



Newspaper	News Straits Time
Date	4/4/2014

PRIME NEWS

GST refund, review panels

NST - 4/4/2014

EFFICIENT PROCESS: Refunds to be made from 14 to 28 days, assures Husni

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A GOODS and Services Tax (GST) refund body will be set up to ensure a smooth refund process, similar to the one put in place by the Inland Revenue Board (LHDN), which handles tax refunds for individuals and businesses.

The refund will be given out within 14 working days if the tax forms are done electronically or 28 days if done manually, according to the GST Bill 2014, which was tabled for its second reading by second finance minister Datuk Seri Ahmad Husni Hanadzlah in Parliament yesterday.

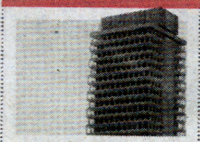
Husni said the bill would also provide a platform for a review of GST, known as the GST Review Tribunal, to address grievances by any parties on decisions made by the Customs director over GST.

"A fair taxation system must give room for

a review on decisions made on the matter within a stipulated timeframe.

"The tribunal will comprise a chairman, deputy chairman and other members appointed by the Finance Minister," he told Parliament when tabling the bill.

In special cases, the government may decide on GST waivers as it deems fit.



**AT THE
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"GST is a form of consumer tax that is levied when a consumer makes a purchase or spends and businesses that are eligible to charge taxes can do so under the GST Bill 2014.

"However, in special cases, the finance ministry can provide tax relief to individuals or businesses as it deems fit.

"The list of those waived from GST will be gazetted and tabled in Parliament."

The government will impose GST waivers for services provided by the federal and state governments, such as driving licences, passports and identity cards, among others.

Clauses 154 to 160 of the proposed law also

puts forward a suggestion for Labuan, Langkawi and Tioman to be made tax-free. Locals and tourists in the three areas would enjoy tax-free goods and services.

Any individual may appoint a GST tax agent to represent them on matters pertaining to GST. Any individual may apply to be a GST agent, subject to approval by the finance ministry, as specified by clauses 164-177.

With the introduction of the GST, both the Sales Tax Act 1972 and Services Tax Act 1975 will be abolished.

"The tax forms must be returned no later than 28 days annually upon the GST's date of implementation beginning next year."

The bill also outlined the penalties that could be imposed on GST evasion, such as inaccurate tax statements, tax evasion and fraud, dishonest tax refunds, offences on goods, invoices and receipts, obstruction of officers in charge, refusal to answer queries over GST, giving false information as well as abetment over GST taxation matters.

"With the GST Bill 2014, Malaysia will be able to reduce dependence on income tax and petroleum revenues, which fluctuate



Datuk Seri Ahmad Husni Hanadzlah says Malaysia has to move towards a transparent, efficient and business-friendly taxation system to achieve high-income nation status

depending on the economy as well as being a non-permanent resource.

"It is time for us to move towards a transparent, efficient and business-friendly taxation system to achieve high-income nation status," he added.

On Monday, Husni tabled the GST Bill for its first reading, where it was debated by members of Parliament.

The GST Bill was first mooted by then finance minister Datuk Seri Anwar Ibrahim in 1993 but was put on hold due to many considerations before it could be implemented.