

**Corrupt traders using scare tactics to profit from GST, says  
Customs  
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BY MD IZWAN**

A small group of unscrupulous traders has been found trying to cash in on the Goods and Services Tax (GST) ahead of its implementation next year by making false claims about prices of goods, said the Customs Department.

Its director-general Datuk Seri Khazali Ahmad said these unscrupulous traders were trying to confuse consumers with false claims that prices of goods will go up once the consumption tax is implemented in April 2015.

"Last month in Kelantan, I saw an advertisement telling customers to buy now before the GST is implemented," Khazali told reporters at the close of the National GST Conference 2014 in Kuala Lumpur today.

"These unscrupulous traders are giving the public an inaccurate picture of the GST by claiming prices will rise after its implementation.

"They are obviously trying to take advantage of the GST's implementation in April next year by raking in additional profits."

Khazali said the traders' actions were irresponsible as they were giving the rakyat a false and negative impression of the GST.

"They are attempting to convey a message to the consumers that if they do not spend now, prices will rise when the GST is implemented."

"For me, such an act creates the wrong picture to the public about GST," Khazali said.

The Customs Department is among the agencies which will play a prominent role in the implementation of the GST.

The department will be responsible for enforcement and monitoring to ensure that the GST is implemented smoothly.

Khazali admitted that there were concerns the implementation of the GST would cause the prices of goods to increase.

However, he said the authorities have taken steps to remedy the situation by introducing measures to prevent traders from blatantly increasing prices.

"The Price Control and Anti-Profiteering Act has been introduced and enforced since April 2011," he added.

Khazali said Malaysia's GST was different from that of other countries because many goods and services were exempted.

"Even the International Monetary Fund has admitted that Malaysia's GST model is progressive."

The managing director of Tax Advisory and Management Services Sdn Bhd, Yong Poh Chye, said he was confident the GST would have a positive impact on Malaysia's economy.

"The GST will help Malaysia to record a surplus budget by 2020, when the nation is aiming to achieve developed nation status," he said.

Meanwhile, Bernama reported that more than 100,000 businesses are expected to register their operations by year-end for the implementation of the GST.

Khazali said compulsory registration by the department would begin in September.

Since June, more than 4,000 businesses had voluntarily registered, with 3,900 granted approval for the new tax regime. – July 11, 2014.

- See more at: <http://www.themalaysianinsider.com/malaysia/article/unscrupulous-traders-using-scare-tactics-to-profit-from-gst-says-customs#sthash.Y470cs1W.dpuf>

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