

# PAKEJ BANTUAN PERLINDUNGAN EKONOMI DAN RAKYAT MALAYSIA (PERMAI)

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# CLIENT ALERT: PAKEJ BANTUAN PERLINDUNGAN EKONOMI DAN RAKYAT MALAYSIA (PERMAI)

On 18 January 2021, the Prime Minister Tan Sri Dato' Haji Muhyiddin bin Haji Mohd Yassin announced the *Pakej Bantuan Perlindungan Ekonomi dan Rakyat Malaysia* (PERMAI) stimulus package totalling RM15 billion as a supplement to the existing initiatives.

The announcement was made amidst the implementation of the Movement Control Order (MCO) in the strict, conditional and recovery variations for targeted states and Federal Territories between 13 January 2021 until 26 January 2021. To some extent, a number of the initiatives under the PERMAI aid package are continuations of efforts under the stimulus packages announced in 2020 and also involve the implementation of the efforts announced under the Budget 2021.

The PERMAI aid package comprises 22 initiatives which are categorised into three main objectives:

- (1) Combating the Covid-19 pandemic;
- (2) Ensuring the welfare of the people; and
- (3) Supporting business continuity.

We have summarised the initiatives under the PERMAI package for your ease of reference below.

## **First Objective: Combating the Covid-19 Pandemic**

### *Initiative 1: Implementing the Covid-19 Vaccination Programme*

RM3 billion will be allocated for the procurement of the Covid-19 vaccine, an effort currently overseen by the special COVID-19 vaccine committee (JKJAV). Guidelines for the implementation will be announced soon. The implementation will be staggered and take a total course of 12 months from March 2021.

### *Initiative 2: Strengthening the National Health System*

3,500 new health personnel will commence work at the end of January with an additional allocation of RM150 million. The Government is committed to increase the personnel if the immunisation programme requires more healthcare workers.



### *Initiative 3: Enhancing Cooperation with Private Hospitals*

Private hospitals have agreed to receive and treat Covid-19 and non-Covid-19 patients to assist in reducing the burden on the public healthcare system. The Government is allocating RM100 million for this initiative.

### *Initiative 4: Strengthening Employee Health Screening*

Tax relief for expenses incurred by individuals in conducting medication examinations will now cover Covid-19 screening tests. The maximum amount of relief was earlier increased from RM500 to RM1,000 under the Budget 2021.



## **Second Objective: Ensuring the Welfare of the People**

### *Initiative 5: Accelerating the Bantuan Prihatin Rakyat Payments*

The final phase of the *Bantuan Prihatin Nasional* (BPN 2.0) payments will be expedited to commence on 21 January 2021. 11.1 million individuals will receive RM2.38 billion.

Phase one of the *Bantuan Prihatin Rakyat* (BPR) payments will involve 8 million recipients. Households with an income of up to RM5,000 will receive RM300 and single individuals with an income of up to RM2,000 will receive RM150.

### *Initiative 6: Strengthening the Welfare Programme*

Pursuant to Budget 2021, the Government had increased the monthly welfare assistance rate commencing January 2021 which involves an allocation of RM2.2 billion and benefiting 400 thousand recipients.

The *Program Bakul Makanan* will be implemented by the Department of Social Welfare to provide eligible recipients with RM100 million worth of essential food items. The allocation for this programme is RM50 million.

RM25 million will be allocated under the GLIC/GLC Disaster Relief Network programme for the vulnerable, on a matching grant basis with Government-linked companies.

The Government has introduced various incentives in the form of tax reliefs for donors who contribute towards persons affected by the pandemic.

### *Initiative 7: Continuing the Moratorium Period and Loan Instalment Reduction*

Loan moratorium and reduction of loan repayments will be continued to be provided.

### *Initiative 8: Improving the EPF i-Sinar Programme*

The Employees Provident Fund will make an advance payment of RM1,000 to Category 2 applications. The advance payment will commence on 26 January 2021.

*Initiative 9: Extending the Special Tax Relief Period for the Purchase of Mobile Phones, Computers and Tablets*

The special tax relief period for the purchase of mobile phones, computers and tablets will be extended from 31 December 2020 to 31 December 2021.

*Initiative 10: Extending the Period for Free Internet Access*

The provision of 1GB free data worth RM500 million will be extended until the end of April 2021.

Special subscriptions for students sitting for the SPM and STPM examinations will be expanded to include students of higher learning institutions.

*Initiative 11: Extending the Period for the Sales Tax Exemption on Passenger Vehicles*

The sales tax exemption on passenger vehicles will be extended to 30 June 2021.

*Initiative 12: Extending the Moratorium Period for PTPTN Borrowers*

Borrowers of National Higher Education Fund Corporation (PTPTN) loans affected by the Covid-19 pandemic and flood can apply for a loan repayment moratorium for 3 months. Applications may be made until 31 March 2021.



