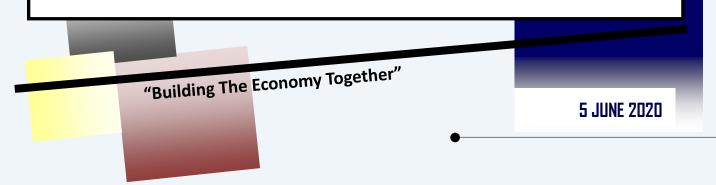


PENJANA:

SHORT-TERM ECONOMIC RECOVERY PLAN 2020



FOREWORD

On 5 June 2020, the Government unveiled the Short-Term Economic Recovery Plan valued at RM35 billion. This Plan is in addition to the three (3) Economic Stimulus Packages that were announced earlier totaling RM280 billion.

The Government is committed in taking an inclusive and holistic approach to Malaysia's economic recovery, and it is important that everyone be part of this journey. The focus on 3 key thrusts - Empower People, Propel Businesses and Stimulate the Economy, are certainly the key directions that Malaysians hope and pray, will lead to the road of recovery in the "New Normal".

A summary of the details of this Plan will be outlined in the following pages for your reading pleasure. Sending our best regards to you. Stay safe!



CAS TAX SERVICES SDN BHD

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Further tax deduction for employers which implement Flexible
Work Arrangements (FWAs) or undertake enhancement of
their existing FWAs (effective 1 July 2020)



Extend the period and expand the scope of expenses allowed as tax deduction or capital allowance for COVID-19's prevention, including:

- Covid-19 testing
- Purchase of PPE and thermal scanners



50% remission of penalty for late payment of sales tax & service tax due and payable from 1 July 2020 to 30 September 2020



Extension of special tax deduction for renovation and refurbishment of business premises to 31 December 2021



Extension of Accelerated Capital Allowance on eligible capital expenses including ICT equipment to 31 December 2021



Extension of special deduction equivalent to 30% reduction in rental for SMEs to 30 September 2020



Income tax rebate up to RM20,000 per year for 3 years of assessment for newly established SME and commenced operation between 1 July 2020 to 31 December 2021



Stamp duty exemption for SMEs on any instruments executed for Mergers and Acquisitions (M&As), for period between 1

July 2020 to 30 June 2021



Tax incentives for company relocating into Malaysia:

0% tax rate for 10 years for new investment in manufacturing sectors with capital investment in fixed assets between RM300 - RM500 million



0% tax rate for 15 years for new investment in manufacturing sectors with capital investment in fixed assets above RM500 million



100% Investment Tax Allowance for 5 years for existing company in Malaysia relocating overseas facilities into Malaysia with capital investment in fixed assets above RM300 million



Special Reinvestment Allowance for manufacturing and selected agriculture activity, from YA 2020 to YA 2021



Extension of period for deferment of tax instalment payment for tourism industry to 31 December 2020



Extension of service tax exemption for hotels to 30 June 2021



100% export duty exemption from 1 July 2020 to 31 December 2020 for the following commodity sector:

- Crude Palm Oil
- Crude Palm Kernel Oil
- Refined Bleached Deodorized Palm Kernel Oil



The wage subsidy programme will be extended for a further three months with subsidy of RM600 per employee for all eligible employers



INCENTIVES FOR INDIVIDUALS

Individual income tax exemption of up to RM5,000 to employees who receive a handphone, notebook & tablet from their employer (effective 1 July 2020)



Special individual income tax relief of up to RM2,500 on the purchase of handphone, notebook & tablet (effective 1 June 2020)



Full sales tax exemption on locally assembled passenger cars and 50% sales tax exemption on imported passenger cars



Increase in income tax relief for parents on fees paid to childcare centres and kindergartens, from RM2,000 to RM3,000 for YA2020 and 2021



INCENTIVES FOR INDIVIDUALS

Home Ownership Campaign (HOC) to be reintroduced:

Stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10% discounts provided by the developer. The exemption on the instrument of transfer is limited to the first RM1 million of the home price while full stamp duty exemption is given on loan agreement effective for sales and purchase agreements signed between 1 June 2020 to 31 May 2021.



RPGT exemption for disposal of residential homes from 1 June 2020 to 31 December 2021 (This exemption is limited to the disposal of three units of residential homes per individual)





INCENTIVES FOR INDIVIDUALS

Tourism tax exemption from 1 July 2020 to 30 June 2021



Extension of period for income tax relief of RM1,000 for domestic tourism expenses to 31 December 2021





Disclaimer: interested parties are advised to contact the Company for further details after reading the contents of this highlights. Neither the company, partners nor member firms, their councils or any of their committees shall be held responsible or liable for any claims, loss, damages, costs or expenses arising in any way out of or in connection with any person relying upon such views without referring to the Company first.