



2025

BUDGET NEWSLETTER (YYC EDITION)

This Newsletter is prepared based on Budget 2025 speech as announced on 18 October 2024

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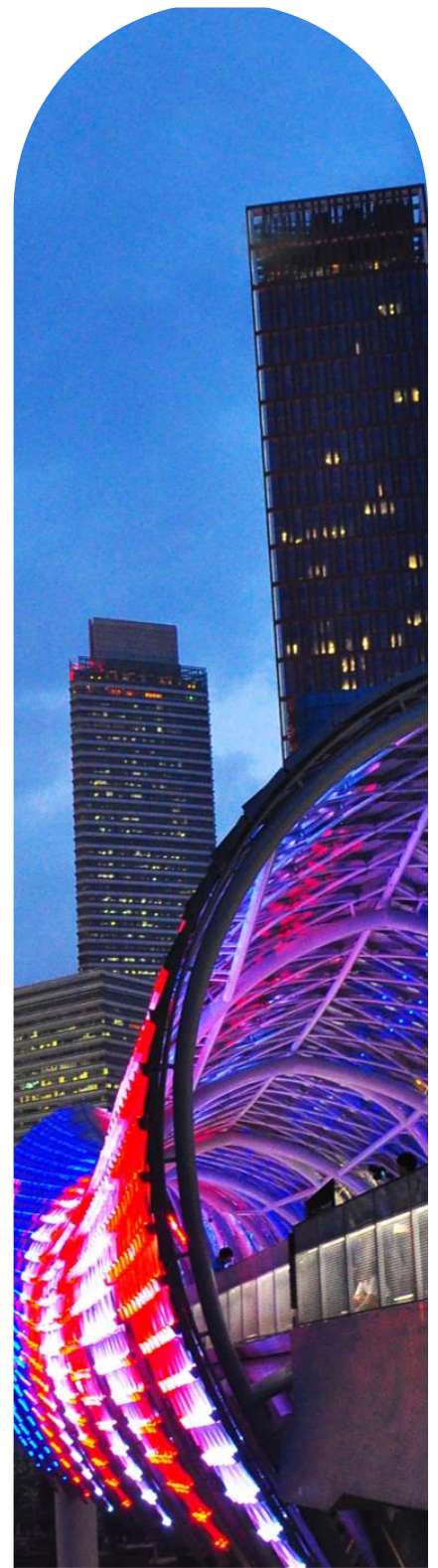
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FOREWORD



“ With the upcoming changes in Budget 2025, business owners need to plan ahead and work harder to navigate new costs and leverage emerging opportunities. ”

–Datin Shin Yap
YYC CEO & Finance Expert

The Malaysia Madani Budget 2025, unveiled by Prime Minister Datuk Seri Anwar Ibrahim, brings significant changes for SMEs. As a leading business advisory firm, YYC highlights five key measures that will directly impact business owners in the coming year.

2% Tax On Dividend Income

Starting from the YA 2025, individual shareholders receiving over RM 100,000 in dividend income will face a 2% dividend tax. This will impact high-earning shareholders, reducing post-tax returns from investments in companies.

Increase In Minimum Wage

The increase in the minimum wage to RM 1,700 per month, effective from February 2025, comes as a surprise to many small and medium enterprises (SMEs). While small employers with fewer than five employees have a six-month extension until August 2025, the wage hike represents a significant jump that will strain the payroll budgets of many smaller enterprises.

Incentives for First Home Buyers

Real estate businesses can benefit from increased demand due to the government's homeownership incentives, which offer tax reliefs on home loan interest and government-backed loan guarantees. Developers and real estate professionals may see more first-time buyers entering the market, spurred by these financial benefits. This will benefit first-time home buyers as they are entitled to a RM 7,000 tax relief on housing loan interest payment for property prices up to RM 500,000 and entitled to RM 5,000 tax relief for property prices more than RM 500,000 to RM 750,000. The other industries that will benefit from this announcement include those in construction, hardware, furniture and related industries.

