

MANAGING THROUGH COVID-19

MALAYSIAN GOVERNMENT'S ECONOMIC RESPONSE

SUMMARY OF THE MALAYSIAN GOVERNMENT'S ECONOMIC RESPONSES TO COVID-19

Updated as at 25 September 2020

The Prime Minister announced an RM10billion PRIHATIN Supplementary Initiative Package (KITA PRIHATIN) on 25 September 2020, which covers additional initiatives and assistance targeted at the:

- a) B40 and M40 households and single persons
- b) Local workers
- c) Micro traders

This follows initiatives such as instituting a "Targeted Loan Moratorium" to follow the six month blanket moratorium that ends on 30 September 2020 and the introduction of the fourth support budget (Short-Term Economic Recovery Plan or PENJANA) in June 2020.

Overall, the Government has announced a range of measures in collaboration with the central bank of Malaysia (Bank Negara Malaysia (BNM)), government linked companies (GLCs) and private corporations to mitigate the economic impacts of COVID-19. The measures are said to total MYR305 billion.

SUPPORT FOR BUSINESS

Supporting businesses with cashflow

- A [Wage Subsidy Programme \(WSP\)](#) is established to assist employers retain their workers. The Government will co-fund the monthly wages of local employees (capped at 200 employees per entity) as follows:

Company's staff numbers	Subsidy per eligible employee [^] per month	Eligibility threshold
>200 workers	MYR600 for each eligible employee	Only businesses with a 50 per cent or greater decrease in revenue since 1 January 2020
76 – 200 workers	MYR800 for each eligible employee	Only businesses with a 50 per cent or greater decrease in revenue since 1 January 2020
<76 workers	MYR1,200 for each eligible employee	All business with 75 or less employees are eligible

[^] an **'eligible employee'** is one that earns MYR4000 and below per month, and who has registered and is contributing to the Employment Insurance Scheme (EIS)

The wage subsidy will be available for three months between 1 April 2020 and 31 December 2020.

A condition of this hand-out is that the employers must ensure that they do not retrench, impose unpaid leave or force a wage cut on their employees for six months from the start of the subsidy. Eligible employers are those registered with the Companies Commission Malaysia (SSM) or local authority and PERKESO. Application for this support can be made by employers at www.perkeso.gov.my from 9 April 2020. Deadline for applications is 30 September 2020.

Under PENJANA, it is announced that the WSP will be extended for a further three months with a fixed subsidy of MYR600 per employee for all eligible employers. Also, the conditions to the current WSP will be enhanced as follows:

- employers receiving wage subsidy are allowed to implement reduced work week, and
- eligible employers¹ are allowed to receive the subsidy for employees on unpaid leave

However, details surrounding the revisions to the programme is not available at the time of writing. It is uncertain at this juncture which of the conditions previously imposed will continue to apply and also whether the enhancement may apply retroactively.

- A [Targeted Wage Subsidy Programme \(WSP 2.0\)](#) is introduced in KITA PRIHATIN to support businesses that continue to be affected by the pandemic. Key features of the WSP 2.0 are:
 - Subsidies are given to employers (namely companies) that continue to experience 30 per cent or more drop in annual revenue (compared to last year);
 - The subsidy will be given for up to three months at a rate of RM600 per month per employee up to a maximum of 200 employees; and
 - Applications open from 1 October 2020 – 31 December 2020

Additionally,

- The WSP 2.0 will be made available to companies registered with SOCSO prior to 1 September 2020; and

¹ Available only to the tourism sector and businesses prohibited from operating during the conditional movement control order (CMCO) period.

- Those who had not received any WSP will be eligible for up to 6 months of subsidy under the WSP 2.0.
- Sectors (other than tourism) affected by COVID-19 will be allowed to revise their profit estimates for 2020 and their monthly income tax instalment payments. No penalties will apply.
- The payment of Human Resource Development Fund (HRDF) levy for all businesses will be exempted for a period of six months starting April 2020.
- Expenses incurred by businesses to provide employees with disposable Personal Protective Equipment (PPE) such as face masks are eligible for tax deduction under subsection 33(1) of the Income Tax Act 1967. Expenditure on non-disposable PPE products can be claimed as a capital allowance. Under PENJANA the scope of allowable expenses is extended to include COVID-19 testing as well as thermal scanners.
- All financial institutions are required to provide financial relief in the form of payment moratorium comprising restructuring and rescheduling loans for affected businesses and individuals. This includes loans from TEKUN, MARA and cooperatives as well as government agencies that grant loans to SMEs, starting 1 April 2020. The “blanket” moratorium expires on 30 September 2020. Subsequent to that a “Targeted Moratorium” will be granted on a case by case basis, by way of application by the borrower.

