

## **Timeframe Given for People to Prepare for GST, Senate Told**

**Bernama**

**5 May, 2014**

KUALA LUMPUR, May 5 (Bernama) -- The Goods and Services Tax (GST) has not been implemented immediately so as to enable traders and others to make the necessary preparation," Deputy Finance Minister Datuk Ahmad Maslan said Monday.

He said the decision to implement it in April next year was also to take into account any changes that needed to be made to the computerisation system, staff training and reassessment of the business process.

"The government also wants the legislation and procedures related to the GST to be in order and easily understood, the GST computerisation system to be complete and adequate training given to the officers of the agencies implementing the GST," he said.

Ahmad Maslan said this in his reply in the Dewan Negara to a question from Senator Datuk S. Nallakaruppan who had asked why the GST was not immediately implemented if it was good for the nation's economy.

Last October, Prime Minister Datuk Seri Najib Tun Razak announced in his Budget 2014 speech in Parliament that the implementation of the GST would be effective from April 1, 2015, at a rate of six per cent, and it would replace the existing Sales Tax and Service Tax amounting to 16 per cent.

Differing from the current sales tax which was a single-stage tax, the GST was a multi-stage tax paid at various stages between the production and distribution processes.

Ahmad said the sufficient timeframe would ensure that the people really understood the GST, the effects and measures that would be taken by the government in the event of an issue or conflict following the implementation of the tax.

He said the GST was a self-control system which had a system of cross-checks by the Customs Department and the Internal Revenue Board, thus reducing bureaucratic red-tape and improving tax compliance compared to the Sales Tax and Service Tax.

The implementation of the GST would also reduce the size of the group which

subscribed to the black economy and who did not register as tax payers from the current 30 per cent to 15 per cent.

-- BERNAMA

Copyright © 2014 BERNAMA

Source: <http://www.bernama.com/bernama/v7/newsindex.php?id=1035891>