Access to Financing and Incentives

With RM 40 billion allocated for SME loans and RM 50 million in digital grants, the budget provides crucial financial support. Tax incentives in sectors like technology and manufacturing further encourage growth and innovation.

Johor-Singapore Special Economic Zones

The Johor-Singapore Special Economic Zone (JSSEZ) and the transformation of Forest City into a Duty-Free Island and Financial Hub may create opportunities for SMEs in areas such as real estate, tourism, and cross-border trade. Businesses located in or near these zones may benefit from increased economic activity and foreign investment, opening new markets and potential growth avenues. Though details have not been fully announced yet, we believe it will create a lot of opportunities for business owners.

Closing

In these dynamic times, staying informed and adaptable is key to thriving. As your trusted business advisor, YYC is committed to supporting you every step of the way. Reach out to us for personalized advice on how best to navigate the 2025 Budget and turn its provisions into growth opportunities for your business.

01

ECONOMIC OUTLOOK



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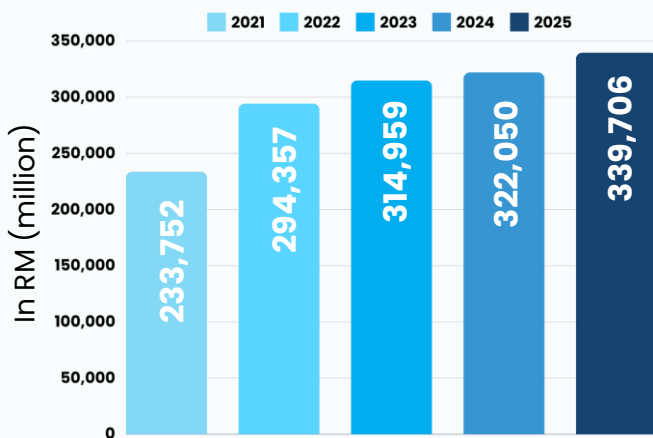


01 Economic Outlook



Total Government Revenue

The **Government revenue collection for 2024** is expected to see an increase, with projections indicating a rise from RM308 billion in 2023 to **RM322 billion** in 2024, and further growth to **RM340 billion in 2025**.

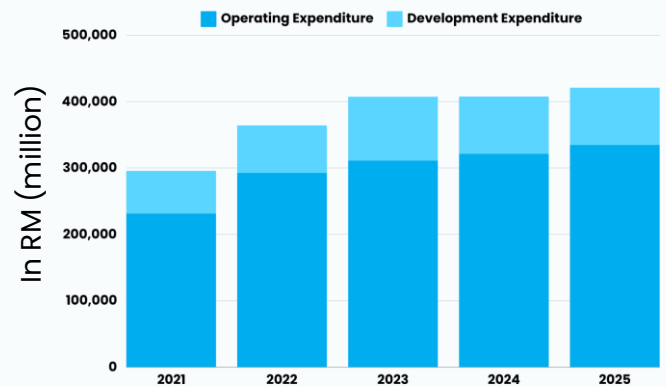


Total Allocated Fund

The **total allocation** for the Third MADANI Budget 2025 is **RM421 billion**.

Key allocation highlights:

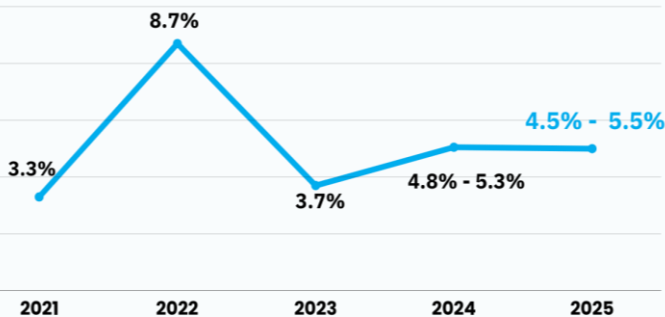
- RM335 billion for operating expenses
- RM86 billion for development expenditure



