

## **GST to bite into banking services**

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Once the Goods and Services Tax is implemented next year, trips to the bank and even ATMs would become a more costlier affair.

This is because a six percent GST tax would be imposed for charges related to banking services.

According to the Finance Ministry, this would include cheque processing fee and MEPS charges for interbank withdrawals.

"GST will be imposed on any fees charged by the banks such as MEPS charges.

"For example, if a Maybank ATM card holder withdraws from a CIMB ATM machine, the MEPS charge is RM1 and GST would be imposed on the RM1 fee, which is RM0.06.

"GST would not be imposed on the amount withdrawn," clarified the ministry on its Facebook page.

The ministry said withdrawals from ATMs of the same bank would not be subjected to GST as no MEPS fee is charged.

Contacted later, GST director T Subromaniam confirmed that GST would also be imposed on the service charge for safe deposit boxes, and other services provided by the banks.

However, he stressed that the impact would be minimal.

"Most customers would not be affected by the GST imposed on MEPS charges... Generally, MEPS charges are only RM1 and how many people use MEPS in a month?" he said.

Asked about the cheque processing fee, which is RM0.50 per cheque currently, Subromaniam said it would not affect the public much as well.

"Normally it is businesses who issue cheques," he said.

"...The government recognises that there is a slight additional burden on consumers, that is why the announcement of reducing income tax from one to three percent for all income groups was made," he added.

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