Full stamp duty exemption will be given on loan agreements arising from restructuring and rescheduling of businesses loans provided that the original loan agreement between borrower and financial institution has been stamped. This exemption will be available from 1 March 2020 to 31 December 2020.

Banks' income from interest or profit from loans or financing on which a moratorium is provided will only be taxable when the income is received after the moratorium period.

- The [Danajamin Prihatin Guarantee Scheme](#) will provide a guarantee of up to 80 per cent of the working capital finance required by large companies who are facing difficulties due to COVID-19. The minimum guaranteed loan amount is MYR20 million per business and is subject to credit evaluation by Danajamin.
- Malaysia Airport Holdings Berhad (MAHB) will provide rebates on rental for premises at the airports it manages as well as landing and parking charges.
- The Government and TNB will jointly subsidise 15 to 50 per cent of electricity bills of usage up to 600kw -
 - 50 per cent discounts for usage of less than 200kw
 - 25 per cent for usage between 201-300kw
 - 15 per cent discount for usage of 301-600k.

This discount will apply for six months, commencing with bills charged from the month of April 2020.

- In collaboration with the telecommunication companies (telco), the Government has arranged for the provision of [free internet to all telco customers](#) (businesses and private consumers) starting 1 April 2020 until the end of the Movement Control Order (MCO).
- 50 per cent remission of penalty for late payment of Sales Tax and Service Tax due and payable from 1 July 2020 to 30 September 2020.
- One-off grant up to MYR5,000 per childcare centre registered with the Ministry of Women, Family and Community Development (MoWFCD), up to 31st December, to comply with the new healthcare standard operating procedures.

- Incentive to train new practitioners for child nursing and early education course under MoWFCD

Support for Small-medium-enterprises (SMEs) and micro-entrepreneurs

- A **Special Relief Facility (SRF)** will provide working capital at an interest rate of 3.5 per cent to SMEs. The loans will be offered through commercial banks for a tenure of up to 5.5 years. The loan facility includes a six-month payment moratorium and maximum loan size of MYR1 million per SME. The SRF facility will be available until 31 December 2020. Syarikat Jaminan Pembiayaan Perniagaan (SJPP) will guarantee 80 per cent of the financing obtained at a 0.5 per cent guarantee fee.

