

Cabinet Agrees Prepaid Telephone Card Users To Get RM10 Value For RM10 Card
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PUTRAJAYA, May 13 (Bernama) -- The cabinet today agreed that users of the prepaid telephone line will get their RM10 value when they activate their RM10 top-up card, said Communications and Multimedia Minister Datuk Seri Ahmad Shabery Chik Wednesday.

He said the Goods and Services Tax (GST) for topping up prepaid telephone card would be charged based on usage.

"The government is of the view that this method is more suitable because the government will not take the tax before the service is used," he said at a media conference, here Wednesday.

Ahmad Shabery said telecommunication companies (telcos) were required to implement the 'buy RM10 get RM10' approach fully within a six-month period.

At the same time, he said, the imposition of the GST on prepaid top-up cards would be continued according to the existing method until the 'buy RM10 get RM10' formula was implemented.

The minister said that to balance the effects of the imposition of the GST, the ministry had asked the telcos to reduce the tariff for their services. The telcos were also urged to offer affordable packages to the targeted groups such as students, he said.

"Previously, calls were charged at RM2.40 but now it is only 3.3 sen. There is a likelihood that this rate may come down further in future. The trend shows that it will be cheaper and not burdensome to the rakyat while at the same time not causing a loss to the telcos.

"We hope the telecommunication industry will continue to grow by giving the best service to the people," he said.

Ahmad Shabery explained that the 'buy RM10 get RM10' formula required a time frame of six months for the telcos to configure the system.

He said the configuration would undergo a difficult process and involved many distribution strata and agents as well as various inputs for the prepaid top-up value such as the physical card, online added value, the internet and mobile banking, and the automated teller machine (ATM).

Previously, he said, it took between eight to 10 months for the configuration system to implement the GST last April 1.

Ahmad Shabery said the government would always ensure that the implementation would not be to the detriment of the people.

"At the same time, the government wants to see good service quality from the telcos," he said.

The prepaid economic sector is substantial with an annual revenue of about RM15 billion.

Earlier, the Royal Malaysian Customs Department had directed the telcos to revert their telephone prepaid card price to the original rate, that is, before the implementation of the GST on April 1.

However, the directive which should have been enforced on May 1 had been postponed after the Malaysian Communications and Multimedia Commission made a statement that it was quite impossible for the directive to be enforced due to the difficulty in reconfiguring the system to standardise the selling price.

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