

Government Assistance Checklist

The Covid-19 pandemic has impacted businesses of all sizes around the world and has led to a volatile economy. The leaders are now focusing on the business viability and the company's financial health. The economic consequences of the pandemic call for urgent policy responses to prevent a catastrophic economic collapse that would have dire human, social, and health consequences. This Government Assistance Checklist is compiled from various sources on the economic stimulus packages and Budget 2021 to help you keep track and identify available incentives, reliefs, loans, credits, and grants for your business needs. Find and leverage on the right option to help your business sail through this challenging time.

Tax incentives under stimulus packages announced

		Initiative	Details	Agency	Eligibility	Validity Period	Further Info
TAX	Large Company	Relocation of Companies/Overseas Manufacturing Facilities	Foreign companies relocating their business and made new investments in the manufacturing industry will be offered special tax incentive rate of 0% up to 15 years, while existing companies would be granted a 100% investment tax allowance for 5 years.	Malaysian Investment Development Authority (MIDA)	<ul style="list-style-type: none"> Commence operations in Malaysia within 1 year of the approval date Capital investment must be made within 3 years 	Submit application by 31/12/2021	FAQ
		Deduction for donation to the Covid-19 fund	Contributor with business income are entitled to a deduction from gross business income an amount equal to the amount contributions made.	Inland Revenue Board	<ul style="list-style-type: none"> Deduction from gross business income No restriction on the contribution limit Company and other than company with the business income Not entitled to claim the same amount under subsection 44 (6) 	Until the pandemic is declared over by the Government	FAQ
	SME	Stamp Duty Exemption for M&A	This stamp duty exception applies to all Malaysian-owned SMEs in all sectors.	SME Corporation Malaysia	<ul style="list-style-type: none"> 100% Malaysian owned Valid SME status from SME Corp Malaysia M&A exercise undertakes from 1 July 2020 until 30 June 2021 	Until 30/6/2021	More Info

Loan/guarantee schemes under stimulus packages announced

		Initiative	Details	Agency	Eligibility	Validity Period	Further Info
LOAN	Large Company	Danajamin PRIHATIN Guarantee Scheme	A guarantee coverage of up to RM400 million or 80% of the financing facility for mid to large sized companies to raise a minimum of RM20 million for a period of up to 5 years.	Danajamin Nasional Berhad	<ul style="list-style-type: none"> Incorporated and based in Malaysia Malaysians are the majority shareholding (50% + 1) A financially viable company adversely impacted by Covid-19 Able to generate income to service the approve working capital facility 	Until 31/12/2020	More Info
		Small Debt Resolution Scheme (SDRS)	A scheme assisting SMEs that is facing business financing difficulties with financial institutions through restructuring or rescheduling of existing financing.	Agensi Kaunseling & Pengurusan Kredit (AKPK)	<ul style="list-style-type: none"> Malaysian owned SME business Business financing from participating financial institutions only Owner/shareholder is not a bankrupt The company has not wound up though has ceased operation and has other income to meet repayment obligation 	No time limit	More Info
	SME	Automation and Digitalisation Facility Scheme (ADF)	An incentive up to RM3 million per SME for a tenure up to 10 years with 4.00% p.a. financing rate which can be used to finance the purchase of equipment, machinery, ICT hardware and software, ICT solutions and services, technology support services and other intangible assets, to enhance the SMEs' productivity and efficiency.	Participating Financial Institutions¹	<ul style="list-style-type: none"> Registered with SSM Meet the definition of SME by SME Corp A minimum of 51% shareholding in SMEs hold by Malaysians 	Until 31/12/2020	Refer to respective banks FAQ

1. For All commercial banks and all Islamic Banks: Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat), Bank Pembangunan Malaysia Berhad (BPMB), Bank Pertanian Malaysia Berhad (Agrobank), Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank), Export-Import Bank of Malaysia Berhad (EXIM Bank), Bank Simpanan Nasional (BSN)

Loan/guarantee schemes under stimulus packages announced (continuation)

