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Customs confident of 2004 collection target

SUNGAI PETANI, Sun. - The Customs Department will step up enforcement to meet next year's target of RM25 billion collection in duties and taxes.

Director-general Datuk Abdul Halil Abdul Mutalib said the department would still be able to collect the amount despite a lack of increase in taxes and duties in the 2003 Budget announcement.

He said this at a Press conference after attending the opening of a RM9.5 million Customs Department complex today.

The Sultan of Kedah opened it. Also present were Raja Muda Tengku Abdul Malik, Menteri Besar Datuk Seri Syed Razak Syed Zain dan State Customs director Zanzabir Abidin.

He said the confidence was based on the changes made to the department's collection strategies over the past two years, including a shift in being a "receivers" of duties and taxes to "collectors".

He said the strategies had proven a success, with collection rising from RM16.3 billion in 2000 to RM18 billion in 2001.

This year, the department expects to collect RM21 billion.

"Instead of sitting in our offices and waiting for people to pay up, we go to the ground to collect the taxes," he said.

He said the department was also responding to Prime Minister Datuk Seri Dr Mahathir Mohamad's call made during the Budget announcement for government departments to step up enforcement.

He said the target was achievable because businesses were expected to import more goods with the tax reduction and incentives provided under the budget to small- and large-scale industries and businesses.

"Now we are looking into improving our monitoring and strict checking system on pre- and post-imports to make sure the goods are not under-declared."

He said this practice was rampant as people wanted to avoid paying taxes. He cited an example where an importer declared a consignment of t-shirts at 50 sen per piece when the real value was RM10 each.

"This is a common practice among many people, from individuals to large corporations; so it is our duty to check," he said.

When a scrutiny on the value of goods during pre-import was carried out between March and June, he said, the department managed to add RM300 million to the collection of duties and taxes.

Based on the success of the system, he said, the department was confident of getting more by the end of the year.

Although those caught for declaring a false value on goods imported would be liable to pay a tax of 10 times more than the real price and face a maximum fine of RM10,000 or jail or both, none had been charged so far.

He said the department was flexible to those caught for under-declaring goods as it gave them time to pay the full amount.

"We have a duty to the Government but we also want to help businesses."