

## Summary of Measures announced under the PRIHATIN Rakyat Economic Stimulus Package (PRIHATIN)

The Malaysian Institute of Certified Public Accountants (MICPA) is pleased to summarise the tax measures announced by the Prime Minister on March 27, 2020, mainly to ease the Rakyat's burden.

### 1) Withdrawal from Private Retirement Scheme

Individuals are allowed to make pre-retirement withdrawals from account B up to RM1,500 per member without any withholding tax penalties between April and December 2020. Presently, the withholding tax penalty for early withdrawal is at the rate of 8%.

### 2) Introduction of the Employer Advisory Services (EAS) Programme

The EAS Programme to be introduced by the Employers Provident Fund on April 15, 2020 will provide services such as options for deferral of payments, restructuring and rescheduling of employer contributions, mainly to ease cashflow to employers.

### 3) Exemption of Levy due to Human Resources Development Fund (HRDF)

The levy due from all sectors to the HRDF is exempted from April to September 2020.

### 4) Tax Instalment Deferment for SMEs

The income tax instalment payments to all SMEs are postponed for a period of 3 months beginning April 1, 2020.

Other affected sectors (aside from only the tourism sector announced during the first Economic Stimulus Package on February 27, 2020) are also allowed to revise the tax estimate in month of the third monthly instalment (also announced during the first Economic Stimulus Package).

### 5) Deferment of taxability of profit or interest income of banks

Bank's income from interest or profit from loans or financing involved with the moratorium will only be taxable when the income is received after the moratorium period.

### 6) Wage Subsidy Programme

Further clarification is provided under the Additional PRIHATIN SME Economic Stimulus Package (PRIHATIN SME+). Please refer to MICPA's corresponding summary write-up attached to the ESP (PRIHATIN SME+) text speech on the MICPA COVID-19 Resource & Support website <https://www.micpa.com.my/resources/covid19/>