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PARKROYAL on Beach Road, Singapore

Changes in Malaysian Gold and Jewellery Markets

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Gold Bullion Market

- Prior to April 2015, before implementation of GST
- 3 main importers/traders of Kilo bar

- Post April 2015, GST introduced at 6%
- LBMA accredited Kilo bar/investment gold wafers, coins exempted

- Jan 2016, new amendments introduced
- Only IPM, investment Gold Bars exempted, with condition
- Gold Bars/Kilo bars for manufacturing standard rated at 6%
- Need to apply for PERMIT to qualify for exemption to import IPM
- One major Bullion Dealer suspended its operation

- In Jan 2018, a local commercial gold refinery was officially launched
- Demi Idaman Sdn Bhd, in Shah Alam, outskirts of Kuala Lumpur
- They produced cast bars of 999.9 purity, in 50g, 100g, 500g & 100g (Kilo bar), also OEM Minted bars
- Accredited by SIRIM, Malaysia Standardization Body
- Current production output estimated to be 500kg/month

Statistic of Bullion Input Year 2014-2017

YEAR	RM (MIL)	MT (Apprx.)
2014	10,933	70
2015	11,338	68
2016	9,603	70
2017	13,932	84

Statistic of Jewellery Export Year 2014-2017

YEAR	RM (MIL)	MT (Apprx.)
2014	6,827	40
2015	7,766	45
2016	7,186	52
2017	6,714	40

What's The Latest Now?

- May 9, 2018, a new government has formed, after GE 14
- As promised in their Election Manifesto, GST was to be 'abolished' or rather zero-rated from 6% to 0% effective 1st June 2018
- This was announced on 16th May 2018

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Dr M: GST out, SST in

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By Yiswara Palansamy



Tun Dr Mahathir Mohamad and Datuk Seri Wan Azizah at a news conference following the general election in Petaling Jaya May 10, 2018. — Picture by Razak Ghazali

KUALA LUMPUR, May 10 — Prime minister-elect Tun Dr Mahathir Mohamad insisted today that Pakatan Harapan will remove the Goods and Services Tax (GST) in favour of the previous Sales and Services Tax (SST) as pledged.

When asked about his pact's intention to deliver on its pledges now that it has won the 14th general election, Dr Mahathir stated that there was no ambiguity on this matter.



- Previously standard rated Kilo bar, will now be zero-rated
- What's exempted previously will stay exempted
i.e. IPM for investment
- Will introduced Sales & Service Tax or SST as before, probably
in 3 months time, with changes most likely
- Do not expect Gold & Jewellery industry affected as not
subjected previously

What will happen then?

- As GST zero-rated, effectively Gold & Jewellery trade NOT subjected to any taxes
- IPM will stay exempted from GST
- Kilo bars for manufacturing will be zero-rated \Rightarrow effectively no tax
- Back to the good old days!

Thank You