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## EY Tax Alert (Special Edition)

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# Supplementary Strategic Programme to Empower the People and Economy (PEMERKASA Plus)

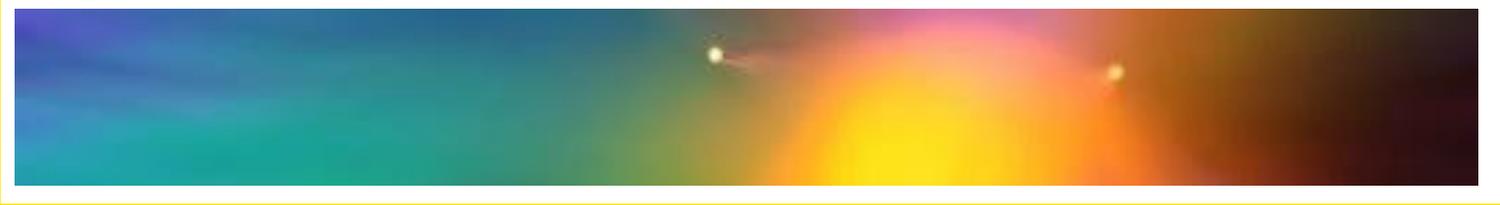
### Coverage of this Alert

- ▶ Concessions by the Inland Revenue Board (IRB)
- ▶ Concessions by the Companies Commission of Malaysia (SSM)
- ▶ Special deduction on rental discounts given to tenants
- ▶ Stamp duty exemption on the purchase of residential property under the National Home Ownership Campaign 2020/2021
- ▶ Sales tax exemption on passenger cars
- ▶ HRDF levy exemption
- ▶ Wage Subsidy Programme 3.0

On 31 May 2021, the Prime Minister unveiled the RM40 billion Supplementary Strategic Programme to Empower the People and Economy (PEMERKASA Plus). This follows the announcement of previous COVID-related economic stimulus packages which were discussed in our earlier alerts (see *Take 5: Economic Stimulus Package 2020*; *Take 5: COVID-19: Second Economic Stimulus Package 2020*; *Special Tax Alert No. 6/2020*; *Take 5: COVID-19: Short-term Economic Recovery Plan*; *Special Tax Alert No. 1/2021*; and *Special Tax Alert No. 2/2021*). PEMERKASA Plus comprises 12 initiatives to help enhance the public health capacity, continue the *Prihatin Rakyat* agenda and support business continuity.

To help alleviate the burden on businesses, it was announced that the Inland Revenue Board (IRB) will consider appeals on penalties and defer penalty payments to 2022, as well as provide or revisit repayment schedules for outstanding tax payments to affected taxpayers and businesses.

The Companies Commission of Malaysia (SSM) has also agreed to extend deadlines for the submission of financial statements and the convening of annual general meetings for public companies listed on Bursa Malaysia, as well as provide a moratorium on fines for the late submission of statutory documents. SSM will also exempt micro small and medium enterprises (micro-SMEs), sole proprietorships and partnerships from compounds for late business license renewals, until 31 December 2021.



A number of key measures announced in the earlier stimulus packages have been extended as well, as outlined below:

Incentives before PEMERKASA Plus	PEMERKASA Plus
<p><b>1. Special deduction on rental discounts given to tenants</b></p> <p>A special tax deduction is given to property owners who provide at least 30% rental discounts to tenants. The qualifying period is as follows:</p> <ul style="list-style-type: none"> <li>▶ Tenant (SME): 1 April 2020 to 30 June 2021</li> <li>▶ Tenant (Non-SME): 1 January 2021 to 30 June 2021</li> </ul>	<p>The special deduction will be extended until 31 December 2021.</p>
<p><b>2. Stamp duty exemption on the purchase of residential property under the National Home Ownership Campaign 2020 / 2021</b></p> <p>As part of the Home Ownership Campaign (HOC), stamp duty exemption is provided for the purchase of residential property where the sales and purchase agreement (SPA) is executed between 1 June 2020 and 31 May 2021. The stamp duty exemptions are given for:</p> <ul style="list-style-type: none"> <li>a) Any loan agreement to finance the purchase of a residential property valued from RM300,001 to RM2.5 million under the HOC 2020 / 2021</li> <li>b) All instruments of transfer for the purchase of a residential property valued from RM300,001 to RM2.5 million (based on market value) under the HOC 2020 / 2021. However, the stamp duty exemption is limited to the stamp duty on the first RM1 million of the market value of the residential property.</li> </ul>	<p>The stamp duty exemption will be extended until 31 December 2021.</p>
<p><b>3. Sales tax exemption on passenger cars</b></p> <p>A sales tax exemption is provided on the sale of locally-assembled passenger cars and the importation of passenger cars into Malaysia until 30 June 2021, as follows:</p> <ul style="list-style-type: none"> <li>▶ 100% sales tax exemption on the sale of locally-assembled passenger cars; and</li> <li>▶ 50% sales tax exemption on imported passenger cars</li> </ul>	<p>The sales tax exemption will be extended to 31 December 2021.</p>

Incentives before PEMERKASA Plus	PEMERKASA Plus
<p><b>4. HRDF levy exemption</b></p> <p>Under the Perlindungan Ekonomi &amp; Rakyat Malaysia (PERMAI) Assistance Package, a HRDF levy exemption was provided to companies that were unable to operate during the Movement Control Order (MCO) and Conditional Movement Control Order (CMCO) periods. Thereafter, under the Strategic Programme to Empower the People and Economy (PEMERKASA), a HRDF levy exemption was provided to affected companies in the tourism and retail sectors until June 2021.</p>	<p>The HRDF levy exemption will be extended to <u>all employers</u> for the month of June 2021.</p>
<p><b>5. Wage Subsidy Programme (WSP) 3.0</b></p> <p>Under PEMERKASA, WSP 3.0 was extended by another three months with a more targeted approach, focusing on tourism, wholesale and retail traders, as well as other businesses (e.g. gymnasiums and spas) which were unable to operate during the MCO periods. Eligible employers will receive a wage subsidy of RM600 per employee for each of their employees earning less than RM4,000, subject to a maximum of 500 employees per employer. Currently, WSP 3.0 applies to applications made between 1 January 2021 and 30 June 2021.</p>	<p>WSP 3.0 will be extended for a period of one month for <u>all affected economic sectors</u></p>

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