

# **GOODS & SERVICES TAX (“GST”) AT “ZERO RATE” FREQUENTLY ASKED QUESTIONS (“FAQ”)**

(v4)

The contents provided in this FAQ are subject to confirmation and update and without liability against OCBC Bank.

# FAQs

<b>Q1</b>	<b>What does it mean, in relation to banking, for GST to be rated at 0%?</b>
	<input type="checkbox"/> This means that all fees for financial services that were subject to GST at 6% before 1 June 2018 are now subject to GST at 0% instead.
<b>Q2</b>	<b>Are all financial services subject to GST at 0% from 1 June 2018 onwards?</b>
	<input type="checkbox"/> Financial services that were exempted from GST at 6% previously continue to be exempted. Similarly, fees, service charges and commissions for services rendered and payments made after 1 June 2018 are subject to GST at 0%.
<b>Q3</b>	<b>What is the new rate of GST and when will it be implemented?</b>
	<input type="checkbox"/> The GST rate, which was fixed at 6% of the value of the goods and services with effect from 1 April 2015, is fixed at 0% with effect from 1 June 2018.

# FAQs

<b>Q4</b>	<b>With the changes, are tax invoices still issued for financial services that are subject to GST at 0%?</b>
	<input type="checkbox"/> Yes. A tax invoice is issued by the Bank to all customers on a transactional or monthly basis for fees that attract GST, although it is set at 0%.
<b>Q5</b>	<b>How do I go about requesting a copy of a tax invoice in the event that it gets misplaced or if I never received it in the first place?</b>
	<input type="checkbox"/> You may call the OCBC Contact Centre at 1300 88 7000 (Business Banking), 03 8317 5000 (Personal Banking) or 03 8314 9310 (OCBC Al-Amin) or visit any OCBC Bank or OCBC Al-Amin branch to obtain a copy.

# FAQs

## Operational Accounts

**Q6 Will I be charged GST for my fixed deposits, savings and current accounts from 1 June 2018 onwards?**

- There continues to be no charge for interest received from the Bank.
- For service charges and fees levied by the Bank, GST is charged at 0%. This includes fees for encashment, bank confirmation, ATM withdrawal, clearing of cheques, cancellation of cheques, stop payment requests for cheques, and so forth.

**Q7 Will financial services performed before 1 June 2018, that are subject to GST charges, attract GST at 6% after the date?**

- Yes, as the service was performed before 1 June 2018.

# FAQs

## Operational Accounts (cont'd)

**Q8**      **How does GST work for half-yearly charges on operational accounts for the period 1 January 2018 to 30 June 2018?**

- GST charges on services for the period in question are as follows:
    - 1 January 2018 to 31 May 2018, charged on 31 May 2018 - GST set at 6%
    - 1 June 2018 to 30 June 2018, charged on 30 June 2018 - GST set at 0%
- A tax invoice will be issued to reflect the charges.

# FAQs

## Provisions of Loans, Advances or Credit

**Q9 Are my loans with the Bank subject to GST on 1 June 2018?**

- There is no GST charge for interest, including those on loans.
- GST is set at 0% for service charges and fees from the Bank. These include establishment fees, arranging fees, advisory fees, agency fees and processing fees.

**Q10 I signed a loan offer (“LO”) letter in May 2018 but the loan will only be disbursed in June 2018. Are the charges for loan processing subject to GST?**

- Yes. Charges levied on loan processing performed before 1 June 2018 are subject to GST at 6%.

# FAQs

## Safe Deposit Box

**Q11** If I have paid the annual fees with GST on my safe deposit box before 1 June 2018, will the Bank refund me the GST on charges relating to the service period after 1 June 2018.

No. Fees charged and fully paid before 1 June 2018 for services performed after 1 June 2018 are subject to GST at 6%.

# FAQs

## Credit Card

**Q12** If I have performed a cash advance transaction on 15 May 2018 and the billing cycle for my credit card is from 11 May 2018 to 10 June 2018, will the fees be subject to GST at 6%?

- Yes. GST is charged at the prevailing rate based on the transaction date. For details, please call the OCBC Contact Centre at 03 8317 5000 (Personal Banking) or visit any of our branches.

**Q13** I paid an annual fee and GST at 6% for my Credit Card on the card anniversary date of 25 May 2018. Do I get a GST refund after 1 June 2018?

- No. Fees charged and fully paid before 1 June 2018 for services performed after 1 June 2018 are subject to GST at 6%.



# FAQs

## Credit Card (cont'd)

**Q14** If the Bank waives the annual fee collected before 1 June 2018 in July 2018, will the GST that has been paid be refunded to the customer?

- Yes. The GST paid by the customer will be fully refunded via a reversal of the transaction with GST.

# FAQs

## Trade Financing

**Q15 How is GST charged for trade finance products and services on 1 June 2018?**

- All fees and commissions charged for trade finance products and services are subject to GST at 0% including for products and services that were previously classified as zero rated.

**Q16 How and when will a tax invoice be issued for trade finance products & services?**

- A tax invoice is issued for every transaction that is subject to GST at 0%. It will be sent to the customer together with the trade transaction advice.

**Q17 For Guarantee fees and GST paid in full before 1 June 2018 to cover periods both before and after 1 June 2018, will there be a GST refund for the period after 1 June 2018 ?**

- No. Fees charged and fully paid prior to 1 June 2018 for services performed after 1 June 2018 are subject to GST at 6%.

# FAQs

## Investment and nominees services

### **Q18 Are there GST charges for investments in unit trusts?**

- Commissions charged by the Bank are subject to GST at 0%.
- There is no GST levied for distribution of income (“dividend”) from the Bank.
- There is no GST levied for gains received from selling unit trusts.

### **Q19 Are my investments subject to GST if I invest in treasury products relating to the debt, capital or money markets?**

- Fees charged by the Bank (if any) are subject to 0% GST.
- There is no GST levied for interest earned, distribution of income and dividend received.
- There is no GST levied for gains received from the realisation of investments.

# FAQs

## ATM

**Q20 Why do ATM screens still show the words “(Inclusive of GST)” when GST has been set at 0%?**

- Beginning 1 June 2018 GST is set at 0%. The ATM screen message means the fee remains inclusive of GST, albeit having been set at 0%.

**Q21 Why are HOUSE fees still set at RM1.00 even though GST has been set at 0% from 1 June 2018?**

- A standard fee of RM1 was charged before the implementation of GST at 6% on 1 April 2015. The RM1 fee was not increased after GST at 6% was implemented. We continue to charge the standard fee of RM1 from 1 June 2018 onwards.

# FAQs

## ATM (cont'd)

**Q22 Why do VisaPlus fees remain at RM12 even though GST is set at 0% from 1 June 2018?**

- A standard fee of RM12 was charged before the implementation of GST at 6% on 1 April 2015. The RM12 fee was not increased after GST at 6% was implemented. We continue to charge the standard fee of RM12 from 1 June 2018 onwards.

**Q23 My statement shows I am being charged 6% GST on 1 June 2018? Why?**

- All transactions performed on 31 May 2018 between 9.31pm and 11.59pm are reflected in the June 2018 statement. Transactions performed before 1 June 2018 are subject to GST at 6%.

# FAQs

## Others

**Q24** Where can I refer for the full list of OCBC Bank's services that are subject to GST?

To view the full list of our Bank's Fees & Charges, please visit [www.ocbc.com](http://www.ocbc.com).

 **Thank you**