		Initiative	Details	Agency	Eligibility	Validity Period	Further Info
LOAN	SME	Agrofood Facility Scheme (AF)	This fund is designed to increase agrofood production for Malaysia and export purposes through affordable financing rates with minimum financing at RM75,000 and a maximum of RM 5 million.	Participating Financial Institutions (PFIs)¹	Agrofood activities eligible under this scheme are: <ul style="list-style-type: none"> • Viable projects involving primary Agrofood production – upstream and downstream activities • Domestic oriented, half of the total production is sold domestically • Supportive of domestic primary Agrofood production 	Until fully utilised	FAQ
		BizWanita-i	A direct financing scheme from RM30,000 up to RM300,000 for a tenure up to 5 years with an effective profit rate of 6.80% p.a for women entrepreneurs with less than 4 years business in operations utilising the BNM's Fund for SMEs – All Economic Sectors (AES) Facility.	Credit Guarantee Corporation (CGC)	<ul style="list-style-type: none"> • Meet the SME definition issued by SME Corp • Min age for key person/successor's age must be 21 years and maximum 65 years old upon full settlement • At least 51% shareholding is owned by a woman/women and the key decision-maker is a woman at point of application • Shareholding by Public Listed Companies and Government Linked Companies in the SMEs shall not exceed 20% 	No time limit	More Info FAQ
		BizMula-i	A direct financing scheme from RM30,000 up to RM300,000 for a tenure up to 5 years with an effective profit rate of 7.00% p.a. for businesses less than 4 years in operations utilising the BNM's Fund for SMEs – All Economic Sectors (AES) Facility.	Credit Guarantee Corporation (CGC)	<ul style="list-style-type: none"> • Meet the definition of SME issued by SME Corp • Min age for key person/successor's age must be 21 years and maximum 65 years old upon full settlement • Must Malaysian-controlled/owned (at least 51% shareholding) and must reside in Malaysia • Shareholding by Public Listed Companies and Government Linked Companies in the SMEs shall not exceed 20% 	No time limit	More Info FAQ
		BizBina-i	A direct financing scheme from RM20,000 up to RM200,000 for a tenure up to 5.5 years with profit rate of 3.5% p.a. specifically catered for businesses that are affected by the Covid-19 pandemic.	Credit Guarantee Corporation (CGC)	<ul style="list-style-type: none"> • Meet the definition of SME issued by SME Corp. • Must Malaysian-controlled/owned (at least 51% shareholding) • Exclusively for CGC's existing customers that are affected by Covid-19 pandemic. 	No time limit	More Info FAQ
		Bank Islam iTEKAD Micro-financing Program	A financing programme from RM5,000 up to RM50,000 for a tenure of up to 5 years with a profit rate of 4% p.a. to support eligible B40 micro-entrepreneurs affected by the Covid-19 pandemic.	Bank Islam Malaysia	<ul style="list-style-type: none"> • Meet the definition of micro enterprise (sole proprietorship & partnership) issued by SME Corp. • Minimum 1 year in business operations. • Must Malaysian-controlled/owned (at least 51% shareholding) • Age between 21 – 60 years on the date of application. 	Until limit of RM5 million is fully utilised	More Info FAQ
		Bumiputera Relief Financing (BRF)	An initiative to help Bumiputera businesses affected by Covid-19 pandemic to resume their business operation with financing amounting from RM100,000 up to RM1 million for a tenure of up to 5.5 years with profit rate of 3.5% p.a.	Perbadanan Usahawan Nasional Berhad (PUNB)	<ul style="list-style-type: none"> • Adversely affected by Covid-19 with minimum annual sales turnover of RM300,000. • Reasonable credit history • At least 70% effective Bumiputera shareholding in the company • Exclude listed companies, MNC, GLC, MoF Inc, SOE & cooperatives 	Until fully utilised	More Info
		Government Guarantee Schemes Prihatin (GGSPrihatin)	A guarantee scheme to assist SMEs' business expansion as well as for working capital and offered for All Economic Sector (AES), Automation and Digitalisation Facility (ADF), and Agrofood Facility (AF) loans.	Syarikat Jaminan Pembiayaan Perniagaan (SJPP)	<ul style="list-style-type: none"> • Non-Manufacturing: Sales turnover ≤ RM20 million or full-time employee ≤ 75 workers. • Manufacturing: Sales turnover ≤ RM50 million or full-time employee ≤ 200 workers. 	Until 31/12/2020 or fully utilised	More Info FAQ
		SME Technology Transformation Fund (STTF)	A financial assistance for SMEs in the services and manufacturing sector to adopt digitalisation and/or automation in their business operations with financing amounting from RM100,000 up to RM3 million for a tenure up to 10 years with a profit rate of 4.00% p.a. (inclusive of guarantee fee).	SME Bank	<ul style="list-style-type: none"> • In operation for at least 2 years • The business is financially solvent • Shareholding by PLC/GLC (if any) < 20%. • At least 51% of shares held by Malaysian residing in Malaysia • No legal action against the company or any of its director/ shareholder/ partner/ owner / guarantor under the laws of Malaysia 	Until fully utilised	More Info