	2021	2022	2023	2024	2025
Operating	231,516	292,693	311,267	321,500	335,000
Development	64,257	71,574	96,090	86,000	86,000

GDP Growth

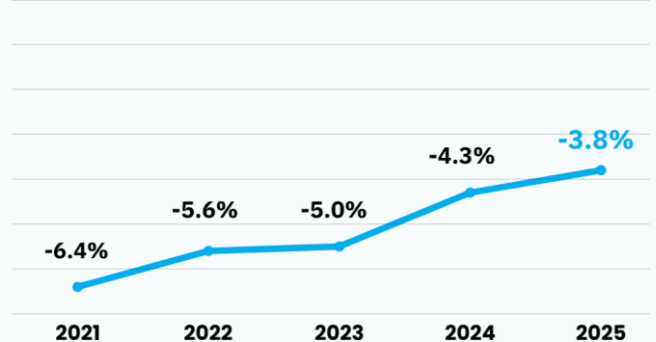
For 2025, the national economy is projected to **grow by 4.5% to 5.5%**, supported by the Third MADANI Budget 2025 initiatives.



GDP Growth

Fiscal Deficit

The government aims to reduce the fiscal deficit further, targeting **3.8% of GDP in 2025**, with a long-term goal of reaching 3%.



Fiscal Deficit

02

INDIVIDUAL TAX



Childcare Relief

- Individual income tax relief up to RM3,000 for childcare centres and kindergartens will be **extended until year of assessment 2027**.

Skim Simpanan Pendidikan Nasional Relief

- The Skim Simpanan Pendidikan Nasional (SSPN) tax relief up to RM8,000 will be **extended until year of assessment 2027**.

Education and Medical Insurance Relief

- Education and medical insurance relief will be **increased to RM4,000**.
- Starting from the **year of assessment 2025**.

Private Retirement Scheme Relief

- Deferred Annuity and Private Retirement Scheme (PRS) tax relief up to RM 3,000 will be **extended until year of assessment 2030**.

Disabled Individual Relief

- Further tax relief for disabled individual will be **increased to RM7,000**.
- Further tax relief for individual with a disabled spouse will be **increased to RM6,000**.
- Further tax relief for individual with unmarried disabled children will be **increased to RM8,000**.
- Starting from **year of assessment 2025**.

Housing Loan Interest Relief

- Tax relief on the interest payments for the first residential home loan:

No.	House Price	Total Relief / Year
1.	Up to RM 500,000	RM 7,000*
2.	Above RM 500,000 to RM 750,000	RM 5,000*

- For the sales and purchase agreement executed from 1 January 2025 until 31 December 2027.

*Terms and conditions applied

2% Dividend Tax on Individual Shareholders

- Annual dividends income exceeding RM100,000 will subject to a 2% dividend tax.
- Starting from **year of assessment 2025**.

Domestic Food Waste Composting Machine Relief

- Tax relief up to RM2,500 for electric vehicle (EV) charging facility will be expanded to include purchase of food waste composting machines for household use from year of assessment 2025 until 2027.

Foreign Sources Income by Individuals

- Exemption on foreign source income (FSI) received by individuals in Malaysia will be extended until **31 December 2036**.

Medical Expenses Relief

- Tax relief for medical treatment for taxpayer, spouse and child will be expanded to cover expenses for **purchase of self-testing medical devices and fees for disease detection examination conducted at clinic or hospital** limited to RM1,000 from year of assessment 2025.
- Tax relief for assessment and diagnosis, early intervention programme and continuous rehabilitation treatment for children aged below 18 will be **increased to RM6,000** from year of assessment 2025.
- Tax relief for medical expenses of up to RM10,000 will be **expanded** to include portion of medical payments made by taxpayers under medical and health insurance and takaful products with co-payment features.

