

**MEMORANDUM  
FOR YOUR FEEDBACK**

Ref No : 0014 of 2018/PO

Date : 4 April 2018

To : Executive Director/ Head of Dealing  
Executive Director/ Head of Operations

From : The Secretariat, ASCM

By Email

No. of pages : As per attachment

**RE : CONSULTATION ON THE IMPACT OF GST ON CAPITAL MARKET**

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Dear Members,

At the SC Industry Dialogue 2017 (SID 2017) held on 15 August 2017, ASCM had raised GST related issues and suggestions to SC as follows: -

- i. Based on our benchmarking study, GST on foreign trade is zero rated in countries such as Singapore, Australia and New Zealand. This lowers the competitiveness of Malaysian capital market. ASCM suggests for GST on foreign trade to be zero rated.
- ii. On the issue of stamp duty chargeable on contract value, ASCM suggests that it should be repealed with the implementation of GST. This is to ensure that Malaysian securities market remains competitive in terms of transaction costs after the implementation of GST. The following are our regional benchmarking study on stamp duty:
  - Malaysia and Hong Kong impose stamp duty on contract notes. However, Hong Kong does not have any GST/Valued Added Tax (VAT) regime.
  - Australia abolished stamp duty one year after implementation of GST in July 2000.
  - Singapore introduced GST on 1 April 1994. Thereafter, suspended and abolished stamp duty on 30 June 1998 and 30 June 2000 respectively.

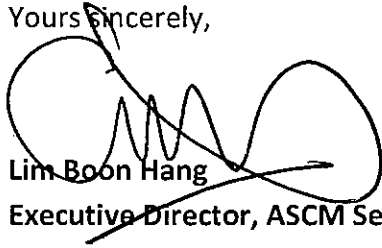
SC has written to ASCM that SC will be conducting a review of the impact of GST on the capital market in order to form the industry's recommendations to the Ministry of Finance (MOF). In facilitating this review, SC has invited the brokers to share analysis on the implications of GST and recommendations that would enhance the efficiency and competitiveness of the capital market. In making the recommendations, it is essential that concrete justification is provided to facilitate a fruitful discussion with the MOF.

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FOR YOUR FEEDBACK**

Kindly provide your feedback by using the attached reply form and revert to us at [saifulazmi@ascm.org.my](mailto:saifulazmi@ascm.org.my) on or before 18 April 2018.

Thank you

Yours Sincerely,



**Lim Boon Hang**  
Executive Director, ASCM Secretariat