

# Service charge stays

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**PUTRAJAYA:** Hotels and restaurants will be allowed to impose service charge after all.

Domestic Trade, Cooperatives and Consumerism Ministry secretary-general Datuk Seri Alias Ahmad said after a meeting with 14 associations and NGOs, and eight government agencies and ministries on Monday, the government had decided to let them maintain service charges.

"We have come to a collective decision, and the government has agreed to allow service charge to be imposed by hotels and restaurants," he told a press conference at the ministry today.

He said the government has not set a fixed amount for service charge that hotels and restaurants can impose, but noted that the standard practice in the country is 10%.

This is an about turn on the announcement by the minister, Datuk Seri Hasan Malek, who on April 13 said the ministry aimed to abolish the service charge after receiving much criticism from various consumers associations and consumers themselves.

Alias said today the decision was made after taking into consideration that the basic wages in some hotels are as low as RM350, and potential employees will shy away from working in the industry if the take-home pay is too low.

Alias, however, said hotel and restaurant operators imposing service charges will have to abide by a decision made at the meeting to:

- » display notices at the premises to notify customers about the service charge to enable them to make a choice on whether to patronise the establishment; and
- » have a collective agreement (CA) or an employment contract with their staff on the payment of service charge.

He said guidelines will be formulated by the ministry to ensure that hotel and restaurant operators adhere to rules on imposing service charge.

"It is still in the discussion stage, but we hope to finalise everything soon," said Alias, adding that the ministry will confer with the Attorney-General's Chambers on the regulations and guidelines first.

"In the meantime, if any cases crop up, we will refer to the Price Control and Anti-Profiteering Acts," he said.

Among those present at Monday's meeting were the Customs Department, Malaysian Employers Federation (MEF), Federation of Malaysian Consumers Associations (Fomca), Malaysian Muslim Consumers Association (PPIM) and **the Malaysian Association of Hotel Owners**.