

# Many not claiming GST refunds, says Customs

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**PETALING JAYA** — Very few of the 350,000 registered small to medium-sized enterprises (SMEs) registered in the country have submitted applications for refunds of the Goods and Services Tax.

Customs Department director-general Datuk Seri Khazali Ahmad said only 2,511 SMEs had submitted claims.

“Of that number, 65 per cent were approved and have either been paid or are under ongoing payments as claims of over RM10,000 are paid in eight

installments,” he said.

“As the automated system does not tag SME applicants and if the majority of claims made by smaller businesses are lower than RM1 million, the approval rate would be higher, at 72 per cent.”

On Thursday, the Associated Chinese Chambers of Commerce and Industry of Malaysia released the results of its 2016 taxation survey report.

The survey claimed the GST had placed financial pressure on SMEs but admitted the percentage of small enterprises reporting cash flow problems had dropped from 68 per cent pre-GST to 58 per cent after implementation.

The survey, which received 806 responses out of 1,200 forms distributed,

found 58 per cent of claims were approved and paid within four months.

The balance 42 per cent of claims were rejected and of those, 79 per cent of claimants said they were unaware why their applications were rejected.

Khazali urged businesses that felt their claims had been wrongfully rejected to submit an application for review.

“If any registered SME feels their claim was unjustly rejected, they are most welcome to write in for a review and we will not hesitate to process it,” he said.

“We do not deny there have been rejections. Every application is processed using a sampling method, in line with auditing standards.”

He said the claims may be rejected on the basis of wrongly declared amounts of quantity of goods.

“The proof of payments must tally with the stocks inspected. Among other reasons are inclusion of non-sales taxable items and lack of understanding of the 20 per cent recovery method.”

Khazali also said there had been several instances of attempted fraud in claims through submission of false documents and those who had tried to charge unreasonably high prices.

“There have been submissions by unscrupulous individuals who intended to engage in profiteering.

“Of course, all such claims will be rejected outright,” he said.