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TO ALL MEMBERS

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Direct Taxation

[LHDNM – FAQ on Special Tax Treatment to Financial Institutions in Relation to Moratorium Granted to Customer under the Economic Stimulus Package Prihatin Rakyat](#)

The Inland Revenue Board of Malaysia (“LHDNM”) has uploaded [frequently asked questions](#) (“FAQ”) (English language version) on its [website](#) in the second half of May 2020 on special tax treatment to financial institutions in relation to moratorium granted to customer.

According to the FAQ, the special tax treatment granted is in respect of the amount of interest/profit accrued but the repayment/payment is deferred during the moratorium period shall not constitute the gross income of that financial institution for that basis period for that year of assessment.

The interest/profit income that qualifies for the special tax treatment is the accrued interest/profit income from loans/financings granted under the moratorium package as announced under the Economic Stimulus Package Prihatin Rakyat (PRIHATIN) starting from **1 April 2020 until 30 September 2020**.

Interest/profit income accrued after the moratorium period is treated as the gross income for the basis period for that year of assessment.

All licensed banks, licensed investment banks, licensed Islamic banks and prescribed development financial institutions (DFIs) regulated by Bank Negara Malaysia are eligible for the special tax treatment.

Members may read the FAQ in full on the websites of the [Institute](#) and the [LHDNM](#).

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concern or comments you may have on the FAQ so that we may raise them to the LHDNM.

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