Sport Activities, Health and Elderly Care Relief / Exemption

Individual Income Tax Relief

- Sports equipment & activities limited to RM1,000 will be **expanded** to include parents.
- Full medical check-up expenses for parents, limited to RM1,000 will be **expanded** to include vaccination.
- Medical treatment, special needs and parental care expenses will be **expanded** to include grandparents.*

Individual Income Tax Exemption

- Income tax exemption of up to RM3,000 per year given on child care allowance received by employees or paid directly by employers to child care centres will be **expanded** to include elderly care (parent/grandparents)

Starting from **year of assessment 2025**.

*Terms and conditions applied

Exemption on Sport Reward

- Tax exemption be given to on the reward of cash prize sports winnings received by individual and team athlete winners through the Victory Prize Scheme Sports provided by the Government through Majlis Sukan Negara Malaysia (MSN).

03

BUSINESS



Tax Incentives for Implementation of E-Invoicing

Effective from YA 2024 to YA 2025, it is proposed that accelerated capital allowance for the purchase of ICT equipment, software, and consulting fees will be available, and businesses can claim these capital allowances within two years.

Extension of Tax Deduction for Sponsorship of Smart Artificial Intelligence Driven Reverse Vending Machine

To further support plastic waste recycling practices and to increase the collected-for-recycling rate, tax deductions for sponsorships of Smart AI-Driven Reverse Vending Machines will be extended for 2 years with effect from 1 January 2025 until 31 December 2026.

Tax Incentive for Employers Implementing Flexible Work Arrangements (FWA)

For applications received by Talent Corporation Malaysia Berhad between 1 January 2025 and 31 December 2027, employers are entitled to a 50% further deduction on expenses incurred for capacity building and software acquisition related to the implementation of FWA. This deduction is capped at RM500,000 and subject to a one-off claim limit.

Tax Incentive for Hiring Women returning to work

For applications received by Talent Corporation Malaysia Berhad between 1 January 2025 and 31 December 2027, employers are entitled to a 50% further deduction on the employment expenses paid for a period of 12 months for hiring women returning to work.

Tax Incentive for Employers Providing Caregiving Leave Benefit

Employers offering additional paid leave of up to 12 months for employees who are caregivers will receive a 50% further tax deduction. This applications open from 1 January 2025 until 31 December 2027.

Tax Deduction on the Cost of Developing New Courses at Private Higher Education Institutions (PHEIs)

Effective from YA 2025 to YA 2030, tax deduction is allowed on costs of developing new courses by PHEIs in the same year of assessment. This deduction is now extended to include the development of Technical and Vocational Education and Training (TVET) courses by private skills training institutions.

Benefits given to Technical and Vocational Education and Training (TVET) sector

Effective from YA 2025 to YA 2027, tax deduction will be allowed for new equipment and machinery donated to registered Public Skills Training Institution (ILKA), polytechnics or vocational colleges.



Enhancement of TVET education and training opportunities by Human Resource Development Corporation (HRD Corp) through implementation of MADANI Training Program

Employers can use the HRDC levy to pay allowances up to RM1,000 per year for graduates who participate in skills training program through HRD Corp.

Accelerated Capital Allowance (ACA) and Income Tax Exemption on Qualifying Capital Expenditure on Automation Equipment

Manufacturing, service, agriculture and commodity sectors are given Accelerated Capital Allowance (ACA) of 100% on qualifying capital expenditure on automation equipment, as well as income tax exemption is given on the same qualifying capital expenditure. Through this tax incentive, companies can adopt more advanced technologies such as drones and AI in farming operations, thereby reducing dependence on foreign workers.



Improvement of educational access for students from underprivileged family

Payments made to educators by institutions or organizations with an educational objective, approved under subsection 44(6) of the Income Tax Act, are allowed as welfare expenditure.

