

## **Property Bodies Happy With Govt Response To GST Petition**

**Bernama**

**Mar 5, 2015**

PETALING JAYA, March 5 (Bernama) -- Property-related bodies are happy with the government's response and the outcome of their meeting with the Ministry of Finance (MOF) to their petition on the needs of stratified property owners under the Goods and Services Tax (GST).

They are the National House Buyers Associations (HBA), the Royal Institution of Surveyors Malaysia, and Association of Valuers, Property Managers, Estate Agents and Property Consultants in the private sector of Malaysia (PEPS) and Malaysian Institute of Professional Property Managers.

Their spokesman, HBA Secretary-General Chang Kim Loong said the petition to MoF dated Nov 28, 2014, had sought for a change in classification from the standard rated tax supply to zero rated tax supply for sinking fund, maintenance charges and all other related charges paid by parcel owners.

He said the government had agreed exempt the GST to all residential stratified properties, irrespective of the category of land use and expressed condition in the land title or the manner the property is labelled and sold.

"However, the owners would still have to pay the GST at the back end, but would be relieved of the burden of administrative compliance with the GST law and regulations, accounting and penalties," he said.

On the impact from GST, PEPS Advisor Wong Kok Soo said unit owners would see an increase of between three and six percent in maintenance cost due to input costs which were not redeemable.

He said joint management bodies (JMBs) and management corporations (MCs) having a surplus in their accounts could absorb the additional maintenance cost resulting from the GST.

"As the increase is not substantial, and GST should be looked at positively as it is a progressive tax as during the two years' teething process, the government is willing to listen to feedbacks, while the Malaysian Royal Customs Department continues to provide advisory assistance," he said.

Meanwhile, Chang said in order for JMBs and MCs to have a surplus, legal actions ought to be taken against defaulters instead of passing on the GST cost to unit owners who paid their dues.

The Strata Management Act, which was passed 2013, is expected to be enforced in June this year, he said, adding that this would paved the way for the setting up of a tribunal, which

could be used as a platform by JMBs and MCs to go after defaulters to seek redress.

-- BERNAMA

Copyright © 2015 BERNAMA

Source : <http://www.bernama.com/bernama/v8/newsindex.php?id=1114281>