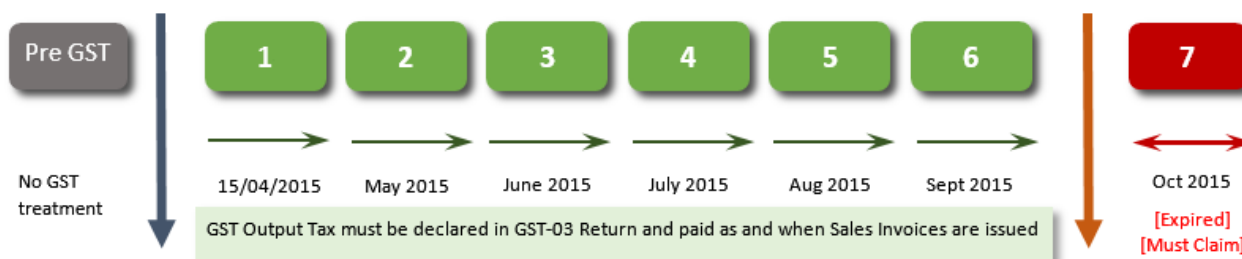


Knowhow: GST Bad Debt Relief [BDR] Handling

Understanding GST Bad Debt Relief:



Conditions:

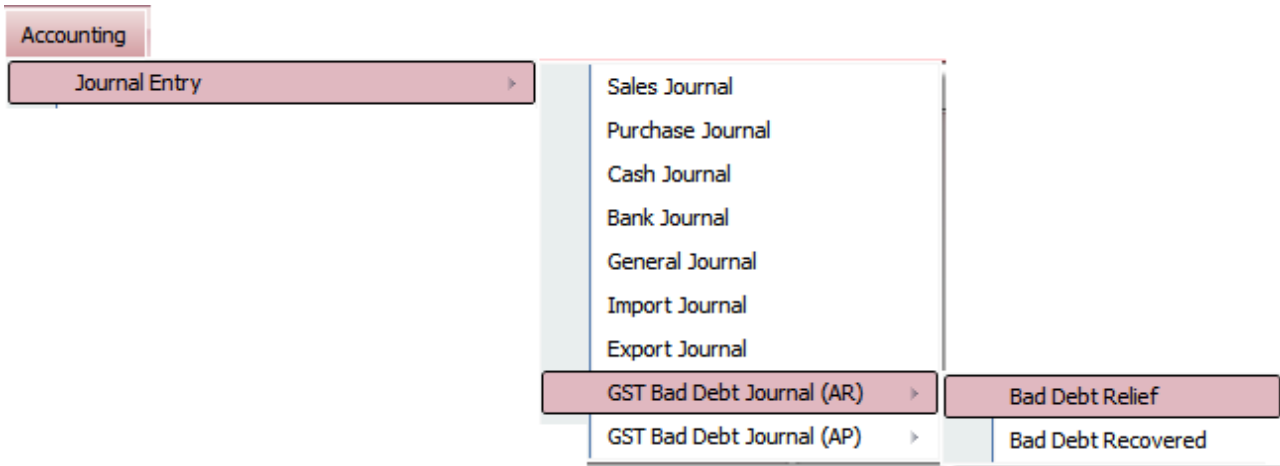
No.	Requirements	Supply	Acquisition
1	Goods and/or services	▶ Provided to customers	▶ Provided by suppliers
2	6% GST on Invoices issued	▶ Declared in GST-03 Return, 5[a] & 5[b] ▶ Paid output tax to Customs	▶ Declared in GST-03 Return, 6[a] & 6[b] ▶ Claimed input tax from Customs
3	Invoice status	▶ Outstanding amount after 6 months from invoice month, full or partial ▶ Debtor's company closed down	▶ Outstanding amount after 6 months from invoice month, full or partial ▶ Creditor's company closed down

