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TRICOR INSIGHTS

**NATIONAL PEOPLE'S WELL-BEING AND ECONOMIC
RECOVERY PACKAGE (PEMULIH)**

Prime Minister Muhyiddin Yassin unveiled yet another economic stimulus package on 28 June 2021 as Malaysia continues with an indefinite nationwide lockdown. The largest package since last year's PRIHATIN package, the PEMULIH package is worth RM150 billion which includes a RM10 billion direct fiscal injection and focuses on three main objectives:



Continuing the People's Welfare



Supporting Businesses



Increasing Vaccinations

The key measures introduced under PEMULIH are summarised below:

1. Tax Measures

Deferment of Tax Instalment Payments for Companies

- Existing (PEMERKASA): Deferment of tax instalment payments for the period from 1 April 2021 to 31 December 2021 given to companies in the tourism industry and other selected businesses such as cinemas and spas.
- Under PEMULIH: Industries that are eligible for the deferment of tax instalment payments are not specified and thus for now, it is assumed to be applicable across all industries.

Public-Private Partnership Immunisation Programme (PIKAS)

- Employers are eligible to claim a tax deduction on expenses incurred on medical equipment and for the setting up of vaccination centres.
- Tax deduction for COVID-19 contributions through community and charitable projects are expanded to cover contributions to vaccination centres.

**The effective period has not been announced*

2. Other Measures

Implementation of the Wage Subsidy Programme 4.0

The salient features of the Wage Subsidy Programme 3.0 are as follows:

	Wage Subsidy Programme 3.0 (as announced in the 2021 Budget)	Wage Subsidy Programme 3.0 (as announced in PERMAI)	Wage Subsidy Programme 3.0 (as announced in PEMERKASA)	Wage Subsidy Programme 3.0 (as announced in PEMERKASA+)
Maximum number of eligible employees	500			
Wage subsidy per eligible employee	RM600 (for employees earning RM4,000 or less per month)			
Wage subsidy period	<ul style="list-style-type: none"> • 3 months for existing recipients • 6 months for new applicants 	<ul style="list-style-type: none"> • 1 month 	<ul style="list-style-type: none"> • 3 months extension for existing and new employers 	<ul style="list-style-type: none"> • 1 month extension
Eligible sectors	For tourism and retail sectors	All sectors operating in states subject to the Movement Control Order (MCO)	For tourism, wholesale and retail as well as other business sectors not operating during the MCO period	All business sectors affected during the MCO period
Application period	1 January 2021 to 30 June 2021	19 January 2021 to 30 June 2021	1 April 2021 to 30 June 2021	1 April 2021 to 31 July 2021

Under PEMULIH: Implementation of Wage Subsidy Programme 4.0

	Wage Subsidy Programme 4.0
Maximum number of eligible employees	500
Wage subsidy per eligible employee	RM600 (RM4,000 salary limit condition has been removed)
Wage subsidy period	4 months
Eligible sectors	<ul style="list-style-type: none"> • 2 months for all sectors in Phase 2 of the National Recovery Plan (NRP) • A further 2 months for all sectors listed in the "negative list" in Phase 3 of the NRP (e.g. convention centres, pubs, spas, etc)
Application period	Not announced - expected to cover 1 August 2021 to 30 November 2021

Human Resource Development Corporation Levy Exemption

- HRD Corp levy exemption is automatically granted for a period of two months for employers who are unable to operate during the MCO.
- Additionally, employers that are newly covered under the Human Resources Corporation Berhad Act 2001 will be granted an extension of levy exemption until 31 December 2021.

Employees' Provident Fund (EPF)

- Introduction of a new withdrawal facility i.e. (i-Citra) for withdrawals of up to RM1,000 per month for five months
- Application can be made from 15 July 2021 via www.icitra.kwsp.gov.my

Enhancement of Electricity Bill Discounts

Existing: 10% discount on electricity bills provided to hotel operators, travel and tourism agencies, shopping premises and complexes, convention centres, theme parks and local airline offices from January to September 2021.

