

Committee to find commercial solutions over Sarawak's petroleum sales tax claim

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KUALA LUMPUR, Aug 11(Bernama) -- A committee has been set up to facilitate negotiations between the Sarawak and federal governments to find commercial solutions over the state's claim against Petronas for the payment of the petroleum products sales tax and 20 per cent oil royalty.

Prime Minister Tan Sri Muhyiddin Yassin said the committee was co-chaired by Senior Minister cum Works Minister Datuk Seri Fadillah Yusof and Finance Minister Datuk Seri Tengku Zafrul Abdul Aziz, together with the Sarawak government and PETRONAS.

He said the committee convened its first meeting on June 17 at the Ministry of Finance (MoF) and it was attended by the Sarawak delegation led by Deputy Chief Minister Datuk Amar Awang Tengah Ali Hasan, as well as representatives from Petronas.

"The negotiations are still ongoing between the three parties," Muhyiddin said in a written reply on Monday to a question from Datuk Seri Saifuddin Nasution Ismail (PH-Kulim Bandar Baru) who wanted to know about the status of the Sarawak government's claim against Petronas for the payment of the Sales Tax at the Dewan Rakyat.

The Prime Minister said the federal government, represented by the MoF, along with Petronas were negotiating on the commercial solutions with the Sarawak government.

Following the discussions between the federal government, Petronas and the Sarawak government, he said it was agreed that issues related to the Sarawak Sales Tax shall be resolved by the parties through negotiations and not through legal action.

On Aug 3, at the Court of Appeal, Petronas withdrew its appeal over its failed judicial review application against the Sarawak government and the state's Comptroller of State Sales Tax regarding the RM2 billion sales tax issue.

Likewise, the Sarawak government also withdrew its cross-appeal over the issue of the High Court's jurisdiction over the state Sales Tax.

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