

# Seeking greater tax-related support

Company hopes Govt will provide exemptions for e-commerce sector in Budget 2017

MALAYSIA'S leading online payment gateway provider, iPay88 Sdn Bhd (iPay88), urged the Government to provide more tax-related support in Budget 2017 for the e-commerce sector to realise its potential.

Executive director Chan Kok Long pointed out that e-commerce made up RM68bil of Malaysia's GDP in 2015 and was projected to grow at 10.8% compound annual growth to touch RM114bil in 2020.

According to Chan, the National eCommerce Strategic Roadmap was intended to double the e-commerce growth to 20.8% and touch RM170bil by 2020.

He said iPay88's recommendations were based on its participation as a member of the National eCommerce Consultative Committee (NeCC) at the National eCommerce Strategic Roadmap roundtable that was organised by the International Trade and Industry Ministry and Malaysia Digital Economy Corporation Sdn Bhd (MDEC).

Chan said the emphasis was on "the exemption of direct and indirect taxes for all eCommerce startups – as a specific move to reduce the cash outflows to sustain startups in the online ecosystem."

"Tax is a big barrier to technology adoption especially for the e-commerce industry, which relies on it. iPay88 knows this all too well because we deal with thousands of e-merchants whose business



Tax is seen as a big barrier to technology adoption, especially for e-commerce companies like iPay88, and Chan (right) hopes there will be a continuous commitment and understanding from the Government to lift non-tariff barriers. — filepic

transactions flow through our payment gateway systems," he said.

"So, we hope there will be a continuous commitment and understanding from the Government to lift non-tariff barriers if they are serious about making the National eCommerce Strategic Roadmap work.

"Internet startups dominate the entrepreneurial ecosystem in e-commerce today, and

the Government can provide the best support by announcing immediate tax relief and exemption for this group of online businesses – which will be the impetus for the National eCommerce Strategic Roadmap," he added.

Chan also emphasised the need for a greater push for B2B (business to business) e-commerce.

"The Government has envisioned 2017 to be the Year of the Internet Economy. The vision for a cashless economy is also an opportunity for the B2B segment to move faster in embracing e-commerce.

Reports show that 68% of B2B buyers are already purchasing goods online as Governments are coming online to meet their procurement needs."