Expansion of Child Care Allowance to Include Elderly Care

Effective from YA 2025, further tax deduction on child care allowance paid by the employers to employee will be extended to include elderly care (parents/grandparents).

Double Deduction for Structured Training Programs (MySIP)

Double deduction on expenses incurred by companies implementing the Structured Training Program (MySIP) under Talent Corp to be extended to students undertaking structured training by industry regulatory body and extended until YA 2030.

Tax Incentive for Hiring Disabled Person (OKU) and Ex-Convicts

Employers who hire disabled person (OKU) and ex-convicts will be given an incentive of RM600 per month for a total of three months which managed by SOCSO.



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04

TAX INCENTIVES



Review of Tax Incentive for Smart Logistics Complex (“SLC”)

- To further enhance supply chain efficiency through advanced technologies adaptation in logistics, including the use of IR4.0 elements such as AI, IoT and blockchain, it is proposed an income tax exemption in the form of investment tax allowance (ITA) of 60% on qualifying capital expenditure incurred for 5 years to be provided to SLCs.

Eligible SLC companies	SLC Investor	SLC Operator
Incentive conditions	Invest in construction of smart warehouses	Leases smart warehouse under a long-term lease of at least 10 years
	-	
	Undertake eligible logistics services:	
	<ul style="list-style-type: none"> i. Regional distribution centres; ii. Integrated logistics services; iii. Storage of hazardous goods; or iv. Cold chain logistics 	
	Warehouse with a minimum build-up area of 30,000 sqm	
	Adaptation of at least 3 IR4.0 elements	

- For applications received by Malaysian Investment Development Authority (MIDA) from 1 January 2025 to 31 December 2027.

Review of Tax Incentive for Increased Exports

- In line with the New Industrial Master Plan 2030 to establish Malaysia as a hub for Advanced Integrated Circuit (IC) Design Technology and Solutions, it is proposed the increased export incentive for the selected services sector be expanded to include IC Design Services.
- Effective from year of assessment 2025.

Introduction of New Investment Incentive Framework

- To promote balanced economic growth across the country, it is proposed to introduce an Investment Incentive Framework focused on high-value activities, shifting away from the current incentives that are based on specific products or activities, such as:
 - Increased export incentive, which will be expanded to include Integrated Circuit (IC) Design Services;
 - Tax incentive package for local suppliers involved in the Supply Chain Resilience Initiative;
 - Economic clusters by state, specialising in renewable energy in Perlis and Sabah, and specialty chemicals in Pahang and Terengganu;
 - Special income tax rates provided to investments across 21 economic sectors in states such as Perlis, Kedah, Kelantan, Terengganu, Sabah, and Sarawak; and
 - Tax incentives in the form of investment tax allowance or income tax exemption for Carbon Capture, Utilization, and Storage (CCUS) activities, which will be expanded to include downstream products.
- The Investment Incentive Framework is expected to be executed in the third quarter of 2025.

Introduction of Tax Incentive Packages in relation to the Johor-Singapore Special Economic Zone (“JSSEZ”)

- To promote the growth of JSSEZ as a sustainable special economic zone, it is proposed to introduce tax incentive packages for the Forest City Special Financial Zone. These incentives are aimed at boosting the financial services activities, including global financial business services and financial technology.
- This special tax incentive packages will be announced toward the end of year 2024.

05

INDIRECT TAX



Sales Tax Exemption on Mastectomy Bra for Breast Cancer Patients

- It is proposed sales tax exemption be given for mastectomy bras (prevailing: sales tax rate of 10%)
- Effective Date : For applications received by the Ministry of Finance from 1 November 2024 until 31 December 2027.