A **Micro Credit Scheme** will offer interest free loans up to MYR75,000 per entrepreneur. No collateral is needed with the applicant required to have been in business for a minimum of six months. TEKUN Nasional will also extend interest free loans to micro SMEs with a maximum loan per borrower of MYR10,000. Applicants can only apply to one of these schemes.
- BNM has provided an **Agrofood Facility** at an interest cost of 3.75 per cent specifically for SMEs in food production. Funds from this facility will be offered at a maximum 8-year tenure and can be used for working capital, capital expenditure and development of agrofood projects. The maximum financing available is MYR5 million. The SJPP will guarantee 80 per cent of the financing obtained at a 0.5 per cent guarantee fee.
- The Employee Provident Fund (EPF) will introduce an **Employer Advisory Scheme (EAS)**. The EAS will assess the specific conditions of affected companies and offer customised plans on the EPF contributions schedule. This might include restructuring of contribution schedules or staggering the payments for outstanding contributions.
- Income tax instalments payment deferrals will be given for all SMEs for three months from 1 April 2020.
- Six-month rental exemption will be given for all premises owned by the Federal Government, including school canteens, kindergartens, cafeteria and convenience stores.
- A **social financing programme (iTEKAD)** will be introduced to support B40 entrepreneurs and individuals who have lost their jobs. This programme will be in collaboration with Islamic banking institutions, the state Islamic religious council and key implementing partners. Social donations will be channeled in the form of initial capital for micro-entrepreneurs using zakat funds and matched with microfinancing at affordable rates. The first phase will commence in May 2020; eligible entrepreneurs will be given training in entrepreneurship, financial management and support to develop their business.
- To enhance the income of SMEs involved in agriculture and food production, grants of MYR 1000 will be provided to 10,000 small enterprises to sell and market their products on e-commerce platforms.
- Viable farmers in the Pertubuhan Peladang Kawasan (PPK) and fishermen in the Pertubuhan Nelayan Kawasan (PNK) will be provided funds of between MYR100,000 and MYR200,000 to develop short-term agrofood projects that can generate income within three to six months to ensure sufficient food supply.
- An **Automisation and Digitalisation Facility (ADF)** will be established to fund the purchase of equipment, machinery, and computer hardware and software to enhance productivity and efficiency. Eligible SMEs can access financing of between MYR100,000 to MYR 3million with a loan tenure up to 10 years at an interest rate of 3.75 per cent per annum. The SJPP will guarantee 80 per cent of the financing obtained at a 0.5 per cent guarantee fee.
- A **PRIHATIN Special Grant (GKP)** of MYR3,000 per micro entrepreneur. Eligible micro SMEs need to be registered with the Inland Revenue Department to receive this benefit. The list of eligible entities will be prepared by local authorities and SSM. Applications, initially closed in May 2020, will

be reopened from 1 to 31 October 2020. The GKP will also be made available to micro traders registered or holding a business license from SSM or Local Authorities until 31 August 2020. Payments are targeted to be made from 25 November 2020.

- Rental will be waived or discounted for SME retailers at premises owned by GLCs such as MARA, PETRONAS, PNB, PLUS and UDA.
- To encourage private owners to discount rental payments for SME tenants an income tax break equivalent to the amount of rental waived from April 2020 to September 2020² will be allowed. Landlords will have to give a discount of at least 30 per cent of the original rent due in the prescribed period to be eligible.
- Foreign worker levy will be reduced by 25 per cent for all SMEs whose employee permits expire between 1 April 2020 and 31 December 2020.
- MDEC and e-commerce platforms are co-funding a programme to onboard micro enterprises and SMEs (MSME) to shift towards business digitalization. From June to September 2020, participating e-commerce platforms will provide eligible MSMEs support in the form of on-boarding training, seller subsidy and sales support.
- **“Shop Malaysia Campaign”**: Government and e-commerce platforms will co-fund digital discount vouchers worth MYR70million between August and September 2020 to encourage online spending on local retailers’ products.
- Grants and loans for adoption or subscription of digitalization services under the following programmes:

SME Digitalisation Matching Grant	MYR100 million (in partnership with telecommunication companies)
SME Technology Transfer Fund	MYR500 million loan (application opens July 2020)
Smart Automation Grant	MYR100 million (capped at MYR1million per company)

- **MyAssist SME One-Stop Shop**: An online one-stop business advisory platform for the MSMEs will be set up to enhance the outreach of the existing physical SME Hub. The services offered include guidance for funding facility, trade facilitation, branding and promotion, technology support and legal.
- **PENJANA SME Financing**: The banking sector will offer additional MYR2 billion of funding to support SMEs in critically affected sectors as a concession rate of 3.5 per cent. The facility, which will focus on financing new SME customers, will be available in mid-June 2020, with a maximum loan size of MYR500,000 per SME.
- **PENJANA Microfinancing**: An MYR400 million funding programme with an aggregate approved financing cap of MYR 50,000 per enterprise at an interest rate of 3.5 per cent has been proposed. MYR50 million will be earmarked for women entrepreneurs.
- **Bumiputera Relief Financing**: Permodalan Usaha Nasional Berhad (PUNB) will provide MYR200 million worth of funding for Bumiputera-owned Shariah compliant businesses. The funding will cover funds for working capital, operational expenditure, system automation, equipment and expenditure to implement social distancing practices, financing of MYR100,000 to MYR1 million for up to 5 years at 3.5 per cent p.a. interest rate, with a moratorium of up to 6 months from disbursement.

