

Putrajaya seeking best formula to resolve prepaid GST issue, says Shabery
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The government is looking at the best formula in finding a solution to the issue of the goods and services tax (GST) on prepaid mobile services.

Communications and Multimedia Minister Datuk Seri Ahmad Shabery Cheek said this was to ensure consumers received the best value from prepaid cards they purchased.

"We are trying to find the best way, what the best system is implemented in other countries.

"When consumers purchase a prepaid card, they are actually transferring money into digital form and to their handphones, just like the use of the Touch 'n Go card... GST will only be imposed on the transaction charges," he said when replying to a question by Datuk Ikmal Hisham Abdul Aziz (BN-Tanah Merah) at the Dewan Rakyat sitting in Kuala Lumpur today.

On May 13, Shabery said the Cabinet had agreed that users of the prepaid mobile phone services would get their RM10 value when they activated their RM10 top-up card.

He said the GST for topping up prepaid mobile phone cards would be imposed based on usage, and the method would be more appropriate as the government would not take the tax before the service was used.

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

He said to balance the effects of the GST imposition, the ministry had asked telecommunication companies to reduce the tariff for their services, as well as urged them to offer affordable packages to the targeted groups such as students. – Bernama, May 20, 2015.

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