

Malaysia Second Economic Stimulus Package 2020

Announced on 27 March 2020

Highlights at a Glance

On 27 March 2020, the Government announced a Second Economic Stimulus Package 2020 (ESP2) themed *Prihatin Rakyat*.

ESP2, valued at RM250 billion, includes:

- RM128 billion for the protection of Rakyat welfare;
- RM100 billion to support Small and Medium Enterprises;
- RM2 billion to strengthen the country's economy; and
- RM20 billion to pursue measures announced under ESP1.

It is not surprising that the ESP2 came exactly one month after the First Economic Stimulus Package 2020 (ESP1), valued at RM20 billion, was announced on 27 February 2020.

Since the ESP1, Malaysia recorded over 2,000 positive cases and 24 deaths due to Covid-19 and is presently under a movement control order (MCO) since 18 March 2020. Also, Covid-19 outbreak is reported in almost every country around the world with the United States of America topping the list, surpassing China!

The negative effects of Covid-19 outbreak and MCO are greatly felt by the Rakyat and business community. Hence, it is hoped that the proposed measures under ESP2 will be able to spur the economy going forward.



Introduction of Wage Subsidy Program to subsidise affected employers RM600 per month for each employee earning less than RM4,000 for a period of 3 months.



No 8% withholding tax on pre-retirement withdrawal from Private Retirement Scheme (PRS) Sub-Account B of up to RM1,500 until December 2020.



Interest income and profits of banking institution derived from financing facilities covered under the 6 months moratorium shall only be taxed upon receipt after the moratorium period.



Deferment of monthly tax instalments for a period of 3 months for Small and Medium Enterprises (SME) beginning 1 April 2020.



Exemption from payment of Human Resources Development Fund levy for all business sectors for a period of 6 months beginning April 2020.



Introduction of Employer Consultation Services by the Employees Provident Fund (EPF) on 15 April 2020 for services on restructuring of employers' EPF contribution.

To read additional details of the proposed measures, click [HERE](#)

Highlights at a Glance – Employers and Businesses



The All Economic Sectors Facilities Fund will be increased from RM5.8 billion to RM6.8 billion.



Deferment of loan repayment by SME will be extended to include loans taken from TEKUN, MARA and co-operatives and government agencies from 1 April 2020.



Introduction of Social Financing Program to assist B40 entrepreneurs and individuals who lost their source of income.



Syarikat Jaminan Pembiayaan Perniagaan will provide RM5 billion guarantee facility while increasing the guarantee rate from 70% to 80% for SMEs with difficulty in obtaining financing.



The Micro Credit Scheme will be increased from RM500 million to RM700 million with an interest rate of 2%.



Introduction of RM50 billion guarantee scheme to guarantee up to 80% of the financing amount for the purpose of financing working capital.



Special Relief Facility fund will be increased from RM2 billion to RM5 billion whilst interest rate will be reduced from 3.75% to 3.5%.



SME with less than 4 years business record can apply for BizMula-I and BizWanita-I Syarikat Jaminan Kredit Malaysia Bhd with financing scheme of up to RM300,000.

To read additional details of the proposed measures, click [HERE](#)

Highlights at a Glance – People



One-off cash aid of RM500 will be given to Government pensioners.



Bantuan Prihatin Nasional of between RM500 and RM1,600 will be provided to eligible households and singles.



One-off cash incentive of RM200 will be given to students of higher education institutions.



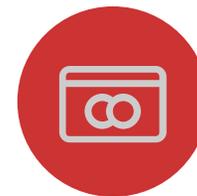
Special allowances to frontline medical industry personnel will be raised to RM600 a month starting from 1 April 2020 until the end of the Covid-19 pandemic.



One-off cash aid of RM500 will be given to e-hailing drivers.



Balance cash payment under the Bantuan Sara Hidup (BSH) program will be paid in July 2020.



One-off cash aid of RM500 will be given to civil servants below grade 56, including contract staff.



mySalam wage replacement incentive of RM50 per day for a maximum period of 14 days will be extended to patients-under-investigation (PUI) in B40 category.

To read additional details of the proposed measures, click [HERE](#)

Highlights at a Glance – People



Free internet for all telecommunication users from 1 April 2020 until the end of the MCO period.



6 months rent-free period for tenants occupying premises owned by Federal Government such as school canteen, kindergarten, cafeteria and others.



6 months rent-free period for tenants under Projek Perumahan Rakyat dan Perumahan Awam (PPR).



Civil defence personnel will receive RM200 per month for their efforts in enforcing the Movement Control Order (MCO) starting from 1 April 2020 until the end of the pandemic.



Deferment of monthly insurance premium and takaful contribution for a period of 3 months.



Tiered electricity discounts of between 15% and 50% for electricity usage up to 600kWh a month for 6 months beginning from the April 2020 bill.



Deferment of monthly payment for a period of 6 months from April 2020 to September 2020 for PPR owners under Rent-to-Own (RTO) scheme.



Deferment of repayment of Perbadanan Tabung Pembangunan Kemahiran (PTPK) skills training loan by borrowers for a period of 6 months from 1 April 2020 to 30 September 2020.

To read additional details of the proposed measures, click [HERE](#)

Highlights at a Glance – People



RM1 billion will be allocated for Food Guarantee Fund.



Up to RM200,000 assistance will be given to the Growers Associations and Fishing Associations.



RM100 million will be provided for preparing food storage and distribution infrastructure.



Assistance in the form of food, medical care and shelter totalling RM25 million will be allocated to the needy.



All Ministries to review their budgets for saving purposes.



2 months' salary reduction by Prime Minister, Minister and Deputy Minister as contribution to *Tabung COVID 19*.



Direct fiscal contribution of RM25 billion to reduce the burden of individuals and businesses.



An allocation of RM10 million will be provided to pay contractors providing services such as cleaning and preparing food in government agencies.

To read additional details of the proposed measures, click [HERE](#)



Contact us

Crowe KL Tax Sdn Bhd
Level 15, Tower C
Megan Avenue 2
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

Tel. +603 2788 9898

www.crowe.my

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