

## MCA's SME bureau all set to help business community

**PETALING JAYA:** The MCA's Small and Medium Enterprise (SME) bureau is on standby to help the business community when the Goods and Services Tax (GST) starts on April 1.

Bureau chief Datuk Ei Kim Hock (*pic*) said MCA and the SME Association Malaysia (Samenta) had conducted various talks since last July to encourage them to register.

Towards the end of the year, Ei said these focused more on educating SMEs on complying with the Customs Department's GST requirements.

He said they would wait for feedback from the ground on the types of hiccups faced by the SMEs before



holding follow-up forums and talks.

Ei said a common grouse among SMEs related to stocks or goods bought before March 31 and subsequent purchases.

The other was on cash flow, as traditionally, SMEs offer credit terms to their customers, he added.

"Most are worried as Customs have given them a particular date by which they need to pay the GST.

"So, for them, shortening the credit term will cause a chain reaction to other SME businesses who are also their customers.

"The chain reaction will take a while to subside," he added.

He said SMEs were prepared to cooperate in implementing the GST.

"Some of our SMEs have hired more people (to overcome any teething problems) although it is a burden for them financially.

"They are willing to do so because they want to get it right," he added.

Ei hoped the Customs would be prepared with hotlines and knowledgeable officers to handle queries on the GST.

In George Town, Samenta (northern region) chairman Well Kam Lian Hooi said members were concerned over the nitty-gritty problems that could arise, but said they were ready.

"Those that are eligible to collect GST have attended the neces-

sary preparation programmes and equipped their offices with the appropriate software and hardware.

"But since this is the first time the software and hardware are being put into actual use, we don't know what type of issues will arise.

"Furthermore, there is the issue of interpretation and treatment of transactions with the GST, which could slow down the process of reclaiming the GST input tax by the SMEs."

Kam said members were also concerned about penalties being imposed for mistakes.

Malaysia Entrepreneurs' Development Association adviser Leon Lee said its members were also equipped.

"All our members, from manufacturers to hairdressers, are ready for the implementation of the GST," he said.

KPMG Penang partner Ooi Kok Seng said that he anticipated problems.

"Although the SMEs have attended the basic GST programmes, they may not be as well-versed with the GST mechanism as the bigger companies, which have the funds to engage consultants and have attended a variety of GST seminars organised by the Customs Department and professional bodies.

"The bigger companies also have the funds to invest in more advanced software and hardware," he added.