

## **Telcos now give extra airtime after raising prices**

**MalaysiaKini.com**

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Telecommunications companies (telcos) will give mobile phone prepaid users more airtime credit, after consumers fumed over higher prices of reload coupons.

Reload coupons cost six percent more than in March yesterday, following the goods and services tax (GST).

This despite the government saying that prices should remain because the earlier six percent sales tax levied on the coupons is replaced with GST.

"Celcom, Digi, Maxis and U Mobile have agreed to give an additional six percent airtime and sms credit, but the price will remain at RM10.60 etc.

"An announcement will be made this afternoon," Deputy Finance Minister Ahmad Maslan said.

Earlier the Customs Department said the telcos were found to be flouting a government directive.

"Before GST (implementation), service tax amounting to six percent was already imposed on each card. With GST (which is also six percent, replacing the abolished sales tax), there should be no change in the price.

"Letters on this have already been sent out to all telecommunications companies (telcos).

However, several telcos are reportedly not heeding this rule.

"The matter is being investigated," Bernama quoted Customs Department GST division director T Subramaniam saying.

This confirms National Consumer Complaints Centre chief executive Muhammad Sha'ani Abdullah's suspicion that telcos are profiteering under the guise of the GST.

Instead of removing the now abolished sales tax earlier levied on reload coupons, errant telcos are incorporating it into its profits and charging six percent on top of that for GST.

If his suspicions are true, he said, it is not only profiteering but also price-fixing among telcos.

### **Deliberate price fixing?**

He referred to a Communication and Multimedia Consumer Forum of Malaysia's (CFM) press statement yesterday, which said that reload coupons will be six percent more

expensive with GST.

"For prepaid services, the prices and corresponding airtime for SIM packs, starter packs and reload coupons are maintained.

"However, as per the GST Act 2014, telcos are required to charge six percent GST on top of these prices," CFM said in the statement.

Close to half of the complaints the government received on the GST on the first day of implementation concerned reload coupons.

Consumers were also upset over GST charged on newspapers by 24-hour convenience stores KK Super Mart and 7-Eleven, which has since apologised and removed the product off shelves until it fixes its "technical system error".

Deputy Finance Minister Chua Tee Yong (above) said those who have been wrongfully charged can get a refund.

"Newspapers are zero-rated. This means GST should not be imposed on newspapers bought anywhere," he said on Facebook, urging people to keep the receipts to get refunds, reported The Star.

Complaints or queries on GST can be directed to the government hotlines 1 800 886 800 and 1 300 888 500.

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