



25 MAR, 2023

## 'Customs should not have to refer to KL'

Daily Express (KK), Malaysia



Page 1 of 2

Labuan car tax perk

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**Sohan Das**

LABUAN: The Labuan Chinese Chamber of Commerce (LCCC) urged the Ministry of Finance (MOF) to delegate powers to the Customs Department here so that it does not have to refer to Putrajaya on tax permits and other import-related matters.

Its Chairman Datuk Wong Kii Yii (pic) cited the 50 per cent tax discount for used cars taken out of the duty-free island by employees in the financial sector, civil servants and security forces personnel.

He said this perk was offered after Labuan became an International Business and Financial Centre (IBFC) in 1990 to encourage employees in these sectors to take up residence on the island, which helped the motor and other industries here.

"It went well when the incentive was



introduced, but now it is barely felt because the decision on the 50pc discount is no longer made by the Customs here but Putrajaya," he said.

He added that though eligible there was no certainty of approval for the discount and there were also delays in the processing.

Wong also questioned the tax structure used for assessing the payable tax on old or used cars taken out of the island.

"The tax is enormous, resulting in used cars piling up, and the sale of new cars affected because many preferred not to buy a new car," he said.

Wong said he knew of a case of a chamber member who was asked to pay RM20,000 in duties for his used car of 10 years with the market value of only about RM5,000.

"This is ridiculous and when a complaint was lodged, the owner was asked to submit an appeal. This is normally the

standard answer of the Customs because everything has to be decided by Putrajaya," he said after leading a six-member delegation for a discussion with Labuan Customs Director Aspalila Ag Tuah.

Another issue Wong raised in the discussion is the requirement of Labuan traders to get an import licence for beer, etc, from Kota Kinabalu and in some cases from Putrajaya.

He said the delayed delivery of containers added to the import cost of the goods and this was passed down to the consumers.

Wong also said it was odd that despite Labuan being an International Business Centre, some of the directors of departments here do not have the authority or discretion to decide on matters.

During the course of discussion, Wong also reiterated his call for the MOF to reinstate Labuan's duty-free status on tobacco products.



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Page 2 of 2

### SUMMARIES

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