APPENDIX A2

GOODS AND SERVICES TAX

EXEMPT SUPPLY

Goods

1. Land used for residential or agricultural purposes or general use.

2. Building used for residential purposes.

   Note:

   General use means the use of land for the purpose of burial ground, playground or religious building.

Services

A. Financial services

1. The operation of any current, deposit or savings account.

2. The provision of any loan, advance or credit or other similar facility.

3. The provision of any facility of installment credit finance in a hire-purchase, conditional sale, credit sale or lease agreement where an interest or any other similar charge is disclosed separately to the recipient of the supply of goods.

4. The transfer of ownership of any note or order for payment.

5. The exchange of currency or the transfer of ownership of any derivative relating to the exchange of currency (whether effected by the exchange of bank notes, currency notes or coin, by crediting or debiting accounts or otherwise) other than the supply of a bank note or coin as a collector's item, investment article or item of numismatic interest.

6. The transfer of ownership of any right or derivative relating to an obligation to pay interest or similar charge.

7. The holding of bonds, debentures, notes or other similar instruments representing or evidencing indebtness, whether secured or otherwise.

8. The transfer of ownership of any securities or the transfer of ownership of derivatives relating to securities.

9. The transfer of ownership of futures contract or transfer of ownership of derivatives relating to commodities except for the settlement of any futures contract by way of physical delivery of commodities.

10. The issue, holding or redemption of any unit or other similar instruments under a trust fund.

11. The provision of any life insurance or life reinsurance.

12. Any reference to the provisions under this Group shall apply, mutatis mutandis, to any reference involving transactions conducted in accordance with the principles of Syariah.

Provided that the supply of services in the above paragraphs shall not be deemed to be an exempt supply to the extent that the consideration payable for the usage or provision of facilities, arranging, broking, underwriting, or advising on any of the supplies specified therein, is any fee, commission, merchant's discount or other similar charge.

Notes:

i. "Security" means":

   (a) debt security in the form of bond, debentures, notes or other similar instruments representing or evidencing indebtness; or

   (b) equity securities in the form of shares and loan stock.

ii. "Derivative" is a security that derives its value from the value or return of another asset or security where the underlying asset can be physical asset which includes agricultural commodities, metals and sources of energy or financial asset which includes stocks, bonds, currencies or interest.

B. Education services

1. Educational and related educational services provided to students by private pre-schools, primary and secondary schools registered under the Education Act 1996, Child Care Centre Act 1984 or State Islamic Religious School Controlled Enactments.

2. Educational and related educational services in relation to tertiary education provided to students by private higher educational institutions approved under the Universities and University Colleges Act 1971 and the Private Higher Educational Institutions Act 1996.

3. Food and drinks supplied by a canteen operator in a pre-school, primary and secondary school registered under the Education Act 1996, Child Care Centre Act 1984 or State Islamic Religious School Controlled Enactments.

Notes:

i. "Private pre-school, primary and secondary school" means a school or an educational institution which is not a government or government-aided school or educational institution as defined under the Education Act 1996.

ii. "Educational institution" means a school or any other place where, in the carrying on of the work of an organization or institution, persons are habitually taught, whether in one or more classes, and includes a kindergarten and a distance education centre but does not include:

   (a) any place where the teaching is confined exclusively to the teaching of any religion; or

   (b) any place declared by the Minister by notification in the *Gazette* not to be an educational institution for the purposes of the Education Act 1996.

iii. Educational and related educational services in paragraphs (i) and (ii) of this list include:

   (a) pre-school, primary and secondary education made in accordance with the curriculum as prescribed in the Education Act 1996;

   (b) tertiary education made in accordance with the course as specified under the Universities and University Colleges Act 1971 and the Private Higher Educational Act 1996;

   (c) curriculum and course materials;

   (d) excursions or field trips;

   (e) provision of food and accommodation;

   (f) transport;

   (g) administrative services;

   (h) examination services; and

   (i) supply of cleaning and maintenance, electricity, gas, air condition as part of the provision of student accommodation.

C. Childcare Services

Childcare services provided by childcare centres registered under the Child Care Centre Act 1984.

Notes:

i. "Child care centre" has the same meaning assigned to it under section 2 of the Child Care Centre Act 1984.

ii. "Childcare services" is a service of any form of child care on a part-time or day-to-day basis for payment or as a benefit of employment.

D. Healthcare Services

Healthcare services provided by private healthcare facilities.

