

THE MALAYSIAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
(INSTITUT AKAUNTAN AWAM BERTAULIAH MALAYSIA)



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DATE : April 12, 2020

TITLE : MICPA-MARC: Allow SMEs to defer paying income instalments till December 2020

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3) <https://www.malaymail.com/news/malaysia/2020/04/12/micpa-marc-allow-smes-to-defer-paying-income-tax-instalments-till-december/1855970>



MICPA, MARC: Allow SMEs to defer paying income tax instalments till December

Posted by FocusM | 8 hours ago | Mainstream



THE government should consider allowing the small and medium-sized enterprises (SMEs) to defer income tax instalment payments up to December rather than just for a three-month period ending June 1.

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"We think the government could consider extending the deferment until December 2020. This is because we expect the impact of supply chain disruptions to be felt for quite some time after the outbreak ends," they said in the statement titled "Mitigating the Impact of Covid: Learning Points".

Under the Prihatin Rakyat Economic Stimulus Package unveiled on March 27, the government allows all SMEs to postpone income tax instalment payments for a three-month period beginning April 1. This measure is in addition to the tax instalment payment postponement given to affected businesses in the tourism sector for six months starting also from that date.

They also said it is crucial for financial institutions, namely commercial banks and development financial institutions, to step forward at this critical moment in the country's economic history.

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"Otherwise, we could end up with thousands of business failures which will have dire implications for the financial system, economy and labour market. The surge in business failures could also trigger social problems on a large scale," the two organisations added.
- April 13, 2020, Bernama



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MALAYSIA
Benarkan PKS tangguh bayaran cukai
hingga Disember - MICPA, MARC



12/04/2020 05:41 PM

KUALA LUMPUR, 12 April -- Kerajaan digesa mempertimbang untuk membenarkan Perusahaan Kecil dan Sederhana (PKS) menangguhkan pembayaran ansuran cukai pendapatan sehingga Disember ini berbanding hanya tiga bulan yang akan berakhir pada 1 Jun ini.

Dalam satu kenyataan bersama hari ini, Institut Akauntan Awam Bertauliah Malaysia (MICPA) dan Malaysian Rating Corporation Bhd (MARC) berkata susulan Perintah Kawalan Pergerakan (PKP) ketika ini, banyak PKS yang sebaliknya berdepan tindakan mufis berikutan aliran tunai dan perolehan yang terus susut manakala perbelanjaan pula semakin meningkat.

"Oleh itu, kami berpendapat kerajaan sepatutnya mempertimbang untuk melanjutkan penangguhan bayaran itu sehingga Disember 2020. Ini kerana impak rantaian bekalan yang terjejas akan dirasai untuk tempoh lama walaupun selepas berakhirnya penularan COVID-19," kata kedua-dua badan itu dalam kenyataan media bertajuk 'Mengurangkan Impak COVID-19: Perkara Yang Boleh Dijadikan Pengajaran.'

Di bawah Pakej Rangsangan Ekonomi Prihatin Rakyat (PRIHATIN) yang diumumkan pada 27 Mac lepas, kerajaan membenarkan semua PKS menangguhkan bayaran ansuran cukai pendapatan selama tiga bulan bermula 1 April, 2020.

Langkah itu sebagai tambahan kepada penangguhan sama diberikan kepada perniagaan sektor pelancongan yang terjejas bagi tempoh enam bulan bermula pada tarikh tersebut.

Selain itu, MICPA dan MARC juga berpendapat, adalah penting untuk kalangan institusi kewangan seperti bank-bank dan institusi pembangunan kewangan turut sama tampil membantu pada saat-saat kritikal dalam sejarah ekonomi negara.

"Adalah penting bagi mereka untuk terus menyuntik dana baharu ke dalam ekonomi dan menyokong aktiviti ekonomi menerusi kemudahan pinjaman kepada perniagaan yang berpotensi.

"Jika tidak, ribuan perniagaan akan gagal dan ini memberi implikasi serius terhadap sistem kewangan, ekonomi dan pasaran buruh. Malah, sebarang peningkatan perniagaan yang gagal ini boleh mencetuskan masalah sosial pada skala besar," kata dua badan tersebut.