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Other assistance under stimulus packages announced

		Initiative	Details	Agency	Eligibility	Validity Period	Further Info
ASSISTANCE	SME	Wage Subsidy Programme 2.0	A subsidy to provide assistance for 6 months to employers that are still facing difficulties during the economic recovery period in retaining their employees.	SOC SO	<ul style="list-style-type: none"> Registered with SOC SO and SSM prior to 1 September 2020 Employees earning RM4,000 or less Business commenced before 1 January 2020 Decreased in revenue by at least 30% y-o-y (from 2019 to 2020) after the implementation of the Recovery Movement Control Order (RMCO) Employers forbidden from retrenching all employees earning RM4,000 or less but may reduce the working hours or wages All applications must be submitted by 31 December 2020 	Until 31/12/2020	FAQ
		PENJANA Kerjaya Hiring Incentives	The employer will be given 6-months incentives with a different fixed amount for hiring unemployed workers below and above 40 years old, youths, and OKU categories.	SOC SO	<ul style="list-style-type: none"> The hired employee has a valid SOC SO account The employer is registered with SSM and SOC SO before 1 June 2020 All applications must be submitted by 31 December 2020 	Until 31/12/2020	More info FAQ
	Individual	Covid-19 Test Fund (CTF)	A fixed cash reimbursement up to RM300 for the cost of Covid-19 test for individual medical insurance policyholders and medical takaful certificate holders.	The Life Insurance Association of Malaysia (LIAM)	<ul style="list-style-type: none"> Referred by registered doctor to undergo Covid-19 test The insurance policy must be in force as at 27 March 2020 and at the time when the test is conducted Applicable for insurance policyholders / takaful certificate holders with group/individual Medical and Health Related Insurance policies and takaful certificates 	Until the RM8 million fund is fully paid out	More Info FAQ

The proposed Malaysia Budget 2021 that was announced on 6 November 2020 is a continuation from the [PRIHATIN](#), [PRIHATIN SME PLUS](#), [PENJANA](#) and [KITA PRIHATIN](#) stimulus packages. We have outlined some of the initiatives proposed under the Budget 2021 for your ease of reference. More executive summaries in Budget 2021 are available [here](#).

Tax incentives under the proposed Malaysian Budget 2021

		Initiative	Details	Agency
TAX INCENTIVES	Corporate	Green Sustainable and Responsible Investment (SRI) Sukuk Grant	Tax exemptions will be extended to all SRI Sukuk and bonds that meet the ASEAN Green, Social, and Sustainability Standards for 5 years up to YA2025.	Securities Commission (SC)
		Remuneration paid to senior citizens, ex-convicts, parolees, supervised persons and ex-drug dependants	Double tax deductions given to employers that employ senior citizens, ex-convicts, parolees, supervised persons, and ex-drug dependants will be extended for a period of 5 years from YA 2021 to YA2025.	Inland Revenue Board (IRB)
		Increase of sales limit for value added & additional activities carried out in Free Industrial Zone (FIZ) and Licensed Manufacturing Warehouse (LMW)	Threshold has been increased from 10% to 40% in relation to sale value from activities such as R&D, product design, quality control, supply chain management etc carried out in FIZ and LMW.	Royal Malaysian Customs Department (RMCD)

Tax incentives under the proposed Malaysian Budget 2021 (continuation)

