

Need to iron out GST rebates for prepaid top-up cards

KUALA LUMPUR: Although there has not been any complaint about the Goods and Services Tax (GST) rebate for prepaid top-up cards, several issues need to be ironed out by telecommunications service providers and the Malaysian Communications and Multimedia Commission (MCMC).

For instance, Federation of Malaysian Consumers Associations (Fomca) chief executive officer Mohd Yusof Abdul Rahman said foreigners could end up enjoying the rebate. He said yesterday it was a tough problem to solve as it would involve enforcement and keeping track of the ownership of prepaid phone numbers.

"A local agent may buy prepaid SIM cards in bulk for foreign workers and register them with his details.

"Since he is a Malaysian, the foreign workers who use the SIM cards will get the six per cent rebate. Maybe the telecommunications companies and MCMC should discuss how to address this issue."

The GST rebate on prepaid top-up cards was announced by Prime Minister Datuk Seri Najib Razak at the tabling of the 2016 Budget.

Yusof said, although no formal complaint had been lodged, he had

heard the grouses of certain parties, especially students, who were unhappy that it could take as long as 24 hours to get the rebates.

He said, a RM10 top-up would subject users to a 57 sen GST, leaving a balance of RM9.43 in credit. This amount is insufficient to activate the Internet data connection, and the user would have to wait until the amount was credited back.

"These are the things that the authorities need to look into, because even if it seems trivial, for some it may be indispensable," he said.

With the number of prepaid users in the country expected to exceed 20 million, he said, problems would definitely arise.

According to the guidelines, RM0.57 is deducted for a RM10 top-up, RM1.70 for RM30 and RM2.83 for RM50.

"The ministry has asked MCMC to issue a standard operating procedure to be shared with telecommunication service providers, top-up

card sellers and users," Deputy Communications and Multimedia Minister Datuk Jailani Johari said yesterday at the fourth anniversary celebrations of Nasional FM radio station at Wisma Radio, Angkasapuri here. **Bernama**

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Federation of Malaysian Consumers Associations chief executive officer