

## **Putrajaya eyes taxing digital service providers next**

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KUALA LUMPUR, Sept 18 — The federal government plans to amend the law to tax overseas-based digital businesses that offer local services, Customs director-general Datuk Seri T. Subromaniam said today.

He indicated that the government will table amendments to the Goods and Services Tax (GST) Act at the next Dewan Rakyat sitting next month, national news wire Bernama reported.

“The biggest losses in the digital economy are business transactions to consumers. Companies that provide the service are outside the country and send to consumers here. They might get instant payment while the service is untaxed.

“This is discrimination to local businesses that are taxed,” Subromaniam was quoted saying during a GST Conference here.

The Star reported separately on its website that Customs expects tax collection from these digital service providers to amount to “several billion ringgit.”

Treasury secretary-general Tan Sri Mohd Irwan Serigar Abdullah who was also at the same conference was reported by the news portal to have cited Facebook, Uber and Google as examples of digital businesses.

The Customs Department also believes GST collection this year will exceed RM42 billion. Last year, revenue from GST crossed RM41 billion.

Prime Minister Datuk Seri Najib Razak who is also finance minister has said the GST has helped halved Malaysia’s fiscal deficit to 3.1 per cent in 2016 from 6.7 per cent in 2009.

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