

## **Only 800 GST complaints? Minister surprised**

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**By Koh Jun Lin**

A day after the implementation of the Goods and Services Tax (GST), Deputy Finance Minister Ahmad Maslan expressed surprise that there were “only” about 800 GST-related complaints.

He claimed this shows the new tax, which replaces the Sales and Services Tax (SST) beginning yesterday, is off to a good start.

“At first we thought there would be 8,000 or 18,000 or 80,000 complaints, since there are 30 million Malaysians.

“So we are surprised that there were 815 - not 18,000 complaints. It is a good start for GST in Malaysia,” he told the Dewan Rakyat during question time this morning.

He said this in reply to a question from Sapawi Ahmad Wasali (Umno-Sipitang) regarding the government’s steps to curb incidents where GST is charged on goods and services that are zero-rated or tax-exempt, and cases where customers are slapped with both the SST and GST.

Ahmad said of the 815 complains, about 40 percent pertain to top-ups for pre-paid mobile phone services, where consumers faced a six percent increase in price.

He said the price should not have changed, since the price of the top-ups prior to the introduction of GST included a six percent SST although the tax was not displayed to consumers.

With the introduction of the six percent GST, he said this new tax replaces the old tax and hence the total price should not change, although the tax is now displayed to customers.

“As I am answering this question, the Customs Department is calling the telcos (telecommunications companies) to give them an ultimatum.

“They already understand that they are supposed to deduct the SST first and only then, add the GST. If they are stubborn, we will bring them to court and it will be the first GST-related case under the Anti-Profiteering Act,” he said.

### **'Technical glitch'**

As for the remaining 60 percent, Ahmad said most of these are due to goods being placed under the wrong tax rate, such as those by convenience store chain 7-Eleven.

The company has since apologised for the mistake and attributed it to a “technical system

error”.

Ahmad said consumers who have been over-taxed should return to the shops with their receipts and demand a refund of the tax.

As for complaints, he said this can be lodged via the Customs Department’s call centre at 1-300-88-8500.

To a question from Abdul Rahman Mohamad (Umno-Lipis), Ahmad said claims that businesses can avoid charging GST by splitting up into several companies is “the wrong strategy”.

He said although businesses with an annual turnover under RM500,000 indeed do not charge GST, these companies also cannot claim input tax credits on the GST charged on them by their suppliers.

“This would increase their cost of doing business by six percent compared to their competitors,” he said.

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