Under PEMULIH:

- Existing 10% discount to be extended to December 2021
- Expanded to include households for electricity bills dated July to September 2021 as follows:
 - 15% discount for electricity consumption between 201 to 300 kWh per month
 - 40% discount for electricity consumption below 200 kWh per month

Financial Aid and Financing Assistance for Businesses

- Childcare centres and kindergartens operators
 - Financial aid of RM3,000 to registered childcare centre operators and private kindergarten operators
- Canteen operators
 - Financial aid of RM1,000 to all registered school canteen operators
- Sports facilities operators
 - One-off payment of RM3,000 to sports facilities operators such as gyms, bowling, futsal, etc
- Creative arts industry
 - Allocation of RM100 million to provide financing facilities and assistance to support the local arts and creative industry
- Travel Agencies
 - One-off payment of RM3,000 to registered travel agencies

Financing Assistance for SMEs and Micro-entrepreneurs

- Further increase in guarantee ceiling of Government Guarantee Scheme Funding by approximately RM20 billion
- Further increase of allocations for SME Financing by approximately RM2 billion
- Further increase of allocations for Microcredit Financing by approximately RM1.1 billion

Public-Private Partnership Immunisation Programme (PIKAS)

Employers who have registered under the Human Resource Development Corp (HRD Corp) may utilise up to 10% of their levy balance to purchase and administer COVID-19 vaccines for staff.

Introduction of Small Entrepreneur Digitization Empowerment Program (PUPUK)

To continue supporting digitization and encouraging cashless transactions, RM200 million will be allocated to micro-SMEs and RM100 million to SMEs under the PUPUK initiative.

Details of the PUPUK initiative are as follows:

- (i) Continuation of the Shop Malaysia Online and Go-eCommerce integration campaigns (e.g. for bazaar traders, farmers markets, night markets and stalls, etc) under the PENJANA package;
- (ii) RM100 million allocated to SME Digitization Grant to enable SME entrepreneurs to obtain a matching grant of up to RM5,000 for the purchase of systems or digital platform subscriptions;

Encourage participation of micro-SMEs and agro-entrepreneurs in the digital economy especially in rural areas through strategic collaborations between digital platform providers, telecommunications companies as well as Pusat Internet Komuniti

Extension of the Prihatin Special Grant (GKP)

Existing incentive: Micro enterprises and SMEs receiving assistance under the Prihatin Special Grant have received RM1,000 in mid-June 2021, and will receive a further RM500 in July 2021.

Under PEMULIH: This has been increased as follows under the new GKP 4.0:

- RM500 to be received in September 2021; and
- RM500 in November 2021

Note: Registration for micro-entrepreneurs who have yet to receive this assistance will open in mid-July 2021.

Extension of the Career Generator Program

The Career Generator Program which is due to end in June 2021 will be extended* and is now re-branded as Career Generator 3.0. The new program consists of the following changes:

- Reduction of salary eligibility limit from RM1,500 to RM1,200 in accordance with the 'Malaysianization' program (to encourage employers to replace foreign workers with local workers); and
- Reduction of the duration of employment contracts from 12 months to 6 months for employees aged 50 and above, the disabled, and ex-prisoners.

** The extended end date is yet to be announced.*

Extension of Discount on Rental of MARA Business Premises

For MARA entrepreneurs affected by the economic closure: -

- Existing (PEMERKASA+): 30% discount on rental of business premises from 1 May 2021 to 31 July 2021
- Under PEMULIH: This incentive will be extended until 31 December 2021

Moratorium for Majlis Amanah Rakyat (“MARA”) Business Loan Payments

- Entrepreneurs with MARA loans will receive a three-month moratorium or extension of loan period for up to 36 months

Additional Cash Assistance and Handouts

- Phase III of Bantuan Prihatin Rakyat
 - Amounts ranging from RM100 to RM1,400 to be handed out in September
 - Payments for successful appeal cases
- COVID-19 Special Assistance to be given according to household income

Category	Recipients	
	Household	Single individual
	RM	RM
Hardcore poor	1,300	500
B40	800	200
M40	250	100

- Income loss assistance
 - RM500 for employees who have lost their income (based on EPF and SOCSO data in 2021)

Expansion of Job Search Allowance

- Job Search Allowance of at least RM300 expanded to cover non-SOCSO contributors, especially new graduates, school leavers and informal sector workers
- Registration is to be done through MYFutureJobs.gov.my

Food Basket Assistance

- RM300,000 to be allocated to each Member of Parliament for the implementation of the Food Basket Assistance in their respective constituencies.

