

## **Malaysia not yet ready for GST reinstatement, says Anwar**

By Teh Athira Yusof, Qistina Sallehuddin - March 14, 2023 @ 11:37am

KUALA LUMPUR: Malaysia is not ready for the reinstatement of Goods and Services Tax (GST) anytime soon, the Dewan Rakyat heard today.

Prime Minister Datuk Seri Anwar Ibrahim reiterated that the people's income and threshold must first be increased and at a reasonable level for GST to be reinstated.

"I have previously stressed that in terms of the efficiency and a transparent taxation system, we are not ready for another implementation of GST.

"The people's income is still very low. Hence, we will not be able to reinstate GST in the coming six to 12 months.

"The Capital Gains Tax and Luxury Goods Tax that we recently introduced is more than enough for the country to gain extra income, aside from being the main step to eliminate tax evasion," he said during Minister's Question Time in Dewan Rakyat, today.

Anwar said this in response to a supplementary question from Datuk Dr Zulkaferi Hanapi (Perikatan Nasional-Tanjong Karang) if the government plans to reinstate GST after the state elections which will take place this year.

Citing other countries such as Singapore, Canada and New Zealand taxation systems, Anwar said Malaysia was still far behind in terms of meeting the minimum income for the GST reinstatement.

"Their people have the minimum income for the GST (and) if we compare, we have about 130,000 hardcore poor and poor income families from the B40 categories. Hence, this cannot be done now."

He added that the government would also not compromise on elite groups who avoided paying taxes and had overseas accounts.

"Such circumstances happen where they avoid paying taxes and send their money overseas. This is also why I requested relevant authorities to investigate, including those reported in the Pandora Papers.

"Unfortunately, many of us still defend such groups by using previous cases as an example. However, I do not care if it is a new or an old case.

"If you are involved in embezzlement, corruption and stealing the people's money, you still need to pay what you owe the country."

Previously, Anwar said the government had no plans to reintroduce the GST or any broad-based consumption taxes to reduce the country's debt.

He said the government would instead opt for other measures to reduce national expenditures and the government's liability which had reached RM1.5 trillion, comprising 82 per cent of the country's gross domestic product (GDP).