Notes:

i. Healthcare services include:

(a) medical, dental, nursing, midwife, allied health, pharmacy, ambulance services and any other service provided by a healthcare professional;

(b) any accommodation and food for the purpose of providing healthcare services;

(c) any service for screening, diagnose, or treatment of person suffering any disease, injury or disability of mind and body;

(d) any service for preventive or promoting health purposes;

(e) any service provided by private healthcare facilities;

(f) any service for curing or alleviating any abnormal condition of the human body by application of any apparatus, equipment, instrument or device or any other medical technology; and

(g) any related healthcare service which includes the supply of drugs and medicines, hemodialysis services and blood bank services.

ii. "Private healthcare facilities" has the same meaning assigned to it under section 2 of the Private Healthcare Facilities and Services Act 1998.

iii. Healthcare professional includes:

(a) a medical practitioner, dental practitioner, pharmacist, clinical psychologist, nurse, midwife, medical assistant, physiotherapist, occupational therapist and other allied healthcare professional and any other person involved in the giving of medical, health, dental, pharmaceutical or any other healthcare services under the jurisdiction of the Ministry of Health; and

(b) Optometrist registered under the Optical Act 1991.

E. Residential Land or Building, Agriculture Land and General Use Land

1. The grant of any right over land or of any licence to occupy land or building for residential purposes.

2. The grant of any right over land or licence to occupy land for agricultural purposes.

3. The grant of any right over land or licence to occupy land intended for general use.

4. The supply of services to owners in low and low medium cost housing held under strata title by management corporation and joint management bodies.

Notes:

i. General use means the use of land for the purpose of burial ground, playground or religious building.

ii. Low and low medium cost housing means low and low medium cost housing as referred to in the National Housing Standard for Low Cost or Low Medium Cost Housing, Construction Industry Development Board.

F. Accommodation

The grant of any right or of any license to occupy hotels, inns, boarding houses, serviced apartments, shop apartments or similar establishments with control management under a contract for a duration of twenty eight days or more, used predominantly as place of residence or abode of any individual.

Notes:

i. "Serviced apartment" means any building under a commercial title but is occupied or is intended to be occupied as a residence.

ii. "Shop apartment" means an apartment located above a commercial premise under a commercial title and is occupied or is intended to be occupied as a residence.

G. Transport Services

1. The transport of passengers:

   (a) in any vehicle licensed by the Land Public Transport Commission or Commercial Vehicle Licensing Board as:

      (i) bus excluding chartered bus;

      (ii) taxi excluding airport taxi, luxury taxi and hire and drive car;

   (b) by a railway company licensed under Railways Act 1991; and

   (c) in any ship or vessel licensed as passenger craft under the Merchant Shipping Ordinance 1952 and the Merchant Shipping Ordinance 1960 (for Sabah and Sarawak) but excluding ship or vessel for the purpose of recreation or leisure.

H. Tolled Highway or Bridge

The grant of any right to use a tolled highway or bridge.

I. Funeral, Burial and Cremation Services

1. Any supply of services in a package in connection with ceremonial and tribute, disposition of the remains or memorialisation.

2. Pre-need funeral plan program.

Notes:

Pre-need funeral plan program is the reservation of columbarium or burial plot.

J. Supplies made by Societies and Similar Organisations

The supply of certain goods or services to its members, where the benefit of such supply is substantive, which relates to its aims and available without payment other than a membership subscription by any of the following society or similar organisation registered under any written law:

(a) a trade union or other organisation of persons having as its main object the negotiation on behalf of its members of the terms and conditions of their employment;

(b) a professional association, membership of which is wholly or mainly restricted to individuals who have or are seeking a qualification appropriate to the practice of the profession concerned;

(c) an association, the primary purpose of which is the advancement of a particular branch of knowledge, or the fostering of professional expertise, connected with the past or present professions or employment of its members; or

(d) a trade association, the primary purpose of which is to safeguard or promote the businesses of its members.

Notes:

i. The above item excludes any right of admission to any premises, event or performance, to which non-members are admitted for a consideration.

ii. "Trade union" has the meaning assigned to it by section 2 of the Trade Union Act, 1959.

iii. "Trade association" has the meaning assigned to it by section 53(3) of the Income Tax Act, 1967.

iv. "Membership subscription" shall include an affiliation fee or similar levy for societies and similar organisations, the membership of which consists wholly or mainly of constituent or affiliated associations.

v. Paragraph (c) does not apply unless the association restricts its membership wholly or mainly to individuals whose present or previous professions or employment are directly connected with the purposes of the association.