



PRESS RELEASE

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STA MEMBERS FACE POST-IMPLEMENTATION GST ISSUES

The study conducted by Sarawak Timber Association (STA) recently in July has revealed that its members faced some issues and problems in implementing and complying with the Goods and Services Tax (GST). Many members have also expressed their grievances on the delay in refunds by the Royal Malaysian Customs Department (RMCD).

Our Government has professed GST to be a more efficient and effective tax on final consumption of goods and services, aimed to rectify the inherent weaknesses of the cascading and compounding effect of the Sales and Service Taxes. Furthermore, both the RMCD and the former Tax Review Panel had promised that a GST Refund Fund shall be established, and GST refunds shall be automated and made within 14 days if GST return is made online or 28 days for manual submission.

Despite the assurance given by the Government and due to the complexity of the GST model for Malaysia, businesses have encountered many problems and issues while complying with GST. To name a few, STA members have encountered:

- GST model for Malaysia is too complex and not friendly for the business environment;
- Tax invoices or simplified tax invoices which do not conform with GST formats;
- Long tax invoice numbers;
- No clear and definitive guidelines on tax invoice rounding adjustment;
- Too cumbersome to invoice individual workers for food ration and GST;
- Reliability of the Taxpayer Access Point (TAP) is questionable;
- Cumbersome desk audits by Royal Malaysian Customs Department causes long delay in GST refunds;
- Long delay in getting refunds from the Royal Malaysian Customs Department.

STA would like to urge the Government to look into the problems and issues faced by businesses urgently to ensure businesses are able to operate smoothly without being bogged down by these issues and problems. In particular, the accumulated refunds pending from the RMCD will cause cashflow problems to STA members, which will hamper their business operations if the delay in refunds persists.

Sarawak Timber Association
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