

Dear Clients and Business Associates of McCarter Group & McDonald Carter Malaysia,

As the world grapples with a herculean task of combating the Covid-19 pandemic, governments around the world are embracing their countries for an economic deterioration that threatens the fabric of society. The business sector represents the bedrock of any economy and with this in mind, the Malaysian government has initiated several stimulus packages to cushion the blowout. Below is a summary of the details aimed at supporting the businesses in Malaysia:

#### **A. Special Relief Facility (SRF)**

Businesses of Small Medium Enterprises (SMEs) and micro enterprises who are affected by the COVID-19 outbreak can apply for the Special Relief Facility (SRF). SRF is a loan facility which is offered to alleviate short term cash flow problems faced by businesses.

*Features of this loan:-*

1. For working capital purposes and not for refinancing other existing loans;
2. Maximum tenure of up to 5.5 years, including a moratorium period of 6 months; and
3. Affordable financing rate of 3.5% inclusive of guarantee fees.

#### **B. Relief measures introduced by banks**

The relief measures introduced by banks include:

1. Review to grant additional financing facilities based on clients' financing needs if there is a need of additional financing.
2. **Automatic moratorium** of six months, where individuals and small and medium-sized enterprises (SMEs) will be allowed to delay the repayment of their existing loans, including mortgages and hire-purchases for a period of six months effective from April 1.
3. Accommodation of requests by customers to reschedule and to restructure their mortgages, personal loans and credit card repayments.
4. Kindly take note that the moratorium does not apply to credit card balances.

#### **C. Employment Retention Program (ERP)**

The Prime Minister of Malaysia has announced a financial aid scheme (RM600 per month, up to 6 months) for workers who were forced to go on unpaid leave from 1st March 2020 onwards. The Employment Retention Program (ERP), under the PERKESO, also known as Social Security Organization (SOCSO), was also established to reduce financial burdens of the employers as a result of the Covid-19 pandemic.

Relevant forms and more information are available on the official website :  
<https://www.perkeso.gov.my/index.php/ms/kenyataan-media>

#### **D. One-off RM 100 per day Special Relief Fund**

Malaysian **employees** who are currently employed but would have to go on an unpaid leave due to the Movement Control Order (MCO) or COVID-19 positive individuals who are forced to undergo home surveillance for 14 days without receiving salary will be given RM100 per day during the hospitalisation period.

For more information, kindly refer to <http://www.nadma.gov.my/>



### **E. Wage Subsidy Programme (WSP)**

The Wage Subsidy Programme (WSP) is an initiative announced as part of the Prihatin Rakyat Economic Stimulus Package to relieve the burden of the **employers** in the private sector whose businesses have been affected by the Covid-19 outbreak.

*WSP details:*

1. more than 200 number of employees: subsidy of RM600 per month per employee for 200 employees;
2. 76 – 200 number of employees: subsidy of RM800 per month per employee; and
3. up to 75 number of employees: subsidy of RM1,200 per employee per month; for a period of THREE months.

### **F. Other Stimulus Package Highlights**

1. Special "PRIHATIN" Grant – RM3,000 grant for every Micro SMEs nationwide. The Micro SMEs are to be registered with the Inland Revenue Board to be eligible for this grant.
2. Abolishment of interest rate for Micro Financing Scheme under the BSN (Bank Simpanan Nasional) for SMEs up to RM75,000 for each SME (Previous interest rate was 2%).
3. Discount / exemption of rental payments for properties belong to Government-Linked Companies. For private landlords who reduce the rental for tenants who are affected by Covid-19 during the MCO and the following three months post-MCO, additional tax deduction equivalent to the amount of rental reduction for the month of April 2020 to June 2020 will be given. Precondition: There should be a rental reduction of at least 30%.
4. 25% discount on foreign worker levy whose permit expires between 1st April to 31st December 2020 (not applicable to domestic helpers).
5. Auto moratorium for 30 days from the end of the MCO period to submit documents which are due for filing to the CCM/SSM within the MCO period.
6. Extension of filing due dates of audited financial statements to CCM/SSM for three months beginning from the end of MCO period. This extension is only applicable to companies with financial year ending 30th September to 31st December 2019. Application of Extension of Time to the CCM/SSM would have to be made.
7. Extension for filing due dates of tax return forms and deferral of submission and payments of income taxes. Penalties will not be imposed for certain cases.

In these unprecedented times, our heartfelt gratitude goes out to all the masked crusaders who brave the medical frontier daily. Should you have any queries on the foregoing, please do not hesitate to contact our team. As we are currently overwhelmed with the number of enquires, we would appreciate your patience and will attend to you soonest possible. Thank you.

Best Regards,  
McDonald Carter & McCarter Group

*Updated as at 15<sup>th</sup> April 2020*