

## **Customs urges small retailers to invest in GST-compliant sales system**

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**By Melati A. Jalil**

Installing a point-of-sale (POS) system to issue printed receipts as part of implementing the goods and services tax (GST) will only be a one-time investment, the Customs Department's GST division told operators of small businesses today.

GST division director Datuk T. Subromaniam said the system will be usable for a long-term basis and would help businesses identify standard and zero-rated items, adding that adopting POS would cost between RM3,000 and RM4,000.

He also said tax deductions were available under Accelerated Capital Allowance (ACA) for businesses on purchases of information communication technology equipment, hardware and training.

He said the POS system would be meaningless if businesses did not have accounting software on GST, as both must run together.

"When all the information is checked into the system, you will have scanner that scans the barcode and you will know whether it is standard or zero-rated. This is to ease their businesses.

"That's why we are appealing, it is a one-time investment, and you will probably use it for the next 10 to 15 years.

"The cheapest POS with a scanner can be obtained for RM3,000 to RM4,000. That is the cheapest, and again, it depends on the complexity of the business," he said today.

Implementation of the GST, which began on April 1 has not been smooth, with various complaints received including over the issuance of handwritten receipts by smaller businesses who have not invested in the POS system.

Handwritten receipts have led to customer complaints over whether they were being correctly charged for GST.

Subromaniam said six categories of businesses at retail level must have the POS system or cash registers starting October 1. From then on, handwritten receipts will not longer be allowed.

These retailers include independent hardware shops, eateries including coffee shops, mini markets, grocery shops, sundry shops, book stores, pharmacies and some entertainment outlets.

"If the the businesses sell all standard rated goods, whereby everything is subjected to 6% GST, a compliant cash register is enough.

"Can you imagine writing down invoices, and you have sardines, which are standard rated, rice zero-rated, sugar zero-rated... it will be so time consuming," Subromaniam said.

Bernama yesterday reported that the six businesses registered for the GST were the biggest culprits in not providing printed receipts or invoices to consumers.

Subromaniam was quoted as saying that the department had received many reports from consumers on the matter because it created doubts as the receipts did not specify the amount of tax charged.

Meanwhile Domestic Trade, Cooperatives and Consumerism Ministry (KPDNKK) secretary-general Datuk Seri Alias Ahmad said the ministry and operators in the services, hotelier and food and beverage industries would be meeting on Monday to discuss the impact of the GST on service charges and wages.

Alias said the ministry felt hoteliers and restaurant owners should review wages so that they were in line with the minimum wage requirement.

Since the GST was implemented on April 1, there has been confusion among various service providers as to whether the service charge, which is different from the sales and service tax that the GST replaces, should be retained.

Hoteliers and restaurateurs have said the charge is divided and shared by the workers, and some say that it helped establishments meet the minimum wage requirement for their staff.

Alias said the wage structure in these services should be modified but added that the ministry did not want to make a unilateral decision and would thus engage with all parties.

Currently, the ministry's stand is that only employers who have a collective agreement with their workers that allows the service charge of between 5% and 10% to be shared are allowed to impose the charge. – April 16, 2015.

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