

GST registration a hassle for small enterprises

MalaysiaKini.com

Oct 1, 2014

With the implementation of the goods and services tax (GST) looming, the government wants all companies with a business turnover of RM500,000 or more a year to register with the Royal Malaysian Customs Department by the end of this year.

However, the progress is slow because of the problems faced by the companies over the registration process.

Among others, SME Association of Malaysia deputy president Micheal Kang (left) said, the small and medium enterprises are forced to complete the registration with the authority online.

This is despite a number of the enterprises being traditional businesses that have been using the manual accounting system since the beginning of their businesses.

“Getting them to use computers to register with the Customs Department is a big problem. Many of the businesspeople do not know how to use a computer, and they have never used a computer,” Kang told Malaysiakini when contacted two days ago.

Thus, he said, these companies needed to seek assistance from Customs Department officers for their registration process.

However, he lamented, there was shortage of manpower in the Customs Departments in certain states and not all the officers were familiar with the GST registration process, or even the tax system itself.

What made Kang even more dissatisfied about the situation was that some of the Customs officers were playing with official jargons and showing a bad attitude to the business people seeking their help.

'Very poor' attitude of officers in Sarawak

“I just went to Sarawak and found out that the attitude of the officers in the state Customs Department is very poor. So, if you want the Sarawak companies to register, all of them will be pissed off (by the officers),” he said.

However, he noted that some Customs Department officers from other states, particularly from the Putrajaya headquarters and Kedah, were relatively friendly to the business people.

The government aims to get 300,000 companies registered with the Customs Department

by Dec 31 this year, in order to pave the way for the implementation of the GST on April 1 next year.

However, it was reported two days ago that only some 53,400 companies have done their registration and an average of 1,000 to 1,500 companies were being registered each day.

A hypermarket general manager, Pang Sheue Chyn, also encountered problems when she was trying to register her company with the Federal Territory Customs Department in Kelana Jaya, Selangor, last week.

Contacted by Malaysiakini two days ago, Pang said her office computer system underwent a temporary network disconnection during the registration process and she was not able to log into the registered account a few days later.

After she went back to the Customs office to seek help, an officer there insisted she writes a letter and hands it over to the office personally to rectify the log-in password problem, despite she requesting that the problem be tackled online.

"I need to prepare the letter by this week and pass to the officers. And only after that will I know the outcome.

"The government will implement the GST on April 1 next year and if there still are many problems, they will haunt us," Pang said.

'Costs will go up with accounting firms hired'

Kang claimed that there will be price hikes with increases in cost as the consumption tax system would force all the companies to computerise their businesses and to hire accounting firms to ensure punctuality in submitting their tax to the government.

"The real problems have not arisen as the implementation of the GST has not started. But once it is started on April 1 next year, I believe that there will still be many issues that will need to be addressed," he said.

Kang said many of the business people who attended seminars on the GST could also not fully understand the tax system.

Meanwhile, the president of the Malaysian Federation of Sundry Goods Merchants Association, Hong Chee Meng, urged his members to transform their sundry shops and accept the implementation of GST.

While Hong admitted that some traditional grocery shops were afraid of the GST, some even planned to close down their businesses because of it.

The association, he said, managed to curtail their worries over GST after series of seminars it held.

The seminars organised by the federation, Hong said, always had officers from the Customs Department and the Finance Ministry to assist their members to register themselves.

He said the federation members would ultimately realise, from attending the seminars, that there was nothing complicated about the GST and that it would not increase their business burden.

“I wish to tell all my members, and branch chiefs, that they must view this matter in a very positive way, and not the other way around,” Hong added.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd
Source <http://www.malaysiakini.com/news/276306>