

Ahmad Maslan, Shabery at odds over prepaid cards

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Minister Ahmad Shabery Cheek and Deputy Minister Ahmad Maslan appear to be at odds with each other the price of mobile prepaid reload cards.

Shabery, the Communications and Multimedia Minister, is siding with the ministry's agency, the Malaysian Communications and Multimedia Commission (MCMC) who said telecommunications companies (telcos) will not revert to pre-GST prices.

But Deputy Finance Minister Ahmad is siding with the Customs Department, in demanding telcos revert to pre-GST prices as decided in a cabinet meeting earlier.

"The cabinet decision on April 3 overrides any other decision on the prepaid cards issue. Telcos surely already know this," Ahmad said in a tweet.

He appended to his tweet a news article reporting cabinet's decision that there will be no price hike on prepaid cards despite the GST.

However, Shabery said it is impossible for telcos to revert the price starting May 1, as ordered by the Customs Department because there are many things which need to be reconfigured.

"Prepaid reloads also involve payments made through banks and electronic payment methods besides involving as many as 30,000 agents across the country.

"... a change in software and systems needs to be done to ensure that it runs smoothly," Bernama quoted him as saying in Langkawi today.

Study to be ready next week

He said the Customs Department and MCMC had agreed to only move forward on the issue of GST on prepaid cards after gathering feedback from users.

The study is due to be completed this week and presented at the next cabinet meeting, the newswire reported him as saying.

"For example, if a user buys a prepaid reload card worth RM10, we want to see whether the user is comfortable with the payment of 60 sen for the six percent GST, or they want to buy it at RM10 but only be provided with airtime credit of RM9.43," he said.

Customs director-general Khazali Ahmad yesterday said he has issued a directive to all telcos to revert to pre-GST prices in a 'tax-inclusive' concept starting May 1.

This means a card costing RM10 will give users RM10 worth of mobile credit, without any

tax deducted from it.

But the MCMC said this was premature of the Customs Department and it will not adhere to the directive.

The government had before the implementation of GST on April 1 said the price of prepaid cards will not go up with GST.

This is because the six percent GST replaces the six percent service tax earlier levied on the cards.

However, furious customers found prepaid cards costing six percent more because instead of replacing the six percent service tax component, telcos incorporated it into their profits.

The confusion prompted retailers to stop selling the items, creating a shortage of the cards which are mostly used by the lower income groups.

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