² Previously set to June 2020 and extended to 30 September 2020 under PENJANA.

- MYR300 million working capital loans will be allocated through MARA with a maximum loan amount of MYR1 million per entity with 3.5 per cent p.a. interest rate.
- **SME Go-Scheme:** SME Bank will provide financing for contractors and vendors awarded with small government projects under the PRE 2020 and PRIHATIN stimulus package. No deposits or collateral will need to be provided for the funding facility and SME Bank will pay the financing directly based on the presentation of invoice and claims.
- GLCs and large corporate that have SME vendors in their supply chain are encouraged to accelerate their vendor's payment terms.
- Income tax rebate up to MYR20,000 per year for three years of assessment (YA) for newly established SMEs between 1 July 2020 and 30 June 2021.
- Stamp duty exemption on any instruments executed for Mergers and Acquisitions (M&As), for the period between 1 July 2020 and 30 June 2021.

Encouraging human capital development

- A double (tax) deduction can be claimed by companies who send their employees for training in Ministry of Tourism, Arts and Culture (MOTAC) approved courses relating to tourism industry, hotel operators and tour operating business.
- Under a **Skills Training Fund:**
 - Up to MYR100 million will be provided on a matching grant basis to HRDF to fund an additional 40,000 employees from the tourism and other affected sectors such as hotel, retail, certain manufacturing sectors.
 - MYR50 million will be provided to subsidise short courses in digital skills and highly skilled courses, to benefit as estimated 100,000 Malaysians.
 - MYR 20 million will be allocated to fund short courses conducted by the 13 State Skills Development Centres (SSDC). The funding will focus on TVET skills training and benefit more than 1,600 trainees working with manufacturing companies.
- The Employment Insurance System (EIS) will increase the claimable training cost from MYR4,000 to MYR6,000 and provide trainees a daily training allowance of MYR30. The eligibility criteria will be relaxed, as well. For example, the minimum requirement of 3 months contribution will be waived.
- Training allowance of MYR4,000 per individual for those retrenched but not covered under the EIS.
- Up to six months of incentive payments for hiring youth and unemployed workers:

<u>Persons</u>	<u>Incentive Amount</u>
School leavers and graduates	MYR600 per month
Below 40 years old	MYR800 per month
Above 40 years old; Persons with disability	MYR1,000 per month

Applications open from mid-June to end December 2020.

- Reskilling and upskilling programmes for youth and unemployed workers from mid-June to end December 2020:

Youth	Unemployed Workers
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One-to-one matching fund for MYR250 million to co-fund “place-and-train” programmes and other upskilling programmes with HRDF	Public-private collaboration on upskilling in sectors such as Electrics & Electronics and ICT for key investors
Optimise Government training facilities e.g. those under MARA, Community Colleges, IKBN, and ILP	Incentivise further studies focused on short courses in local universities
Training scheme of up to MYR3,500 over the next six months for Support Securities Industry Development Corporation (SIDC) programs (e.g. Capital Market Graduate Apprenticeship program, Islamic Capital Market Graduate Training Scheme).	Leverage entrepreneurship programs delivered by MOA, MARA and MEDAC
Relax conditions for Protégé Ready to Work programme	Training scheme of up to MYR800 per month for six months through SIDC.

Encouraging private investments

- To encourage private sector investment in early-stage and growth-stage Malaysian companies, a co-investment fund of MYR500 million will be established, with investments by the fund matched by private investors on a ratio of at least one to three.
- Listing fees will be waived by the Securities Commission and Bursa Malaysia for companies looking to list on Leading Entrepreneur Accelerator Platform (LEAP) or Access, Certainty, Efficiency (ACE) markets as well as companies with market capitalization of less than MYR500 million seeking listing on the Main Market.
- Government will provide Accelerated Capital Allowances of 60 per cent over a two-year period on expenses incurred on machinery and equipment including ICT during the period of 1 March 2020 to 31 December 2021³.
- A tax deduction of up to MYR300,000 for qualifying expenditures relating to renovation and refurbishment incurred from 1 March 2020 to 31 December 2021⁴ will be allowed.
- Import duty and sales tax exemption on importation or local purchases of machinery and equipment used in port operations will be given for three years effective 1 April 2020.
- International shipping companies that establish and operate their regional offices in Malaysia will be given a double deduction on pre-commencement expenditure.
- **National PENJANA Fund:** A fund will be established to match institutional private capital investment with selected venture capital and early stage tech fund managers for the following funds:
 - Seed Stage/Co-creation Funds
 - Series A/B Funds
 - Growth Stage Tech Funds
 - Venture Debt Funds
 - Opportunistic Funds (e.g. e-sports, healthcare)

