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TO ALL MEMBERS

TECHNICAL

Indirect Taxation

PERLINDUNGAN EKONOMI DAN RAKYAT MALAYSIA (PERMAI) ASSISTANCE PACKAGE - INDIRECT TAX MEASURES

The [Perlindungan Ekonomi dan Rakyat Malaysia \(PERMAI\) Assistance Package](#) was announced by the Prime Minister on 18 January 2021 and includes the following **indirect tax measures**:

1. Extending the sales tax exemption on passenger vehicles until 30 June 2021
To boost the sales of passenger vehicles affected by COVID-19 as part of the PENJANA¹ package, the Government announced a sales tax exemption for locally assembled and imported passenger vehicles from 15 June 2020 until 31 December 2020. The Government recently announced² the extension of this exemption until 30 June 2021.

Note:
1. See Lampiran 19 of the [PENJANA Tax Measures dated 5 June 2020](#).
2. Announced on 29 December 2020 via [press release](#) issued by the Ministry of Finance.
2. Reduction in ownership period for exemption from excise duty and sales tax for the purpose of transfer, disposal and for private use of taxis
The Government currently provides exemption from excise duty and sales tax for the purpose of transfer, disposal and for private use of taxis, provided the vehicle is owned for 7 years. The condition for ownership period has been reduced to 5 years, effective from 1 January 2021 to 31 December 2021.

Members may read the full text of the Prime Minister's speech on the PERMAI Assistance Package at the websites of the [Institute](#) and the [Prime Minister's Office](#).

More details on the above indirect tax measures will be circulated to members via e-CTIM upon release by the relevant authorities.

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