-- BERNAMA

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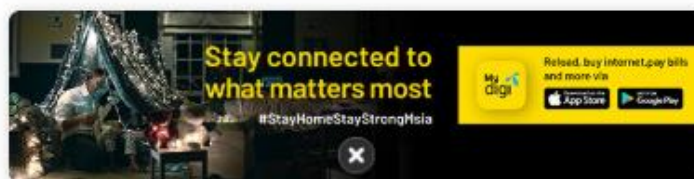
Micpa, MARC: Allow SMEs to defer paying income tax instalments till December

Sunday, 12 Apr 2020 05:05 PM MYT



A general view of the Inland Revenue Board's office in Kuala Lumpur January 8, 2020. — Picture by Yusot Mat Isa

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(FULL ARTICLE) MICPA-MARC: Allow SMEs to defer paying income instalments till December 2020

Economically, this year is shaping up to be the worst year since the Great Depression of the 1930s. The relentless spread of the coronavirus disease (COVID-19) has resulted in over a million infected, tens of thousands killed, wrecked global supply chains, and laid low many economies. It has been a bloodbath in the stock markets.

The World Bank has significantly lowered its 2020 GDP growth forecast for Malaysia to -0.1% from its previous forecast of +4.5%. Meanwhile, Bank Negara Malaysia (BNM) projects economic growth to come in between -2.0% and +0.5%.

In Q12020, the Government introduced a slew of fiscal stimulus measures totalling RM250 billion. The first package, the Economic Stimulus Package, was unveiled in February. This was followed by the Prihatin Rakyat Economic Stimulus Package – an enhancement to the first package – in March. In the same month, BNM cut its overnight policy rate by 25 basis points – the second time this year – to 2.50%.

Given the speed and scale of the outbreak, it has become increasingly apparent that the stimulus measures thus far have proven to be inadequate. For one, the measures were primarily aimed at the rakyat, with not enough support given to struggling businesses, especially small and medium-sized enterprises (SME). In acknowledgement of this issue, the Government announced on 6 April additional

measures under the RM10 billion Prihatin Plus stimulus package to help ease the financial burden of SMEs.

We applaud these measures because businesses, together with the rakyat and Government, form the three legs of the economic ecosystem. If one leg breaks, the whole ecosystem collapses. SMEs are particularly important in the ecosystem because they account for about 98.5% of businesses and employ around two-thirds of the workforce. With the Movement Control Order, many SMEs are facing bankruptcy as their cash flow and revenue dry up and overhead expenses accumulate.

We think that more could be done, though. For example, one stimulus measure allows SMEs to postpone their income tax instalment payments for a period of three months beginning 1 April 2020. We think the Government could consider extending the deferment until December 2020. This is because we expect the impact of supply chain disruptions to be felt for quite some time after the outbreak ends. In any case, we do not see the pandemic clearing up anytime soon as there is still no proven cure.

However, the Government can only do just so much because of fiscal constraints. It is important that financial institutions (FI), namely commercial banks and development financial institutions, step forward at this critical moment in our economic history. It is important that they continue to inject fresh funds into the economy and support economic activities by lending to viable businesses. Otherwise, we could end up with thousands of business failures which will have dire implications for the financial system, economy and labour market. The surge in business failures could also trigger social problems on a large scale.

This is not to say that the injection of fresh funds to support economic activities will stave off bankruptcies. Considering the immense challenges ahead, there will still be business failures despite everyone's best efforts. However, such efforts could help "flatten the curve," an important outcome during these economically perilous times. What this means is that in the case of FIs, their continued business lending could help reduce, prevent and space out the incidence of business failures. This is important because if too many business failures occur within a short time span, the financial system could seize up.

FIs thus have an important decision to make, i.e. whether to: a) step forward and continue to lend to viable businesses, thereby helping to "flatten the curve" and stabilise the economy; or b) cut down on fresh lending, which will lead to a sudden large spike in business failures and potentially cause the financial system to seize up.

It is important to note that according to BNM, FIs are well-positioned to mitigate the present shocks and help the economy stabilise given the large financial buffers built up over the years.

Going forward, there will be lessons from this outbreak for everyone, the most important being that we are all in this together, and as such we must work together to overcome this. For business and Government leaders, there is the realisation that the world has become less flat because the outbreak has strengthened the case for nationalism.

Moving forward, the country needs to plan for future crises and stay prepared. To help set the stage for a more effective response to future crises, it will be necessary to strengthen the resilience of the

Malaysian economy by improving governance and institutions. Ongoing reforms aimed at eliminating public sector wastage and patronage need to continue and be enhanced. Given the bloated civil service, recruitment should only be for essential positions, for example, in healthcare. Efforts to achieve balanced or surplus budgets should also be strengthened, with, say 2030, set as the target year. It will also be prudent to create a stabilisation fund – using the country’s petroleum revenue – to be used only during major crises.

We believe that these steps and more are necessary to keep Malaysia on track towards achieving a more secure, equitable, inclusive and sustainable future.

This article is co-authored by The Malaysian Institute of Certified Public Accountants (MICPA) & Malaysian Rating Corporation Berhad (MARC)