge operates by treating a supply of services received from overseas.

Since the supplier is not in Malaysia it is not expected that he/she can charge the recipient for the tax. Therefore the recipient of the services will be treated as making a supply and receiving the supply and the recipient of the supply is requested to account for the output GST on the imported services and report the amount in the GST return submitted to the Customs.

Note: Create the Tax code DS 1; link the Tax Paid into Output tax, Link the Tax Collected into Input Tax.

How Do I handle Import Service (Reverse Charge)

Step 1 : Create tax code "DS 1"

Go to List > Tax code > New :

GST code is DS

The link account for Tax collected must be linked to "Input Tax"

The Link account for Tax paid is "Output Tax"

Tax Code Information

Enter the tax code (up to three characters), a brief description of the tax and the rate of tax. Select an appropriate tax type and complete the links as necessary.

Tax Code: DS1

Description: Deemed Supply

Tax Type: Goods & Services Tax

Rate: 6%

GST Code: DS

Linked Account for Tax Collected ⇄: 2-2330 Input Tax

Linked Account for Tax Paid ⇄: 2-2310 Output Tax

Linked Card for Tax Authority : (empty)



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Step 2 : Enter the supplier's bill with TX code (use service layout), please use purchases account

In the second Line of the bill, key in the bill amount (negative) with DS1 Tax code

In the third line of the bill, key in the bill amount (positive) with N-T Tax code

Purchases - New Service

BILL

Supplier ⇄: Oversea Supplier Terms ⇄: Net 30th after EOM Tax Inclusive

Ship to ⇄: Premier 16 GST Testing
Jalan Kuchai Lama Purchase #: 00000211
Date: 17/01/2015
Supplier Inv#:

Description	Acct#	Amount	Job	Tax
Oversea consultation	5-1000	\$1,000.00		TX
	5-1000	-\$1,000.00		DS1
	5-1000	\$1,000.00		N-T

Subtotal: \$1,000.00
Freight: \$0.00 N-T
Tax ⇄: \$0.00
Total Amount: \$1,000.00

Comment: Journal Memo: Purchase; Oversea Supplier Paid Today: \$0.00

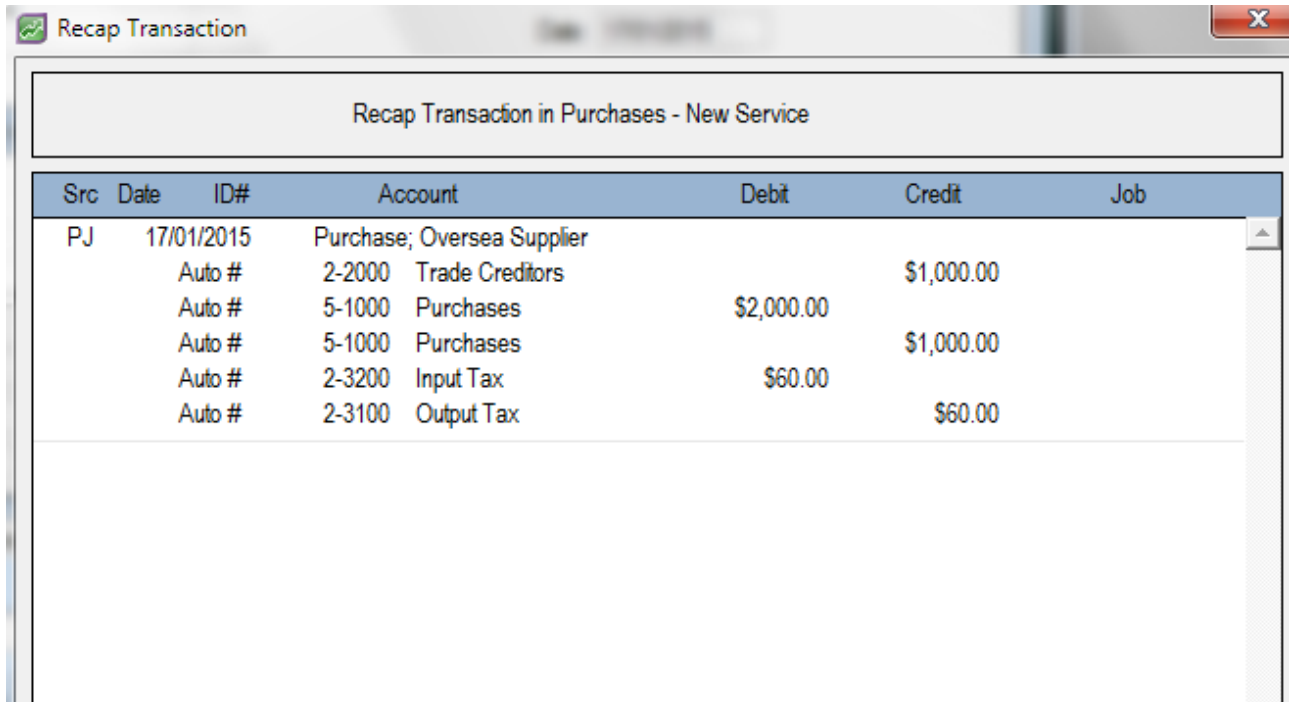
Ship Via: Bill Delivery Status: To be Printed Balance Due: \$1,000.00

Promised Date:



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Step 3 : Please recap the transactions, the input GST will be charged back into Output GST amount.



The screenshot shows a 'Recap Transaction' window with the title 'Recap Transaction in Purchases - New Service'. It contains a table with the following data:

Src	Date	ID#	Account	Debit	Credit	Job
PJ	17/01/2015		Purchase; Oversea Supplier			
		Auto #	2-2000 Trade Creditors		\$1,000.00	
		Auto #	5-1000 Purchases	\$2,000.00		
		Auto #	5-1000 Purchases		\$1,000.00	
		Auto #	2-3200 Input Tax	\$60.00		
		Auto #	2-3100 Output Tax		\$60.00	

Note : Review the GST-03 report5a & 5b and 6a & 6b should reflect the amount.

Contact our Customer Service Representatives now:-

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