



BDO IN MALAYSIA'S HIGHLIGHT

# PEMERKASA+ PACKAGE

1 JUNE 2021

# EXECUTIVE SUMMARY

In light of the drastic increase in COVID-19 cases in Malaysia, the Government has implemented a stricter Movement Control Order or total lockdown beginning 1 June 2021. Under this total lockdown, all social and economic sectors are closed except those sectors categorised as essential economic and services sectors.

In order to help citizens and businesses alleviate the challenges faced during this testing period, the Government has announced an additional assistance programme called PEMERKASA Plus. The total value of the programme is RM40 billion, of which the Government's direct fiscal injection is RM5 billion.

The PEMERKASA Plus initiatives will be carried out based on the following 3 main objectives:

- 1. Upgrading public healthcare capacity;**
- 2. Sustaining the *Prihatin Rakyat* agenda; and**
- 3. Supporting business continuity.**

## KEY TAKEAWAYS

- ▶ CORPORATE TAX
- ▶ CORPORATE & PERSONAL TAX
- ▶ STAMP DUTY
- ▶ INDIRECT TAX
- ▶ OTHER AREAS

# EXECUTIVE SUMMARY (CONT'D)

Some of the key initiatives under each objective are as follows:



## OBJECTIVE 1:

### Upgrading Public Healthcare Capacity

1. Allocation of RM450 million to increase the capacity of beds and ICU equipment for COVID-19 treatment.
2. Allocation of RM550 million to accommodate increased COVID-19 related operation & management costs.
3. Accelerating the vaccinations through increase in vaccine deliveries from manufacturers, increase in vaccination centres, introduction of drive-thru vaccination and addition of volunteer staff.



## OBJECTIVE 2:

### Sustaining the Prihatin Rakyat Agenda

1. Allocation of RM2.1 billion to increase the rate of the Bantuan Prihatin Rakyat.
2. Option of 3-month loan moratorium or 50% reduction in instalment repayment for 6 months for affected individuals, micro businesses and small and medium enterprises (SMEs).
3. 30% discount for rental of premise provided to affected Majlis Amanah Rakyat (MARA) entrepreneurs.
4. Extension of Wage Subsidy Programme for 1 month for all affected businesses.
5. Exemption of the HRDF Levy payment for June 2021.



## OBJECTIVE 3:

### Supporting Business Continuity

1. Increase of *Prihatin* Special Grant from RM1,000 to RM1,500.
2. Special tax deduction for building and business space owners who offer at least 30% rental reduction for 6 more months until 31 December 2021.
3. Extension of stamp duty exemption for Home Ownership Campaign (HOC) to 31 December 2021.
4. Extension of Sales Tax exemption for imported completely knocked-down (CKD) and completely built-up (CBU) passenger vehicles for 6 months from 1 July 2021 to 31 December 2021.
5. 3 months' extension of 10% electricity bill discounts to affected sectors.

The key tax proposals are as follows :-

## CORPORATE TAX

### Extension of Tax Deduction on Rental of Business Premises to SMEs and non-SMEs

- ▶ It is proposed that the existing special tax deduction given to any company that provides a reduction in rental on business premises to SMEs and non-SMEs of at least 30% from the original rental rate be extended for another 6 months until 31 December 2021.

## CORPORATE TAX & PERSONAL TAX

### Penalty Appeals and Deferment for Payment of Penalties

- ▶ It is proposed that as one of the efforts to reduce the burden on businesses, the Inland Revenue Board will consider penalty appeals and deferral of payment of penalties to year 2022, as well as rescheduling the payment of tax arrears for affected taxpayers and businesses.

## STAMP DUTY

### Extension of Stamp Duty Exemption for Home Ownership Campaign (HOC)

- ▶ It is proposed that the deadline for the stamp duty exemption for HOC be extended from 31 May 2021 to 31 December 2021.
- ▶ It is expected that the other conditions for the exemption would remain the same.



## INDIRECT TAX

### Extension of Sales Tax Exemption for Locally Assembled and Imported Passenger Vehicles

- ▶ It is proposed that the full sales tax exemption for locally assembled passenger vehicles and 50% sales tax exemption for imported passenger vehicles which is currently given from 15 June 2020 to 30 June 2021 be extended until 31 December 2021.

### Extension of Service Tax Exemption for Operators of Accommodation Premises

- ▶ It is proposed that the existing service tax exemption given to operators of accommodation premises for accommodation services and other related services provided by them be extended until 31 December 2021.

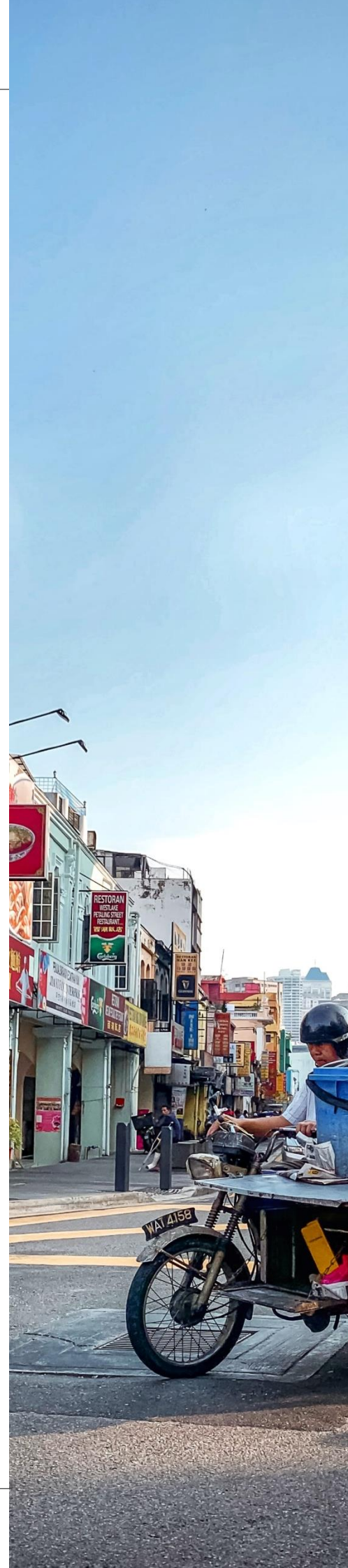
### Extension of Tourism Tax Exemption

- ▶ It is proposed that the tourism tax exemption for the period from 1 July 2020 to 30 June 2021 be extended until 31 December 2021.

## OTHER AREAS

### Extension of Wage Subsidy Programme

- ▶ Further to the People and Economic Strategic Empowerment Programme (PEMERKASA) which was unveiled on 17 March 2021, the Government will allocate additional RM1.5 billion to extend the Wage Subsidy Programme for another 1 month for all affected businesses. However, the scope of industries involved and businesses affected have not been clarified as at to date.
- ▶ The Wage Subsidy Programme will be limited to 500 employees for each application.



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