

Don't pass buck on telco GST, Najib told
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Finance Minister Najib Abdul Razak's order to Communications and Multimedia Minister Ahmad Shabery Cheek to take charge of the goods and services tax (GST) for prepaid mobile phone services has brought PKR Youth to question Najib's role in implementing the tax.

"Isn't GST enforced under the supervision of the Ministry of Finance?"

"Why did Najib pass the buck to the Ministry of Communications and Multimedia, which only deals with telecommunications companies and has no power on taxation?" PKR Youth chief Nik Nazmi Nik Ahmad asked in a statement today.

Nik Nazmi (right) speculates that this could be because Deputy Finance Minister Ahmad Maslan had failed to implement the GST.

Previously, the Royal Customs Department and the Malaysian Communications and Multimedia Commission (MCMC) issued contradictory statements on the new prices of top-up cards for prepaid mobile services, backed by their respective ministers, Ahmad and Shabery.

The Customs Department said telecommunications companies should revert the top-ups to pre-GST prices, whereas the MCMC said the present prices would stay in place because it was too complicated to comply with the Customs Department's directive by May 1.

'Ahmad's failure is PM's failure as well'

Najib, who is also the prime minister, in a Twitter posting later, ordered Shabery to take charge of the issue.

"Ahmad's failure should be counted as the prime minister's failure as well. Instead of dealing with the matter himself, he only passed the responsibility to another minister," Nik Nazmi said.

Separately, Petaling Jaya MP Tony Pua slammed Shabery for defending the government's decision to collect GST on prepaid mobile services.

Shabery (right) was quoted by Utusan Malaysia as saying that the government could lose RM800 million in tax revenue a year if it does not collect the tax from the phone users.

"Ahmad Shabery was disingenuous because the controversy was never about GST being imposed on prepaid mobile services. No one is asking for the prepaid mobile services to be zero-rated.

“The issue is on telecommunication companies taking advantage of the implementation of GST to raise prices by six percent,” Pua said.

He said under the previous sales and services tax, consumers would pay RM9.43 (plus RM0.57 as tax) to receive RM10 worth of mobile services, but are now forced to fork out RM10 (plus RM0.60 tax) for RM10 worth of services under the GST scheme.

“It is unfortunate that the MCMC, which is supposed to act as the regulator to protect the interests of consumers and ensure competitive practices by telecommunication companies, is instead defending the profiteering activities of these companies...

“Ahmad Shabery must take cognisance that the same Anti-Profitteering Act must be imposed equally and fairly on petty traders deemed unscrupulous for raising prices post-GST, as it must be imposed on the unscrupulous telecommunications companies trampling on the Act despite making billions of ringgit in profits,” Pua added.

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