**Third Objective: Supporting Business Continuity**

*Initiative 13: Improving the Wage Subsidy Programme*

The Wage Subsidy Programme 3.0 will be revised to enable all employers operating during the MCO to apply, notwithstanding the economic sector. For a duration of one month, employers will be eligible to receive RM600 for each of their employees with a salary of less than RM4,000. The 200-employee limit for each application will be increased to 500. An additional allocation of RM1 billion will be made for this initiative and is estimated to benefit 250 thousand employers with a total employee count of 2.6 million.

The Government has agreed to ease the requirements to apply for the *Sistem Insurans Pekerja* (Employment System Insurance) (SIP PRIHATIN) for those who have lost their jobs during the MCO. Employees who do not meet the minimum contribution, or have not extended their service contract after 3 renewals, may apply for the SIP PRIHATIN financial assistance which shall be 30% of their salary for a period 3 months.

An allocation of RM24 million will be made for payment of contribution under the Self-Employment Social Security Scheme by PERKESO for delivery riders.

*Initiative 14: Continuation of the PRIHATIN Special Grant (GKP)*

The supplementary GKP (GKP Tambahan) of RM1,000 to traders and hawkers previously announced during the Budget 2021 presentation will be provided to 500 thousand small and medium enterprises (SMEs) at seven MCO-implemented states, where 300 thousand SMEs in other states will receive RM500. This extension, dubbed the GKP PERMAI, will involve an allocation of RM650 million.

*Initiative 15: One-off Financial Assistance for Taxi and Bus Drivers*

A one-off financial assistance of RM500 to each taxi and bus driver totalling 14 thousand tour guides and 118 thousand taxi, bus and e-hailing ride drivers will be provided. A total of RM66 million will be allocated for this initiative.

Excise and sales tax will be exempted from 1 January 2021 to 31 December 2021 for the transfer, disposal and private use of taxis which have been in use for five years (reduced from seven years).

*Initiative 16: Accelerating the Implementation of the Microcredit Scheme*

The Government will expedite the implementation of microcredit schemes previously announced.

*Initiative 17: Support of Online Businesses*

The implementation of the Shop Malaysia Online campaign, with a total allocation of RM300 million, will be accelerated by the Government.



*Initiative 18: Improving the Danajamin PRIHATIN Guarantee Scheme*

In improving the previously announced *Skim Jaminan PRIHATIN Danajamin* (SJPD), the Government will increase the maximum financing amount from RM500 million to RM1 billion, expand the financing scope to cover capital expenditure with a guarantee period of 10 years, and allow foreign companies operating in Malaysia to apply for the SJPD on the condition that 75% of their employees are local.

*Initiative 19: Rescheduling and Extending the Moratorium Period for MARA Loans and Rental of MARA Premises*

Applications may be made for a rescheduling of the repayment of MARA study loans or for the moratorium of such loans until 31 March 2021 under the MARA PRIHATIN Peace of Mind 2.0 programme.

MARA entrepreneurs affected by the pandemic, the MCO or the flood disaster may apply for a rescheduling of the MARA business financing received.

MARA will provide a 30% discount for 6 months commencing November 2020 until April 2021 in respect of rental of its premises.

The special tax relief afforded to companies who have provided a 30% discount on rental of premises by SMEs from 1 April 2020 to 31 March 2021 will be extended to companies providing the same discount for rental by companies of other categories (not limited to SMEs). This special tax relief incentive will also be extended to 30 June 2021.

Payment of Human Resources Development Fund (HRDF) levies will be exempted for companies which cannot operate during the MCO and the Conditional Movement Control Order (CMCO).

*Initiative 20: Continuation of Electricity Bill Discounts*

The Government will provide a 10% discount on electricity bills for the period of January until March 2021 to 6 sectors namely hotel operators, theme parks, convention centres, shopping malls, airline offices and travel and tourism agencies.

All domestic and non-domestic users of Tenaga Nasional Berhad will be given a rebate of 2 sen for every kilowatt-hour, translating to a 9% reduction from 1 January 2021 until 30 June 2021.

*Initiative 21: Introduction of the Bus and Taxi Hire-Purchase Rehabilitation Scheme*

Under this scheme, a 50% guarantee on financing from hire-purchase and leasing companies will be provided for selected buses and taxis. This will enable taxi and bus operators to restructure their financing and enjoy a 12-month moratorium and lower monthly repayments. A guarantee of RM1 billion will be provided for this scheme.

*Initiative 22: Improving the Temporary Measures For Reducing The Impact Of Coronavirus Disease 2019 (Covid-19) Act 2020*

The Government will extend the operational period for inability to perform contractual obligations due to the measures taken to prevent the spread of Covid-19 to 31 March 2021.



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