

**10% service charge doesn't go to government, says deputy minister**  
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The 10% service charge imposed by hotels and restaurants is not collected by the government as sales tax.

Domestic Trade, Cooperatives and Consumerism Deputy Minister Datuk Seri Ahmad Bashah Md Hanipah said this was because starting April 1, 2015, all sales tax collected through the sales and services tax (SST) was replaced by the goods and services tax (GST).

He said the 10% service charge imposed by hotels and restaurants was based on the agreement between the management and workers through the Collective Agreement for unionised workers and the Service Agreement for non-unionised workers.

"This service charge is still collected by the parties concerned after the implementation of GST, which they also have to pay," he said in reply to a question from Senator Datuk Boon Som Inong.

Ahmad Bashah said the service charge as defined under the Employment Act 1955 was part of the salary or wage, and the Federal Court and High Court had also decided as such in a number of cases involving service charge in the hotel sector. – Bernama, July 1, 2015.

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