

TAX UPDATES

PEMULIH

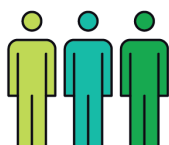
Pakej Perlindungan Rakyat
dan Pemulihan Ekonomi

Stimulus Package

Under Phase 1 of the National Recovery Plan (“NRP”), the Prime Minister yesterday announced the ‘**PEMULIH**’ (“Pakej Perlindungan Rakyat Dan Pemulihan Ekonomi”) Stimulus Package valued at RM150 billion.

Below are a select few of the highlights, key measures and tax initiatives under PEMULIH, including extension of a few measures previously announced under preceding economic stimulus packages.

Wage Subsidy Programme (“WSP”) 4.0



- a) Wage subsidy of RM600 per employee for a period of four (4) months will be granted, with a limit of 500 employees for each employer. The first 2 months in the 4 months period are for all sectors in Phase 2 of the NRP, and the subsequent 2 months will be specifically for sectors which are categorized as ‘negative’ under Phase 3 of the NRP.

For WSP 4.0, it was announced that the monthly salary limit of RM4,000 per employee as set previously is no longer applicable, which means employers can apply for wage subsidy for employees with salary exceeding RM4,000 per month.

Tourism Sector



- b) As announced previously in earlier economic stimulus packages, the Government has agreed to postpone monthly income tax instalment payments for companies in the tourism sector. Also, the tourism and service taxes for hotel operators will be waived until end of year 2021.

Cash assistance, loan moratorium and other initiatives



- c) Bantuan Khas Covid-19 (BKC) initiative as follows –
- Households under the hardcore poor category will receive RM500 in August, RM500 in November, and RM300 in December. Bachelor group within this category will receive RM200 in August and RM300 in November.
 - Households under the B40 category will receive RM500 in August and RM300 in December, the bachelor group within this category entitled to receive RM200 in August.
 - Households under the M40 category will receive RM250, whereas bachelor group in this category will receive RM100 in August.
- d) RM500 assistance will be provided in October to those who have lost their jobs based on data obtained from EPF and SOCSO.
- e) HRD Corp levy exemption for two months will be automatically given to employers who are not able to operate during the MCO.
- f) Additional payment of RM500 under “Geran Khas Prihatin” (GKP) 4.0 will be available to eligible micro SMEs in September and another RM500 in November.
- g) RM3,000 one-off special assistance to be given to sports industry entrepreneurs and sports facilities' operators, nursery operators and registered travel agencies.
- h) Introduction of i-Citra whereby EPF members can make withdrawals of up to RM5,000, with a fixed payment rate of RM1,000 per month for five months, subject to the total savings held by the EPF member.
- i) A six-month moratorium upon application for all individual borrowers (B40, M40 and T20 groups) and micro entrepreneurs. Approval will be given automatically by the banks and no documentation needed for the application. Affected SMEs can also apply, subject to approval by the bank concerned.
- j) 10% discount on electricity bills extended by another 3 months to cover the months of October to December 2021 for affected sectors, such as hotel operators, theme parks, convention centres, shopping centres, domestic tourism offices and travel and tourism agencies.

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