

Ops to monitor GST transition

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Don't take advantage of consumers, retailers warned

PETALING JAYA: Massive enforcement operations will take place during the critical transition period when the Goods and Services Tax (GST) is scrapped and replaced with the Sales and Services Tax (SST).

The "tax holiday" from GST, which begins this Friday after the rate is zeroised, will see both the Customs Department and the Domestic Trade, Consumerism and Cooperatives Ministry (KPDNKK) conducting operations to ensure GST is not charged to consumers.

Customs director-general Datuk Seri Subromaniam Tholasy said his department was engaging with traders and had issued guidelines on technical aspects of the zeroised rate.

The zeroised rate will mean that no GST is charged for goods and services that previously attracted the 6% rate.

Subromaniam reminded traders not to take advantage of consumers by passing down the cost of GST from their previous stocks.

He said there were two categories of traders - those registered with Customs and those who were not.

"Sometimes, the traders give all sort of excuses, even if they are registered with Customs. They will claim that they have old stocks to clear.

"But that is not the case as they would have already claimed their input tax," he said yesterday.

Subromaniam added that registered traders must pass down the savings to the consumers without giving any excuses.

The same applied for those non-registered traders, he said, adding that their old supplies would even-



Good news: Shoppers reading a banner promoting zero per cent GST at a shopping mall in Kuching, Sarawak.

tually run out.

"When they acquire new stock, it is already tax-free, so they should average it out and pass down the cost savings to consumers," he said.

Subromaniam also said traders should not use the point of sale system as an excuse to pass cost to consumers.

While he acknowledged that traders would have invested in the system, the cost would be negated when calculated against profits in the long run.

"We have received feedback from big retailers that they will pass

down the savings to the consumers. "That would put pressure on other traders to reduce the prices," Subromaniam said.

Apart from letting consumers enjoy the tax holiday, he said the Government's move to zero rate the GST was also intended to minimise transitional issues from the consumption-based tax to SST.

Traders can refer to the Customs website for further information.

On Tuesday, KPDNKK enforcement director Datuk Roslan Mahyuddin said the 6% GST must be deducted at the cash register and

reflected in the receipt, although retailers are allowed to maintain the old price tags for the time being. This is until the zero-rated GST tax kicks in on Friday.

Roslan said business premises would be allowed to "take some time" to put new price tags on their goods with new prices following requests for a grace period.

But he added that the ministry had not decided on the time to be given to these premises to do so.

Roslan also advised consumers to be vigilant and check that they are not charged any GST.