



SQL Financial Accounting – Import Goods Treatment

SQL Financial Accounting

GST – Import Goods Treatment

eStream Software



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VERSION CONTROL

Version No.	Date	Initiated by	Remarks
1.0	28 March 2015	Loo Chin Soon	Initial document
1.1	22 April 2015	Loo Chin Soon	Update K1 and new screenshot,
1.2	24 Jun 2015	Loo Chin Soon	For forwarder invoice, tax code IM should refer to Local Tax Amount instead of Tax Amount.

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1 INTRODUCTION

IM - "Import of goods with GST incurred". It means there is an input tax claimable. Tax rate is 6%.

Purchase of goods from overseas supplier, the supplier invoice received will not incur GST. However, the GST will be taken place when the goods are discharged out from the port to forwarder warehouse or direct to the buyer. Customs will incur the GST on the total value stated in K1 form.

2 GST IMPORTATION OF GOODS (IM)

2.1 Tax Code

[GST → Maintain Tax...]

You can find the following tax code available in SQL Financial Accounting.

Tax Code	Description	Tax Rate %
IM-0	Import of goods with no GST incurred (for Foreign Supplier Account)	0%
IM	Import of goods with GST incurred	6%

2.2 Oversea Supplier Invoice

[Purchase → Purchase Invoice...]

1. Create the overseas supplier invoice at Purchase Invoice.
2. Select the tax code "IM-0". Tax amount = 0.00

The screenshot shows the 'Purchase Invoice' window. The 'Supplier' is '400-N0001' (NOKIA CORP LTD) with a rate of 'USD @ 3.8500'. The 'Description' is 'Purchase'. The 'Invoice' table has the following data:

Item Code	Description	Qty	UOM	U/Price	Sub Total	Tax	Tax I...	Tax Amount	Local Tax Amount	Sub Total (Tax)	Import Purchase Amt
ANT	ANTENNA	3.00	UNIT	100.0000	300.00	IM-0		0.00	0.00	300.00	
1 records		3.00			300.00			0.00		300.00	

Summary values at the bottom:

- Local Net Total: 1,155.00
- Deposit Amount: 0.00
- Net Total: 300.00
- Landing Cost 1: 0.00
- Landing Cost 2: 0.00

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2.3 Received Forwarder Notification from K1 /Invoice

Let's said in the K1 form show like this:-

Goods value	=	1,155.00 (USD300 x 3.8500)
Add: Custom Duty (5%)	=	<u>57.75</u> (RM1,155 x 5%)
Total Taxable Amount	=	1,212.75
Add: GST (IM)	=	72.77 (RM1,212.75 x 6%)

Therefore, the forwarder will raised their invoice for details as shown in below:-

	Net(MYR)	GST	Gross (MYR)
Est. Duties (Import&/Excise Duty)	= 57.75		
Est. GST Import (RM1,212.75 x 6%)	= <u>72.77</u>		
Est Duties + GST Import	= 130.52		130.52
Duty Processing Fee	= 100.00	6.00	<u>106.00</u>
Total Payable			<u><u>236.52</u></u>

NOTE:

GST Import can be calculated in different way. It might based on total weight (ie. weight x container) or total meter square (ie, meter square x container). For example,

$$\begin{aligned}\text{GST Import} &= 30,000\text{m}^2 \times 10 \text{ containers} \times 6\% \\ &= \text{RM}18,000.00\end{aligned}$$

2.4 Forwarder Invoice Input

[Purchase → Purchase Invoice...]

1. Select the forwarder supplier code in Purchase Invoice.
2. Insert the following fields:-
 - a. Import Curr.Code (for display only)
 - b. Import Curr Rate (for display only)
 - c. Import Purchase Amt (GST Import input)
 - d. Tax Amount
 - e. Local Tax Amount
3. Click on the side button under Import Purchase Amt column. See screenshot below.

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Purchase Invoice

P. Invoice

Supplier: 400-F0001
 Address: FEDEX

Inv No: <<New>>
 Next No: PI-00036
 Date: 22/04/2015
 Agent: ----
 Terms: 30 Days
 Ref 1:
 Ext No:

Description: Purchase

Item Code	Description	Qty	UOM	U/Price	Sub Total	Tax	Tax In...	Tax Am...	Local Tax Amount	Sub Total (Tax)	Import Purchase Amt
		0.00		0.00	0.00	TX		0.00	0.00		

4. You have to input the info according to 2.3. Received Forwarder Notification from K1 /Invoice example.

	Input Value	Explanation
Currency Code	USD	Currency on the goods
Currency Rate	3.85	Follow K1 exchange rate
Purchase Amount	300.00	Goods value in foreign currency
Custom Local Amount	1212.5	Follow K1 total taxable amount. Formula = Purchase Amount + Custom Duty
Tax	IM	6%
Tax Amount	72.77	1,212.75 x 6%
Permit No	K1-3232323	Key-in K1 no.

GST Imports

Currency Code: USD

Currency Rate: 3.85000000

Purchase Amount: 300.00

Customs Local Amount: 1,212.75

Tax: IM

Local Tax Amount: 72.77

Permit No: K1-3232323

OK Cancel

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- After press OK to exit the GST Import screen, the purchase invoice item description will be updated as **“Purchase Value USD 300.00@3.8500 = RM 1,155.00, Permit No: K1-32323232”** from the GST Import entered.
- Below is the sample of Forwarder invoice entry.

Purchase Invoice

P. Invoice

Supplier :- 400-F0001
FEDEX

Address :-

Description :- Purchase

Inv No : <<New>>
Next No :- PI-00035
Date :- 22/04/2015
Agent :-
Terms :- 30 Days
Ref 1 :-
Ext. No. :-

Item Code	Description	Qty	UOM	U/Price	Sub Total	Tax	Tax In..	Tax Am...	Local Tax Amount	Sub Total (Tax)	Import Purchase Amt
	Custom Duty	1.00		57.75	57.75	IM-0		0.00	0.00	57.75	
	Purchase Value USD 300.00...	0.00		0.00	0.00	IM		72.77	72.77	72.77	300.00
	Duty Processing Fee	1.00		100.00	100.00	TX		6.00	6.00	106.00	
3 records		2.00			157.75			78.77	78.77	236.52	

Local Net Total: 236.52
Deposit Amount: 0.00

Net Total: 236.52
Landing Cost 1: 0.00
Landing Cost 2: 0.00

<<END>>