

Customs Department To Launch 'Ops GST' Beginning March 1
Bernama
Feb 17, 2015

PUTRAJAYA, Feb 17 (Bernama) -- A special operation called 'Ops GST' will be launched nationwide from March 1 to track down those who fail to register under the Goods and Services Tax (GST) on or before Feb 28.

Customs director-general Datuk Seri Khazali Ahmad said Ops GST which would involve some 5,000 officers and personnel would operate 24 hours a day.

"An operation order has been released as a guideline for officers and personnel involved so that no one can masquerade as officers or customs officials," he said during a special press conference regarding the GST, here Tuesday.

He said if any party was found to have failed to register under the GST Act 2014 after March 1, they would be forcefully registered and fined RM15,000.

"After issuing the compounds we will give them two weeks to respond and after that another two weeks. After one month (four weeks) we will take legal action," he said.

He said officers and personnel involved in the operation would be equipped with broadband services to help the parties concerned to register.

He said after running an inter-agency check, his department had identified 62,709 businesses with taxable supplies exceeding RM500,000 that had yet to register with the GST.

Khazali said businesses that had yet to register comprised 17 main sectors which were agriculture, forestry and fisheries (2,778); mining, quarries, and petroleum (227); manufacturing (3,722); electricity, gas, air conditioning and steam supplies (897); water supply, sewerage, waste management and rehabilitation activities (257); property and construction (10,240).

Wholesale and retail trading (26,262); automotive (1,719); transportation and storage (3,025); accommodation, services and hospitality (3,461); information and communication (965).

Finance and insurance/takaful activities (2,027); professional, scientific and technical activities (3,887); clubs, societies, non-governmental and other similar organisations, and local authorities (216); education (896); health (2,408) and gaming, including sports and entertainment activities and recreational activities (544).

Khazali said the Customs Department had sent a reminder to all related parties via acknowledgement of receipt to immediately register under the GST latest by Feb 28 or face action.

He added that with 46 days remaining for GST to be implemented from April 1, 316,001 qualified businesses had registered under the GST Act 2014 up till yesterday (Feb 16).

"This shows a positive response by traders towards this tax system," he said.

In addition, Khazali said a member of the board of directors who provided contract for services to a company and earned more than RM500,000 a year would also be charged six per cent GST.

He said the GST which would be levied on the board of directors was in line with Section 3(1) of the GST Act 2014 which defined that a business comprised trade, buying and selling, profession or any other similar activities, whether it was for profit or otherwise.

"There are individuals in Malaysia whose main income is as members of the board of directors and earn more than RM500,000 per annum.

"But if the directorship was due to a current post held it was not subject to GST. Board of directors in the government linked companies were also exempted from GST," said Khazali.

-- BERNAMA

Copyright © 2015 BERNAMA

Source : <http://www.bernama.com/bernama/v8/newsindex.php?id=1109914>