³ Previously set to 31 December 2020 and extended to 31 December 2021 under PENJANA

⁴ Previously set to 31 December 2020 and extended to 31 December 2021 under PENJANA

- A **National Technology and Innovation Sandbox** will be developed to pilot new technology solutions and provide relaxation of regulations to test new technology solutions (e.g. drone delivery, autonomous vehicles).

Attracting Foreign Direct Investment in the Manufacturing Sector

Tax incentives for company relocating into Malaysia:

- Foreign companies that make new investments in the manufacturing sector⁵ in Malaysia will qualify for zero tax rate as follows:

Incentive <i>(Effective for applications from 1 Jul 2020 to 31 Dec 2021)</i>	Key Conditions	
	Value of capital investment (to be made within 3 years)	Commencement of operation
0 per cent tax rate for 10 years	MYR300-MYR500 million	Within one year from approval
0 per cent tax rate for 15 years	Above MYR500 million	

- 100 per cent Investment Tax Allowance for five years for existing companies in Malaysia, relocating overseas facilities into Malaysia, with capital investment above MYR300 million. This is effective for applications received from 1 July 2020 to 31 December 2021.
- Special Reinvestment Allowance for manufacturing and selected agriculture activity, from YA 2020 to YA 2022.
- Additional operating expenditure for Malaysian Investment Development Authority (MIDA) to undertake marketing and promotional activities
- Establishment of Project Acceleration & Coordination Unity (PACU) at MIDA
- Enhancement of Domestic Investment Strategic Fund
- Manufacturing License approval for non-sensitive industry within two working days.

Supporting the Tourism Sector

- Hotels are exempted from charging the six per cent service tax on their taxable services (effective from 1 March 2020 to 30 June 2021⁶).
- Operators of accommodation premises are also exempted from charging tourism tax from 1 July 2020 to 30 June 2021.
- The government is allowing monthly income tax instalment payments for businesses in the tourism sector to be deferred from 1 April 2020 until 31 December 2020⁷. No penalties will apply.
- A special income tax relief of up to MYR1000 will be provided to individuals for eligible expenditure related to domestic tourism, made from 1 March 2020 to 31 December 2021⁸. Eligible expenses are limited to:
 - Accommodation expenses at premises registered with the MOTAC; and
 - Entrance fees to tourist attractions

⁵ With the exception of certain industries, to be specified.

⁶ Previously set to 31 August 2020 and extended to 30 June 2021 under PENJANA.

⁷ Previously set to 30 September 2020 and extended to 31 December 2020 under PENJANA.

⁸ Previously set to 31 August 2020 and extended to 31 December 2021 under PENJANA

- All Malaysians will be eligible for digital vouchers of up to MYR100 per person for domestic flights, railway and hotel accommodation. Additional matching grants for tourism promotion such as Tourism Malaysia's Visit Malaysia Year 2020 and Galakan Melancong Malaysia (GAMELAN) will be provided. An allocation of MYR500 million is set aside for the vouchers and tourism promotion⁹.
- There will be a relaxation of existing guidelines limiting use of hotels by Government agencies as part of the initiatives to mitigate reduced demand for hotel services.¹⁰
- **PENJANA Tourism Financing (PTF)**: An MYR1 billion funding facility to finance transformation initiatives by SMEs in the tourism sector to enable them to remain viable and competitive in the new normal. Details will be announced in July 2020.

Supporting the Property Sector

- Stamp duty exemption will be provided on:
 - the instruments of transfer (limited to the first MYR1 million of the home price), and
 - loan agreement (full exemption)

for the purchase of residential homes priced between MYR300,000 and MYR2.5 million, subject to at least 10 per cent discounts by the developer, under the Home Ownership Campaign (HOC). This is effective for sales and purchase agreements signed between 1 July 2020 and 31 May 2021.