GST Regulation for Bad Debt Relief and Bad Debt Recovered

No.	Requirements	Supply	Acquisition
1	Outstanding balances exceeding 6 months from invoice month, MUST process Bad Debt Relief [BDR] on the 7 th month	▶ If the bad debt relief is not claimed immediately after the expiry of sixth month, then the taxable person has to notify the Director General (DG) within 5 days after the expiry of sixth month on his intention to claim at a later date. (DG Decision: Amended on 23/3/2015) ▶ Tax code used will be AJP and declared in GST-03 Return, 5[b]	▶ Omission to pay BDR within the taxable period is an offence ▶ Tax code used will be AJS and declared in GST-03 Return, 6[b]
2	When BDR processed invoices are paid, Bad Debt Recovered [BDV] must be processed	▶ Tax code used will be AJS and declared in GST-03 Return, 6[b]	▶ Tax code used will be AJP and declared in GST-03 Return, 5[b]

Accessing Bad Debt Relief function:

The Bad Debt Relief function is located at Accounting > Journal Entry > GST Bad Debt Journal [AR] > Bad Debt Relief



Bad Debt Relief Listing screen:




- The bad debt relief processed and saved will be listed on the grid section for user view and track
- User can double click on the record line to view the list of outstanding invoices selected for the bad debt relief processing
 - **Open** status → user can make changes to the processed bad debt relief entry
 - **Posted** status → no changes will be allowed.

Bad Debt Relief entry screen:

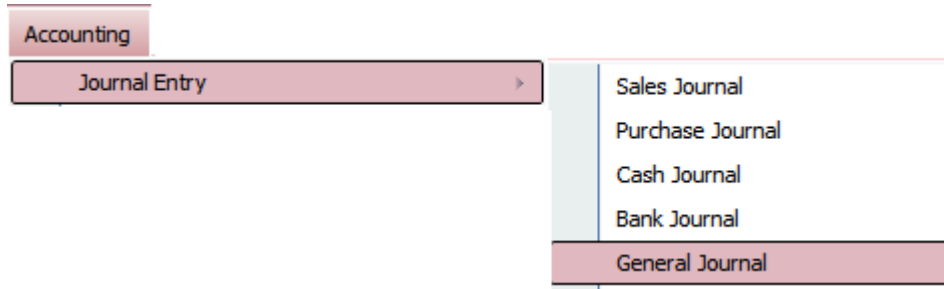
The bad debt relief processing screen comprises of 3 sections:



1	Section 1 - Header	<p>This is the filtering criteria section for user to set and selectively process the bad debt relief for individual customer, if preferred</p> <ul style="list-style-type: none"> ➤ system defaulted values : <ul style="list-style-type: none"> ○ Reference No. /Entry No. with prefix BDR ○ Journal defaulted to system Bad Debt Journal [grouped under General Journal] for easy tracking ○ For [reason] is defaulted to Bad Debt Relief and user has the option to add or replace with own preferred text
2	Section 2 – Body	<p>This section will list and mark ALL outstanding documents exceeding 6 months by default for immediate processing, if user wishes to process the list all at one go</p> <ul style="list-style-type: none"> ➤ User has the option to unmark to deselect the document[s] for the bad debt relief processing ➤ Once confirmed the list to be processed, user has to click on the [Generate Double Entry] button for the system to compute the total GST value for the financial entries to be displayed at the footer section
3	Section 3 - Footer	<p>This section display the financial entries for the GST value computed from the marked/selected documents in body section</p> <ul style="list-style-type: none"> ➤ The tax code AJP is auto defaulted to avoid wrong tax code selection ➤ Description is defaulted to Bad Debt Relief – [affected customer list] which is viewable when mouse over
 Save	<p>Click on the [Save] button to save the financial entries and this bad debt relief journal will be updated to the Bad Debt Relief Listing screen</p>	

Bad Debt Relief Journal [under General Journal]

The system generated Bad Debt Journal is located at Accounting > Journal Entry > General Journal



Journal Entry Listing - General

Journal Date From: 01/01/2015 To: 31/12/2015 This Year

Currency: AUD - Australian dollar, CHF - Chinese renminbi, EUR - European e...

