

Why privatise GST refund scheme for tourists, asks PKR
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A tourist refund scheme (TRS) to claim back the goods and services tax (GST) is only profiting a private company at the expense of government revenue, PKR secretary-general Rafizi Ramli said today.

The scheme, whereby private company Iris Corp Bhd collects 15% of the refund as commission, has created the impression that certain parties were reaping profits from GST implementation while the public were burdened, he said.

Rafizi said Iris Corp had also set up a joint-venture with a Swiss-based company, Global Blue, to manage the TRS for five years.

"This move to privatise the TRS by concession arrangement at a commission rate of 15% will create unease in the public who are already burdened by the GST, that there are others who are reaping profits from the GST through privatised schemes," Rafizi said at a press conference at the party's headquarters in Petaling Jaya today.

He said the TRS should be handled by the Customs department which is responsible for implementing the consumption tax.

The 15% commission given to Iris Corp was also a loss to government revenue and could be used for other national spending, he added.

"Under this privatisation scheme, foreign tourists do not have to pay GST unlike other Malaysians, but the commission to refund the tax is giving profits to a private company and a foreign company," Rafizi said.

Putrajaya, having spent RM365 million on promoting GST, should have allocated funds to the Customs department to implement the refund scheme for tourists.

He urged the government to review the scheme and cut short the concession given to Iris Corp so that revenue from GST for the government does not end up with a private company.

GST at 6% was implemented on April 1 and the wide range of items exempted has created confusion among retailers and industries, drawing complaints from consumers in addition to charges that the consumption tax was burdensome, especially on lower income groups. – April 21, 2015.

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