

Telcos Agree To Defer 6 Per Cent Service Tax
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KUALA LUMPUR, Sept 12 (Bernama) -- Telecommunications companies (telcos) have agreed to defer the six per cent service tax for pre-paid users which was to come into effect on Thursday.

Information, Communications and Culture Minister Datuk Seri Dr Rais Yatim said the agreement was reached at a meeting between the four major telcos in the country and the ministry at Angkasapuri here Monday.

"The meeting with the managements of Celcom, Maxis, Digi and U Mobile was held in a cordial atmosphere ...they responded positively to the ministry's advice, the government's views and sentiments expressed by Prime Minister Datuk Seri Najib Tun Razak on the matter," he told reporters after the meeting which lasted about an hour.

Celcom was represented by its chief executive officer (CEO) Datuk Shazalli Ramly, Digi Group by CEO Henrik Clausen, Maxis Group by CEO Sandip Das and U Mobile by CEO Dr Kaizad Heerjee.

Rais said the postponement would enable the Malaysian Communications and Multimedia Commission to review the matter to determine when would be the best time to implement the tax and the rate.

He said that the Cabinet would be updated on today's meeting at its next sitting and hoped the issue would no longer be raised as the telcos concerned had agreed to defer the tax.

He added that to appreciate the positive response from the telcos, which had paid the government RM6 billion from service tax since 1998 besides playing a major role in providing telco services to almost 26 million Malaysians, he would recommend to the government to provide them some incentives.

The telcos had been absorbing the six per cent service tax that was to be charged from pre-paid users but collectively decided recently to pass it to customers from Thursday (Sept 15).

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