- Real Property Gains Tax (RPGT) exemption for residential homes disposed between 1 June 2020 and 31 December 2021, limited to the disposal of three unites of homes per individual.
- The current 70 per cent margin of financing limit applicable for the third housing loan onwards for property valued at MYR600,000 and above, will be uplifted during the period of the HOC, subject to internal risk management practices of financial institutions.

Supporting the Automotive Industry

- 100 per cent sales tax exemption on locally assembled cars
- 50 per cent sales tax exemption on imported cars

Effective from mid-June to 31 December 2020.

Support for Arts, Culture & Entertainment

- MYR100 million in soft loans with interest rate of 3.5 per cent and MYR30 million in grants for the creative, events and exhibitions industries under MyCreative Ventures, and MYR10 million for CENDANA
- MYR50 million worth of digital marketing from the Digital Marketing and Promotions Grants under MyCreative Ventures with a cap of MYR5,000 per event.
- MYR35 million Dana Kandungan Digital (digital content fund) under MDEC for projects in the creative sector that focus on animation and visual effects.
- Training in digital distribution methods and promotion, development of new business models and connectivity by MyCreative in collaboration with private sector.

Supporting the Agriculture and Food Sector

⁹ This measure was announced on 27 February 2020, prior to the issuance of the Movement Control Order (MCO). Since then, Visit Malaysia Year 2020 has been cancelled, guest stay at tourist accommodation premises limited and public facilities under the MOTAC closed. No clarification has been provided as to whether this measure will be continued.

¹⁰ Refer to footnote #7.

- Micro credit financing under Agrobank for agropreneurs (including commodity players) with interest rate of 3.5 per cent for a maximum loan size of MYR50,000 with a tenure of five years.
- Agrofood workforce mobility via incentives for pioneer companies to train and educate workforce to explore opportunities in agriculture and plantations.
- In-kind benefits for Urban Farming (e.g. fertilisers, sees, infrastructure, equipment, advisory and training) worth MYR500 pe person and MYR50,000 per community.

Commodity Sector Support

- 100 per cent duty exemption from 1 July 2020 to 31 December 2020 for:
 - Crude Palm Oil
 - Crude Palm Kernel Oil
 - Refined Bleached Deodorised Palm Kernel Oil

Sustaining the New Normal of Remote Learning and Work

- Additional tax deduction for employers that implement Flexible Work Arrangements (FWAs) or enhance their existing FWAs (effective 1 July 2020)
- Individual income tax exemption of up to MYR5,000 to employees who receive a handphone, notebook and tablet from the employer (effective 1 July 2020)
- Individual income tax relief of up to MYR2,500 on the purchase of handphone, notebook and tablet (effective 1 June 2020)¹¹
- SOCSO will provide coverage for workers involved in accidents while working from home under the EIS, beginning June 2020.
- Free 1Gb internet per date between 8am and 6pm for education, productivity (video conference applications) and news by participating telecommunication companies.
- Free unlimited use of Government's COVID-19 applications and access to Ministry of Health and other Government websites

SUPPORT FOR INDIVIDUALS

Enhancing the daily income of certain individuals

- Civil servants directly involved in the containment efforts will be eligible for a special monthly critical allowance until the end of the pandemic:
 - MYR600 for medical doctors and other medical personnel in April 2020 (MYR400 in February and March 2020)
 - MYR200 for immigration and related front-line staff from February 2020
 - MYR 200 for police, military, customs, RELA and civil defence force directly involved in MCO enforcement from April 2020.
- All civil servants of grade 56 and below, including contract workers, will receive a one-off MYR500 payment in April 2020. A one-off MYR500 will also be disbursed to 850,000 retired civil servants in April 2020.
- A one-off payment of MYR600 each will be given to taxi drivers, tourist bus drivers, tourist guides and registered trishaw drivers on 1 April 2020. Eligible persons must be active and registered since 31 December 2019.

