

Under GST, which books are zero-rated?

MalaysiaKini.com

Nov 19, 2014

Although several types of books have been zero-rated under the Goods and Services Tax (GST), local booksellers and publishers are still confused over the definition of 'zero-rated books'.

They say that the government should make all books zero-rated items to avoid any confusion or miscategorisation.

Under the GST (Zero-Rated Supply) Order 2014, student text books, reference books, work books, religious texts, dictionaries, encyclopedias and children's picture, drawing or colouring books are categorised as zero-rated items.

Aside from those, all other types of books will be subjected to a six percent GST.

The problem is the variety of book titles, designs, and layouts available on the market are making it difficult for booksellers and publishers to decide whether a book is zero-rated or standard-rated.

Children books most confusing

Malaysian Book Publishers Association (Mabopa) secretary Arief Hakim Sani told MalaysiaKini that children's books are the most difficult to categorise.

"Let's say if one of the children's books has only a few pages of illustration, can it be categorised as a children's picture book?"

"Similarly, if one of the children's books has only a few pages for children to colour, would it be categorised as a children's colouring book?" asked Arief.

He pointed out that almost 18,000 new books are published in the market each year, which is a big number.

"We have had the first meeting with the Customs Department, but the officers themselves are also unclear with the books categorisation.

"They may need some time to review it, but we hope we can have many more meetings with them after this," said Arief.

Besides children's books, he said student textbooks are also a problem to categorise as they included all kinds of textbooks in primary schools, secondary schools and universities.

“How about the textbooks for the international school? And also the religious texts - is it only al-Quran for Muslims? How about the translation and commentary religious books?”

Zero-rate all books

Meanwhile, Pelangi Publishing Group Berhad group managing director Sum Kown Cheek urged the government to include all types of books in zero-rated list.

“Apart from novels or comics, all types of books are educational items. It is unfair to differentiate them as zero-rated or standard-rated.

“No matter it is illustrations or texts, all provide knowledge to readers. Therefore it is weird to categorise them,” said Sum when contacted by Malaysiakini.

Odonata Publishing Sdn Bhd general manager Loh Chong Yong said presently, the government has allowed the booksellers and publishers to decide on their own whether a book is zero-rated or not.

“If the definition still unclear, I am sure the publisher would prefer to list the books as zero-rated books as many as they can.

“However, they are also worried about being penalised if they wrongly categorise the books,” said Loh.

He complained that many of the booksellers and publishers feel at a lost and a waste of their time in having to differentiate the books.