Journal: G301 - General Journal

Status: Draft Posted Un-posted Voided Cancelled

Source: I & B Accounting

Journal Date	JV No.	Journal	Journal Type	Remarks	Currency Code	Total Debit	Total Credit	Status	Source
15/10/2015	BDR-1	General Journal	General Journal	Bad Debt Relief -C00...	MYR	14,240.70	14,240.70	Posted	I & B
						14,240.70	14,240.70		



General Journal (Posted)

JV No.: BDR-1 Currency: MYR - Malaysia ringgit

Journal: G301 - General Journal Currency Rate: 1.00000000

Journal Date: 15/10/2015

Period: 10

Double Entry

GL Account	GL Name	Doc. Date	Reference	Debit	Credit	Total	Description	Tax Code	Tax %	EST De...	Major Indust...
2903/0030	GST INPUT TAX	15/10/2015	BDR-1	14,240.70	0.00	14,240.70	Bad Debt Relief -C0000001...	A3P	6.00000000		
2903/1030	GST LIABILITY [AK]	15/10/2015	BDR-1	0.00	14,240.70	14,240.70	Bad Debt Relief -C0000001...		0.00000000		
				14,240.70	14,240.70						

Remarks: Bad Debt Relief -C0000001 - PIE BICYCLE SDN BHD, C0000001 - STAR BEST SDN BHD, C0000002 - Difference (MYR) 0.00

GST Reports

Tax Report

→ still Work-in-progress for next online update

GST-03 Return

GST Return Wizard

Part B : Return Details

	RM	Amount
5) Output Tax		
a) Total Value of Standard Rated Supply *	1,481,919.61	
b) Total Output Tax (Inclusive of Bad Debt Recovered & other Adjustments)	88,915.18	✔
6) Input Tax		
a) Total Value of Standard Rated Acquisition *	2,190,469.20	
b) Total Input Tax (Inclusive of Bad Debt Relief & other Adjustments) *	146,030.40	✔
7) GST Amount Payable (Item 5b - 6b) *	0.00	

GST Search

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Feedback

Standard Rated Acquisition

Doc No.	Document...	Doc Date	Description	Tax Code	Taxable A...	GST Amount
TAX CODE : AJP (1)						
BDR-1	GST Adjust...	15/10/2015	Bad Debt Re...	AJP	0.00	14,240.70
TOTAL					0.00	14,240.70
TAX CODE : IM (1)						
444444	Purchase In...	15/07/2015	testing 2	IM	188,680.00	11,320.80
TOTAL					188,680.00	11,320.80
TAX CODE : TX (14)						
SI-DYMM-JBE-001	Purchase In...	24/01/2015	SI-DYMM-JB...	TX	61,000.00	3,660.00
22222	Purchase In...	30/01/2015	QO-ASIA-JB...	TX	178,000.00	10,680.00
232323	Purchase In...	30/01/2015	QO-ASIA-JB...	TX	178,000.00	10,680.00
PO-ASIA-JBE-001	Purchase In...	30/01/2015	QO-ASIA-JB...	TX	353,000.00	21,180.00
DN-0000001	Purchase De...	03/02/2015	SI-DYMM-JB...	TX	-6,168.30	-8.55
DN-0000003	Purchase De...	06/02/2015	Purchase of ...	TX	-142.50	-8.55
CN-0000002	Purchase Cr...	27/02/2015	QO-ASIA-JB...	TX	600.00	36.00
PO-SI-CSH-001	Purchase In...	17/04/2015	Purchase of ...	TX	128,000.00	7,680.00
PO-WIS-JBE-001	Purchase In...	21/05/2015	Purchase of ...	TX	65,000.00	3,900.00
PO-SI-CSH-002	Purchase In...	31/05/2015	Purchase of ...	TX	227,000.00	13,620.00
38M999999	Purchase In...	07/07/2015	Purchase of ...	TX	120,000.00	7,200.00
Project_Analytical	Purchase In...	21/07/2015	Purchase of ...	TX	64,000.00	3,840.00
SI-DYMM-JBE-002	Purchase In...	21/08/2015	Purchase of ...	TX	142,500.00	8,550.00
PO-SI-CSH-003	Purchase In...	28/09/2015	Purchase of ...	TX	491,000.00	29,460.00
TOTAL					2,001,789.20	120,468.90
					2190469.20	146030.40

***** END *****

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