

MEF Calls For Holistic Solution For Service Charge After GST

Bernama

April 9, 2015

KUALA LUMPUR, April 9 (Bernama) -- The Malaysian Employers Federation (MEF) is in the opinion that the decision to take action against hotels and restaurants which continue to impose service charge after the implementation of the Goods and Services Tax (GST) should be reconsidered.

Its executive director, Datuk Shamsuddin Bardan, said the Domestic Trade, Cooperatives and Consumerism Ministry's decision to allow only restaurants and hotels with collective agreements to impose service charge was incongruous and perplexing in terms of dealing with the long time practice of service charge in the industry in the advent of the newly implemented GST.

He said the decision to penalise these restaurants and hotels would be detrimental to the employees who would be denied of their portion of the service charge that would normally supplement their basic wages.

"If these restaurant and hotels stop collecting the service charge, then employees who earn a basic salary of RM900 and a service elements of close to RM1,000 per month would be paid the basic salary of RM900.

"To require restaurants and hotels to apply for permission to impose this service charge and to display sticker to the consumers as proposed by the ministry is a form of bureaucracy and should not be implemented," he said in a statement, here today.

In the long term, MEF would like to propose that the ministry, together with the Ministry of Finance, the Ministry of Human Resources and the Ministry of Tourism to formulate a holistic solution that would enable the restaurants, hotel and tourism industries to continue to flourish, he added.

-- BERNAMA

Copyright © 2015 BERNAMA

Source : <http://www.bernama.com/bernama/v8/newsindex.php?id=1124759>