Initiatives for People with Disabilities

A financial assistance of RM500 for a period of three months to assist the disabled who have lost their jobs or who are unemployed. To be eligible for the aid, the individual must not be a recipient of the existing Disabled Workers Allowance.

Additionally, RM20 million is allocated for the implementation of the General Networking Initiative Program (JITU). This program aims to provide basic business capital assistance and to guide the disabled and homeless to run their own business.

Moratorium

- Deferment of payments as follows –
 - PTPTN Loans – 3 month targeted loan repayment moratorium

- Federal Education Loans & Scholarships (JPA) – 6 month deferment of loan repayments and payment of JPA penalty
- MARA Education Loans – 3 month deferment of loan repayments, or loan rescheduling with monthly instalments as low as RM100 for 12 months
- Skills Development Fund Corporation (PTPK) Loans – 3 month deferment of loan repayments
- Insurance & Takaful policyholders – may apply for deferment of payment of insurance premiums and takaful contributions until 31 December 2021
- All individual borrowers – automatic approval of up to 6 months of moratorium (non-conditional). Applications will open on 7 July 2021.

Accelerating the National COVID-19 Immunisation Programme

- RM400 million allocated to increase vaccine supplies
- RM200 million allocation for vaccination centres including ‘Outreach Home-to-Home Programme, ‘Drive-through Vaccination Centres’ etc.
- Additional RM600 allowance to healthcare professionals stationed at vaccination centres for 6 months

Subsidy for Public Transport

A subsidy of RM30 on e-hailing and taxi fares for the elderly and disabled (OKUs) for their vaccination appointments.

Key comments

- Since Malaysia went into its first lockdown more than a year ago, there were various multi-billion-dollar packages announced to aid the Rakyat and to protect businesses. Despite the country’s limited fiscal capacity, it is clear that the Government remains committed to curbing the pandemic and reviving the economy as demonstrated by the measures under the PEMULIH package.
- Whilst most of the initiatives under the PEMULIH package are enhancements or extensions of measures in previous packages, there are new initiatives which are mainly cash aids and financing assistance to those most affected by the numerous lockdowns.
- The PEMULIH package also allocates a substantial budget to increase the country’s vaccine supply in a bid to ramp up the nation’s vaccination target to achieve herd immunity and ultimately towards the recovery of the economy.

Contact

If you require further information on the above, please contact our team: -

Service Line	Name	Email
Corporate Tax and Advisory	Thang Mee Lee	Mee.Lee.Thang@my.tricorglobal.com
	Lim Kah Fan	Kah.Fan.Lim@my.tricorglobal.com
Transfer Pricing	Leow Mui Lee	Mui.Lee.Leow@my.tricorglobal.com
	Vivian New	Vivian.New@my.tricorglobal.com
	Sarah Chew	Sarah.Chew@my.tricorglobal.com
Individual Tax	Thang Mee Lee	Mee.Lee.Thang@my.tricorglobal.com
Tax Audit and Investigation	Lim Kah Fan	Kah.Fan.Lim@my.tricorglobal.com
	Thisha Gunasilan	Thisha.Gunasilan@my.tricorglobal.com
Knowledge Management	Vivian New	Vivian.New@my.tricorglobal.com

For other Tricor services, please email to info@my.tricorglobal.com or visit www.tricorglobal.com

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Tricor Taxand Sdn Bhd
200601026227 (745982-X)

Address:

Unit 30-01, Level 30, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia