

TECHNICAL - DIRECT TAXATION

e-CTIM TECH-DT 35/2021

19 March 2021

STRATEGIC PROGRAMME TO EMPOWER THE PEOPLE AND THE ECONOMY (PEMERKASA) - DIRECT TAX MEASURES

The Strategic Programme to Empower the People and the Economy (PEMERKASA) was announced by the Prime Minister on 17 March 2021 and includes the following **direct tax measures**: -

1. Incentive for manufacturing companies and service companies related to manufacturing to participate in the Safe@Work programme implemented by the Ministry of International Trade and Industry (MITI)
Additional tax deduction for rental expense on premises and hostels for employees will be given to manufacturing companies and service companies related to manufacturing that participate in the Safe@Work programme implemented by MITI. Qualifying expenditure for this additional tax deduction is restricted to RM50,000 for each company registered with MITI for the Safe@Work programme and has passed the Safe@Work compliance audit. Companies can register for the Safe@Work programme with MITI from 1 April 2021.
2. Additional tax deduction on the cost of COVID-19 detection tests for employees incurred
Employers who do COVID-19 detection tests for their employees are allowed additional tax deduction on the cost of COVID-19 detection tests incurred up to 31 December 2021.
3. Tourism incentives extended/expanded and deferment of monthly income tax instalment payments for tourism sector
 - a. Extending tax incentives for tour operating companies until the year of assessment 2022;
 - b. Deferment of monthly income tax instalment payments from 1 April 2021 to 31 December 2021 will be given to companies in the tourism industry and selected industries such as cinemas and spas; and
 - c. Expanding the scope of special income tax relief for individual up to RM1,000 to cover the purchase of travel packages through travel agents registered with the Ministry of Tourism, Arts and Culture (MOTAC).

Reference:

- [Speech Text of the Strategic Programme to Empower the People and the Economy \(PEMERKASA\) announced by the Prime Minister on 17 March 2021 \(Bahasa Malaysia version only\).](#)

Please note that the above direct tax measures are subject to the issuance of the relevant tax legislations except for item 3(b) above which is expected to be subject to the issuance of the relevant guidance by the tax authorities. More details on the above direct tax measures will be circulated to members via e-CTIM upon release by the relevant authorities.

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