¹¹ This is on top of the existing lifestyle tax relief of RM2,500 that is applicable to similar purchases as well as other items such as reading materials, sports equipment and broadband subscriptions

- A one-off financial assistance of MYR500 for 120,000 e-hailing drivers will be provided to ease their burden during the MCO period.
- MYR110 million is allocated for more than 80,000 workers involving contract services such as sanitation and food supply in schools, public higher education institutions, public training institutions and other government agencies. The Government will continue to pay salaries to these workers despite their absence during the MCO period. The Government will also extend the contract period by one month as a trade-off with the MCO period.

Reducing cost of living

- To support B40 and M40 household, the Bantuan Prihatin Nasional (BPN) one-off payouts will include:
 - MYR1600 provided households earning MYR4000 per month or less. MYR1000 will be paid in April 2020 and the balance in May 2020
 - MYR1000 for households earning between MYR4000 and MYR8000 per month. MYR500 will be paid in April 2020 and the balance in May 2020
 - MYR800 to single adults (aged 21 and above) earning less than MYR2000 per month. MYR500 will be disbursed in April 2020 and the balance in May 2020
 - MYR500 for single adults earning between MYR 2000 and MYR4000 per month. Half will be paid out in April 2020 and the balance in May 2020.
- Additional cash handout - [Bantuan Prihatin Nasional 2.0 \(BPN 2.0\)](#):

Categories	Paid in two instalments	
	October 2020	January 2021
RM1,000 to B40 households;	70 per cent	30 per cent
RM500 to B40 singles;	70 per cent	30 per cent
RM600 to M40 households;	67 per cent	33 per cent
RM300 to M40 singles;	67 per cent	33 per cent

The handout will be automatically channeled to recipients previously approved under BPN. [New applications and appeals](#) will be permitted for those who have yet to receive any BPN, from 15 October 2020 to 15 November 2020.

- A 2 per cent discount that will be applied to all household bills starting from 1 April 2020.
- Family takaful and life insurance operators will allow COVID-19 affected policyholders and takaful participants a three-month suspension on regular premiums/contribution payments without affecting the policy coverage. This option will be available from 1 April 2020 until 31 December 2020.
- The minimum Employees Provident Fund (EPF) contribution by employees will be reduced by 4 per cent to 7 per cent (effective 1 April 2020 to 31 December 2020). Malaysian workers have the option to opt out from the scheme and maintain their contribution rate at 11 per cent.
- Up to MYR1500 of pre-retirements funds can be withdrawn from Account B of private retirement schemes (PRS) without any tax penalty between April 2020 and December 2020. A new facility [Lestari2](#) that allows all EPF members up to 55 years old to withdraw from their respective Account 2 – subject to a maximum of RM500 per month for a period of 12 months – will be established. Applications can be made from 1 April 2020 while withdrawals can be made from 1 May onwards.

- Unlimited monthly travel pass costing MYR30 for use in all rail services, BRT, RapidKL buses and MRT feeder buses,
- E-Vouchers of MYR800 per householder for mobile childcare services, to be utilized from now till end of August 2020
- Increase in income tax relief for parents on childcare service expenses from MYR 2,000 to MYR3,000 for YA 2020 and YA 2021.

Additional support for the lower income group (B40)

- MYR200 Bantuan Sara Hidup (BSH) payment will be paid in March 2020. An additional MYR100 will be paid into the bank accounts of all BSH recipients in May 2020. Another MYR50 will be provided in the form of *e-tunai*.
- Six-month rental exemption for those:
 - staying at People's Housing Projects
 - in rent-to-own units from 1 April 2020 to 30 September 2020
 - in public housing managed by Dewan Bandaraya Kuala Lumpur.
- Allocation of MYR100 million for PEKA B40 Healthcare support for health screening, medical device assistance, cancer treatment incentives, and subsidy of transportation for health.
- MYR50 worth of e-wallet credits and an additional MYR50 in value through vouchers, cashbacks and discounts will be provided to Malaysians aged 18 and above, earning less than MYR100,000 annually, for offline/physical purchases