		Initiative	Details	Agency
TAX INCENTIVES	Corporate	Relocation of Companies/ Overseas Manufacturing Facilities*	Special income tax rates of 0 to 10% for a period of 10 years to selected manufacturing companies under PENJANA is extended to 31 December 2022 and the scope of tax is expanded to include companies in the sectors that have significant multiplier effect.	Malaysian Investment Development Authority (MIDA)
		Manufacturing of Pharmaceutical Products including vaccines	Income tax rate of 0% - 10% for the first 10 years and 10% for the subsequent period of 10 years for pharmaceutical product manufacturers (including vaccines especially Covid-19 vaccine) for applications received from 7 November 2020 to 31 December 2022.	MIDA
		Commercialisation of Research & Development Findings	Investor companies will receive a tax deduction equivalent to the amount of the investment made in a subsidiary company that commercialises the R&D findings of public research institutions. 100% income tax exemption on statutory income for 10 years for subsidiary companies that commercialise the R&D findings of public research institutions and private higher learning institutions.	MIDA
		Principal Hub	The conditions relating to the number of high value workers, key posts and annual operational expenditure for the extended 5 year period be relaxed and extension of the tax incentives until 31 December 2022 for the locally incorporated company that uses Malaysia as a base for conducting its regional or global businesses.	MIDA
		Global Trading Centre	A concessionary tax rate of 10% for a period of 5 years and renewable for another 5 years.	MIDA
		Maintenance, Repair and Overhaul (MRO)	Tax incentives for maintenance, repair and overhaul (MRO) activities for aerospace, building and repair of ships, BioNexus status and economic corridor developments will be extended until 31 December 2022.	MIDA
		Manufacturer of Industrialised Building System (IBS) Components	IBS tax incentive is extended for a period of 5 years and Category 1 and 2 to be merged where companies are only required to produce at least 3 basic components of IBS or IBS system that use at least 3 basic IBS components be given Investment Tax Allowance of 60% on qualifying capital expenditure incurred within 5 years. This allowance can be set off against 70% of statutory income for each year of assessment.	MIDA
		Investment in Equity Crowd Funding (ECF)	ECF is one of the alternative financing for technology startups. Tax exemption on aggregate income equivalent to 50% of the investment made, up to RM50,000 for each YA. This is applicable for investment made from 1 January 2021 to 31 December 2023.	SC IRB
		Export of Private Healthcare Services	Income tax exemption equivalent to 100% of the value of the increase in export of private healthcare services to be set off against 70% of statutory income is extended for another 2 years for YA2021 and YA 2022.	IRB
	Individual	Returning Expert Programme (REP)	Returning skilled Malaysian citizens will be given flat income tax rate of 15% for a period of 5 consecutive years of assessment and exemption on import duty and excise duty for the purchase of Completely Built-Up (CBU) vehicle or Completely Knocked-Down (CKD) vehicle subject to the total duty exemption limited up to RM100,000. For applications from 1 January 2021 to 31 December 2023.	Talent Corporation Malaysia
		Special Income Tax Rate for Non-Residents Individuals Holding Key Positions*	A 15% flat rate of individual income tax will be given to five non-residents holding key positions/ C-Suite positions with monthly salary of not less than RM25,000 for a company that has been granted relocation tax incentives under PENJANA incentives for a period of 5 consecutive years. For applications from 7 November 2020 until 31 December 2021.	MIDA
		Education Fees	The scope of RM7,000 a year is expanded to cover fees for attending up-skilling and self-enhancement courses in any field of skills recognised by the Department of Skills Development, Ministry of Human Resources limited to RM1,000. Effective YA2021 to YA22.	IRB

* The programme/initiative is an extension and expansion from the Stimulus Package

Financing assistance under the proposed Malaysian Budget 2021

	Initiative	Details	Agency
FINANCING ASSISTANCE	High Technology Fund	A RM 500million fund to support high technology and innovative companies.	Bank Negara Malaysia (BNM)
	Industrial Digitalisation Transformation Fund	A financing scheme worth RM1 billion to boost digitalisation activities and provide working capital for businesses. The availability of these funds extended until 31 December 2023.	Bank Pembangunan Malaysia Berhad (BPMB)
	Green Technology Financing Scheme 3.0	A soft loan worth RM2 billion for two years up to 2022 will be guaranteed by Danajamin to encourage the issuance of SRI sukuk and to support the development of Green Technology in Malaysia.	Danajamin Nasional Berhad
	National Development Scheme (NDS)	A RM1.4 billion scheme to support the implementation and development of the domestic supply chain and to increase the production of local products such as medical devices.	BPMB
	Danajamin Prihatin Guarantee Scheme*	Additional RM3 billion guarantees for corporate companies in highly skilled industries such as oil & gas and aerospace with improved terms and conditions.	Danajamin Nasional Berhad
	Targeted Assistance and Rehabilitation Facility	An assistance worth RM2 billion for affected SMEs through loans from banking institutions.	BNM and other financial institution
	Government Guarantee Schemes Prihatin (GGS-Prihatin)*	Additional RM10 billion guarantees to assist SMEs business expansion as well as for working capital.	Syarikat Jaminan Pembiayaan Perniagaan (SJPP)
	Micro Credit Financing: including Micro Enterprise Facility and iTEKAD Micro-financing Program	A RM1.2 billion worth of micro credit financing will be provided through TEKUN, PUNB, Agrobank, BSN and other financial institutions including RM110m to Micro Enterprises Facility under BNM to encourage entrepreneurship among gig workers and self-employed.	TEKUN, PUNB, Agrobank, BSN
	SME Financing through PUNB	RM230 million will be allocated as financing to SMEs for working capital, upgrading systems, equipment and expenditure related to the implementation of COVID-19 SOP compliance.	PUNB
	Empowering Female Entrepreneur Special Micro-Financing Finance	RM95 million will be allocated under Special Micro-Financing Finance for the female entrepreneur.	TEKUN, MARA, Agrobank
	Ar-Rahnu BizNita	A micro-credit assistance valued at RM50 million for female entrepreneur to support Islamic Pawnbroking.	Islamic Economic Development Foundation (YaPEIM)
	Indian Community Entrepreneur Development Scheme (SPUMI)	RM20 million scheme to elevate the socio-economy and status of the Indian community and another RM5 million for entrepreneurship development for other minority communities.	TEKUN Nasional
	Lestari Bumi Financing Facility Scheme	RM300 million allocations to encourage Bumiputera micro and small businesses to transform their business to higher category.	SME Bank Group

