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GST is **halal**: Najib

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> Extensive studies made before its implementation, says PM

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KUALA LUMPUR: The Goods and Services Tax (GST) that took effect yesterday is “halal”, Prime Minister Datuk Seri Najib Abdul Razak said.

“In fact, our National Fatwa Council has stated that GST is halal,” he said when addressing the World Halal Summit 2015 here yesterday.

He added that extensive studies had been made before the government decided to introduce the new tax regime.

“I suppose we could argue that as it (GST) coincides with the halal gathering, it makes GST halal as well,” Najib said on a lighter note, much to the amusement of more than 1,000 participants at the

Kuala Lumpur Convention Centre.

Several quarters had previously claimed that GST was unIslamic and therefore considered non-halal.

Najib said the new tax regime was structured as a “package” so as not to burden the people.

This can be seen in the reduction of personal income tax by 1% to 3% for year of assessment 2015, reduction of 1% in corporate tax, as well as the increase in BR1M for the lower income group, he said.

Najib also said the Malaysian version of GST is arguably the most complex and multi-layered in the world as it exempts many goods and services from the 6% tax.

“More than 4,000 goods were exempted and zero-rated in the new tax. We have done it this way because we want a soft

landing for people to accept and embrace GST,” he said.

Najib said GST will also benefit the halal traders as the tax will not be applied on exported goods and services.

“Malaysian firms would benefit from a lower cost of doing business by recovering any input taxes,” he added.

Meanwhile, Najib said as Asean chair, Malaysia is keen to encourage the promotion and development of the halal industry in the region.