Support for students and vulnerable groups

- Students at institutions of higher learning will receive a one-off financial assistance of MYR200 in May 2020.
- The repayment of PTPTN loans will be deferred for six months, for all borrowers. This moratorium will be in effect from 1 April 2020 to 30 September 2020.
- Repayment for loans from the Skills Development Fund Corporation (PTPK) will be deferred for a six-month period from 1 April 2020 to 30 September 2020, for all borrowers.
- MYR25 million has been set aside to provide food, healthcare and shelter assistance to vulnerable groups such as elderly and children in shelters, the disabled, the homeless and *orang asal*. The Government will work with NGOs and relevant social entrepreneurs to reach these beneficiaries.
- One off assistance of MYR300 to registered OKUs (persons with disability), single mothers with income below the poverty line registered under MoWFCD and Home Help Services volunteers.
- Grant for relevant registered NGOs which support vulnerable groups.
- **PENJANA GLC Community** – GLCs are encouraged to adopt one community and will implement a social economic development project with the community.

Other

- Under the [Employee Retention Programme \(ERP\)](#), private sector employees who have been instructed to take no paid leave will be entitled to receive MYR600 in financial assistance per month for up to six months depending on the No-Pay Leave notice issued by the employer.
- Matching grant of up to MYR50 million will be provided for gig economy platforms that contribute up to MYR162 p.a. to PERKESO's employment injury scheme and up to MYR250 p.a to EPF's i-Saraan contribution for their gig workers.
- MYR25 million will be provided to MDEC for the Global Online Workforce (GLOW) program which trains Malaysians to earn income from serving international clients while working from home.
- The National Employment Services under PERKESO will be upgraded as follows:

- Enhancement of the job portal and employment placement services
- Collaboration with the private job sites for employment matching
- Matching grant will be provided through Malaysian Global Innovation & Creativity Centre (MaGIC) totaling MYR10 million to social enterprises that are able to crowdsource contributions and donations to undertake social project that address the challenges faced by targeted communities.

INCREASED INFRASTRUCTURE SPENDING

- MYR4 billion will be set aside for repair, maintenance and upgrading of public amenities and basic infrastructure such as roads, bridges, streetlights, drainage, rural water supply and dilapidated schools in Sabah and Sarawak.
- Malaysian Communications and Multimedia Commission (MCMC) will implement six projects valued at MYR3 billion on works related to the National Fiberisation and Connectivity Plan (NFCP).
- Telcos will invest MYR400 million in Q2, 2020 to widen the network coverage and capacity as well as to ensure stable, high quality and continuously available telecommunication services.
- Government Linked Companies (GLCs) such as Tenaga Nasional Berhad (TNB) will accelerate planned capital expenditure of MYR13 billion in 2020, including accelerating projects such as LED street lights, transmission lines and rooftop solar installations.
- MYR20 million will be set aside to accelerate the digitalization of government services e.g. stamp assessment & stamp duties, unclaimed money, online interviews for Government scholarships. Hackathons will be hosted to crowdsource solutions for future digitalisation.
- MYR 20 million will be set aside for a national “Buy Malaysia” campaign. Under this initiative major supermarket chains will be required to tag and identify Malaysian products. E-trading platforms will also create dedicated channels for Malaysian products.

OTHER IMPORTANT ANNOUNCEMENTS

- Automatic moratorium of 30 days (from the last day of the MCO) is granted for the submission of statutory documents by SMEs to the SSM.
- Companies with financial year ends between 30 September to 31 December 2019 can apply for an extension of deadline for the submission of financial statements to three months after the end of the MCO. No late fee will apply.
- Operating hours for the Urban Transformation Centres (UTC) and Klinik Kesihatan (government health clinics) will be extended to facilitate the transition away from the traditional working hours concept of 9am to 5pm towards extended working hours on shifts-basis. Extended hours will also be encouraged for other business-facing Government departments.
- COVID-19 Temporary Measures Act will be tabled during the July 2020 Parliament session. The bill contains legislative measures to minimize the impact of the COVID-19 pandemic and provides relief from certain contractual obligations and financial distress.
- The Ministry of Finance is scheduled to issue an Islamic debt instrument, the Sukuk PRIHATIN, in Quarter 3 of 2020, with a fully digital subscription process. Proceeds from the issuance will be utilized for specific development programmes, for example:
 - connectivity of schools, particularly in rural areas,
 - funding for micro enterprises, focused on women entrepreneurs, and
 - research grants for infectious diseases.

