For Immediate Release

MCMC CLARIFIES POSITION ON GST FOR PREPAID RELOADS

CYBERJAYA, Wednesday, 29 April --- Prepaid reloads will continue to be sold with the GST added to the reload amount. For example, a RM10.00 reload would cost RM10.60 with 6% GST added, clarified the Chairman of MCMC, Dato’ Sri Dr Halim Shafie.

“As we stated on 3 April 2015, a survey will be conducted by the communications providers to assess if customers prefer lower reload values on which GST will be charged. For example, a RM10.00 reload could be RM10.60 (RM10 reload plus 6% GST added) or RM10.00 (RM9.43 reload plus 6% GST added),” said Dr Halim.

“I am pleased to inform that the survey is almost completed and the results will be presented to the relevant authorities next week. The Royal Customs and Excise Department was agreeable to this survey being carried out before any further decisions are made.”

“However, there has been some confusion in the market as to whether prepaid reloads will be back to pre-GST rates from May 1. Unfortunately, it will be almost impossible for the service providers to implement the required changes in the next two days. Secondly, the results of the survey are not yet available and it may be premature to make any decisions at this point in time.”

The difficulty in reverting back to the pre-GST arrangements are due to the complexities in reconfiguring the systems, not only on the part of the service providers but also on third party agents such as financial institutions, electronic payment providers, super markets, petrol stations and all other sales agents totaling approximately 30,000 parties.

The cost of doing this will be significant on the service providers as well as the third party agents. In addition, new stocks of prepaid cards need to be produced and distributed nationwide.

“These costs should also be given careful consideration in coming to a final decision,” said Dr Halim.

“As all the relevant parties had previously agreed to wait until the survey is completed, MCMC would urge that any further decision on this matter be made only after considering the survey results as well as technical and financial implications,” he concluded.

In the meantime, prepaid reloads will continue to be sold with the GST added to the reload amount. For example, a RM10.00 reload would cost RM10.60 with 6% GST added.
Mengenai Suruhanjaya Komunikasi dan Multimedia Malaysia (MCMC)


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