* The programme/initiative is an extension and expansion from the Stimulus Package

Other assistance under the proposed Malaysian Budget 2021

	Initiative	Details	Agency
OTHER ASSISTANCE	SME Digitalisation Grant 2021	Additional funds amounting to RM150 million will be provided under both grants. The eligibility conditions have been relaxed for Micro-SME and Start-ups that have been operating for at least 6 months.	MDEC, SME bank, BSN
	Smart Automation Grant		
	HRDF Fund Levy Exemption	Companies that are still affected by the pandemic and businesses in the tourism sectors will be eligible for 6 months HRDF fund levy exemption starting from January 2021.	Human Resource Development Fund (HRDF)
	Extension of Targeted Wage Subsidy Programme*	Businesses in tourism and retail sector are eligible for extended wage subsidy programme of RM600 for every employee who earns less than RM 4,000 for another 3 months . Employee limit per application will be increased to 500 employees.	SOCSCO
	PENJANA Kerjaya Hiring Incentives*	<ul style="list-style-type: none"> The incentive for employees earning more than RM1,500 will be enhanced from a flat rate of RM800 per month to 40% of monthly income, subject to a maximum incentive of RM4,000 for 6 months Employers will be given a 60% incentive for employing the disabled, long – termed unemployed, and retrenched workers for 6 months A special incentive is given to sectors with high reliance on foreign workers: 60% of monthly wages will be provided in which 40% will be channelled to the employer and 20% as a wage top-up the local worker replacing foreign workers for 6 months Employer can claim up to RM7,000 training rate for staff employed under Penjana Kerjaya. 	SOCSCO
	Production and Purchase of Locally Made Products	<ul style="list-style-type: none"> Micro Franchise Development & Affordable franchise programme and buy made in Malaysia programme (RM25 million) Micro and SMEs E-Commerce Campaign (RM150 million) - Eligible Micro SMEs and SME will be given on-boarding training, seller subsidy and sales assistance by participate e-commerce platform to encourage adoption of e-commerce Shop Malaysia Online (RM 150 million) to encourage online spending which will benefit 500 thousand local sellers including the halal products and handicrafts entrepreneurs Trade and Investment Mission (RM 35million) to promote Malaysian-made products and services 	MDEC, MIDA, KPDNHEP, Participating e-commerce platform
	National Supply Chain Finance Platform (JanaNiaga)	RM300 million will be provided by EXIM Bank to drive this platform that will benefit SMEs who have cash flow problems due to the long invoice payment period as well as help them to secure loans from financial institutions. It will be implemented together with Petronas and Telekom Malaysia before being rolled out to other GLCs, Ministries and Government agencies in the future.	EXIM Bank
	National Apprenticeship Scheme	Private-sector employers will be given RM1,000 incentives per month for up to 3 months for each new graduate who participates in the apprenticeship program. The employers also can claim a grant of up to RM4,000 for training programs for the apprentices.	Ministry of Human Resource & Ministry of Youth

* The programme/initiative is an extension and expansion from the Stimulus Package

References:

- [The Economic Stimulus Package 2020](#)
- [Prihatin Rakyat Economic Stimulus Package](#)
- [Additional Prihatin SME Economic Stimulus Package \(PRIHATIN SME+\)](#)
- [Short-Term Economic Recovery Plan \(PENJANA\)](#)
- [PRIHATIN Supplementary Initiative Package \(KITA PRIHATIN\)](#)
- [The Malaysia Budget 2021](#)
- Various Related Government Agencies Webpage