

## GST FREQUENTLY ASKED QUESTIONS (FAQs)

### 1. What is Goods and Services Tax?

GST is a transaction-based tax levied on taxable supply of goods and services made by a taxable person carrying on a business in Malaysia at each stage of the supply chain. GST is effective from 1 April 2015 at a rate of 6% as announced in Budget 2014 of the Government of Malaysia.

### 2. Are all goods and services subject to GST?

All goods and services are subject to GST, unless they fall under the zero-rated supply, exempt supply or out-of-scope supply. Zero-rated supply is goods and service provided where GST is applicable at a rate of 0%, for example, basic food items and exported goods and services. Exempt supply is goods or services that are exempt from GST, for example, life insurance and sales of residential property. Out-of-scope supply is goods or services that do not fall within the area of GST, for example, salary.

### 3. Does GST apply to non-residents in Malaysia?

Yes, GST is applicable to goods and services rendered in Malaysia. Hence, sales and services fees charged to all investors are subject to 6% GST, regardless you are a resident or non-resident of Malaysia as services are connected with the administration of investment funds established in Malaysia and are performed in Malaysia.

### 4. Who can charge me GST?

Only a GST registered person can charge and collect GST on the taxable supplies of goods and services. Maybank Islamic Asset Management Sdn Bhd (“Maybank Islamic AM”) is a GST registered person.

### 5. Is investment in unit trust fund/ wholesale fund (“fund”) subject to GST?

Buying and selling of investment units in a fund is exempted from GST. However, sales charges, redemption fee/ redemption charge (for services rendered), switching fee, transfer fee and other fees/charges which is applicable to the fund are subject to GST of 6%.

*Illustration:*

	Before GST	After GST
Investment amount	RM 100,000	RM 100,000
Sales Charge @ 5% of investment amount	RM 5,000	RM 5,000
6% GST on Sales Charge	-	RM 300
<b>Total Amount Payable by Unit Holder</b>	<b>RM 105,000</b>	<b>RM 105,300</b>

**6. What are the fees and charges of a unit trust fund/ wholesale fund (“fund”) that are subject to GST?**

GST is applicable to the following fees and charges:

- Sales charges/Application fee
- Redemption fee/ Redemption charge (for services rendered)
- Switching fee
- Transfer fee
- Management fee (to be charged at fund level)
- Trustee fee (to be charged at fund level)
- Other transactional fee and charges for the purposes of investment of the fund that is subject to GST, if any, such as but not limited to brokerage fee, bank service charge, etc (to be charged at fund level).

**7. Is GST applicable to the redemption of units in a unit trust fund/ wholesale fund (“fund”)?**

No, redemption of units in a fund is not subject to GST. However, redemption fee or redemption charge (for services rendered) that is charged by Maybank Islamic AM will be subject to GST at 6%.

*Illustration:*

	Before GST	After GST
Redemption amount	RM 100,000	RM 100,000
<i>minus</i> Redemption fee @ 5% of redemption amount	RM 5,000	RM 5,000
<i>minus</i> 6% GST on Redemption fee	-	RM 300
<b>Total Amount Receivable by Unit Holder</b>	<b>RM 95,000</b>	<b>RM 94,700</b>

**8. Is GST applicable to the income distribution from unit trust fund/ wholesale fund (“fund”)?**

No, income distribution from a fund is not subject to GST.

**9. Is GST applicable on fees from private mandate?**

Generally, all fee-based transactions and charges in relation to fund management services are subject to GST at 6% regardless of whether services are privately managed fund or otherwise.