

News Release

6% SERVICE TAX ON PREPAID DEFERRED

KUALA LUMPUR, 12 September 2011: The telecommunication companies have agreed to defer the implementation of service tax, imposed on the purchases of prepaid reloads, starter and sim packs, which was raised to 6% early this year. This is in response to the advice of the Prime Minister Dato' Seri Najib Tun Razak, and a subsequent request made by the Minister of Information, Communications and Culture Dato' Seri Utama Dr Rais Yatim.

The telecommunications companies have historically absorbed the levy on behalf of the customers, contributing around RM6.0 billion to the Government. At present, it is the only service where tax is subsidised by the companies, and not paid by the customers.

The Ministry of Information, Communications and Culture and Malaysian Communications and Multimedia Commission (SKMM), in view of the industry's concession, have agreed to take up the matter to necessary levels for an amicable resolution, with relief to all parties.

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