

No reason for Putrajaya to bear cost of reverting to original prepaid prices, says DAP
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Datuk Seri Ahmad Shabery Cheek must ensure Putrajaya does not bear any costs, following his declaration that mobile prepaid cards should revert to the old, pre-goods and services tax (GST) prices, said DAP.

National publicity secretary Tony Pua said the communications and multimedia minister must make sure the move was not at the expense of the federal government, where taxpayers ended up subsidising the telcos.

He said despite absorbing the 6% sales and services tax (SST) which was replaced by the 6% GST on April 1, telcos were still able to make billions of ringgit in profit.

Last year, he said, telcos Maxis Communications, DiGi Telecommunications and Celcom Axiata collected RM12.8 billion in prepaid mobile services revenue.

"Hence the replacement of the old 6% service tax with the new 6% GST should not in any way affect the cost or profitability of these companies.

Therefore, there is no reason at all for the government to offer the telcos any exemptions from fulfilling their tax obligations while maintaining the existing prices," he said in a statement today.

The Petaling Jaya Utara lawmaker said Shabery must clearly stress that any attempts to increase prices of mobile prepaid services is a clear breach of the Anti-Profiteering Act as well as the competition clauses in the Communication and Multimedia Act.

Under Part IV (Economic Regulations), Chapter 2 (General Competition Practices) Clause 133, telecommunications operators are prohibited from "entering into collusive agreements" and among others, should not practise rate fixing and market sharing.

"Therefore, we call upon the minister to ensure that the telcos comply with both the acts immediately, failing which the government must take prompt action to penalise these companies for their attempts to victimise Malaysian consumers.

"Shabery must stop the duplicity of taking action against petty traders for alleged profiteering, while letting these big sharks get away scot free," he said.

Two days ago, Shabery said Malaysians had informed him that they wanted to pay RM10 for mobile prepaid cards and receive RM10 worth of mobile services, and he would ensure that this became a reality.

"The rakyat want to purchase RM10 worth of prepaid credit, and they want to get airtime worth RM10. That's what the people want.

"That's why I have made the decision that if this is what the rakyat want, then that is my decision," he had said during an interview with national broadcasting station RTM1.

"I think it will be a battle to make sure that it happens. It will not be impossible. In a few more days, I will call all the CEOs of the telcos. We will find a mechanism."

Confusion over the pricing of mobile prepaid cards following the implementation of the GST has been one of the biggest problems since the broad-based consumption tax was enforced last month.

The GST was to have replaced the SST of the same amount for mobile prepaid reload cards, but still saw complaints from consumers on the first day of the tax about higher priced reloads.

Since then, there have been apparently conflicting statements by Deputy Finance Minister Datuk Ahmad Maslan and the Customs Department, leading to Prime Minister Datuk Seri Najib Razak instructing Shabery to take charge of the prepaid mobile phone reloads issue. – May 6, 2015.

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