Review of the Rates of Sales Tax and The Expansion of Service Tax Scope

- It is proposed sales tax exemption be maintained on basic food consumed by the Rakyat;
- Sales tax to be increased on non-essential items such as imported premium goods (i.e. Salmon fish and Avocados);
- Expansion on the service tax scope by including new services (i.e. commercial service transactions between businesses (B2B));
- Industry consultation will be undertake by the Government to provide balancing measures as well as finalising the scope and applicable tax rates
- Effective Date : 1 May 2025 onwards

Introduction of Carbon Tax

- The Government will introduce a Carbon Tax on the iron and steel industry and energy industry in Malaysia by the year 2026

Review of Excise Duty Rate on Sugar-Sweetened Beverages

- Proposed the excise duty on sugar sweetened beverages be increased in phases.
- Effective Date: 1 January 2025

Review Of Export Duty Exemption on Crude Palm Oil (CPO)

- Proposed revision on export duty for CPO, taking into account the partial exemption as outlined below:

No.	CPO Market Price (RM/metric tonne)	Current Export Duty Rate	Proposed Export Duty Rate
1	< 2,250	NIL	NIL
2	2,250 – 2,400	3.0%	3.0%
3	2,401 – 2,550	4.5%	4.5%
4	2,551 – 2,700	5.0%	5.0%
5	2,701 – 2,850	5.5%	5.5%
6	2,851 – 3,000	6.0%	6.0%
7	3,001 – 3,150	6.5%	6.5%
8	3,151 – 3,300	7.0%	7.0%
9	3,301 – 3,450	7.5%	7.5%
10	3,451 – 3,600	} 8.0%	8.0%
11	3,601 – 3,750		8.5%
12	3,751 – 3,900		9.0%
13	3,901 – 4,050		9.5%
14	> 4,050		10.0%

- Effective Date: 1 November 2024

Review of Threshold Value for Windfall Profit Levy

- To continuously support the sustainability of the palm oil industry, it is proposed the threshold of windfall profit levy for Peninsular Malaysia, Sabah and Sarawak be revised as follows:

No	Location	Threshold of CPO Prices (RM/metric tonne)		Rates of Levy
		Original	Proposed revision	
1	Peninsular Malaysia	3,000	3,150	3%
2	Sabah and Sarawak	3,500	3,650	3%

- Effective Date: 1 January 2025



06

STAMP DUTY



Review of Stamp Duty On the Assignment of Life Insurance Policy and Family Takaful Certificate

- It is proposed the deed of assignment for life insurance policy and family takaful certificate given by way of love and affection or through a trustee, be subject to stamp duty at a fixed rate as follows:

No.	Ownership Transfer Value	Stamp Duty
1.	The first RM100,000	RM 10
2.	Above the first RM100,000 to RM500,000	RM 100
3.	Above RM500,000 to RM1,000,000	RM 500
4.	More than RM1,000,000	RM 1,000

- Effective Date: Deed of assignments for life insurance policy and family takaful certificate executed from 1 January 2025.

Review of Stamp Duty on Loan or Financing Agreements Based on Shariah Principles

- It is proposed a **fixed stamp duty of RM10** be imposed on **loan or financing agreement** for the **purchase of goods based on Shariah principles**, other than hire purchase.
- Effective Date: Loan or financing agreements based on Shariah principles executed from 1 January 2025.

Exemption of Stamp Duty on Loan or Financing Agreements Through The Initial Exchange Offering (IEO) Platform for Micro, Small and Medium Enterprise (MSME)

- It is proposed a **100% stamp duty exemption** be given on loan or financing agreements executed by MSMEs and investors through the IEO platforms registered with the Securities Commission Malaysia for 2 years.
- Effective Date: Loan or financing agreements executed from 1 January 2025 until 31 December 2026.

Revision of Stamp Duty Exemption On Loan or Financing Agreements for Skim Pembiayaan Mikro (SPM)

- It is proposed **stamp duty exemption** be given for SPM loan or financing agreements, for amounts up to RM100,000.
- Effective Date : Loan or financing agreements under the SPM executed from 1 January 2025.

Implementation of Self-Assessment System for Stamp Duty

- It is proposed self-assessment stamp duty system (STSDS) to be **implemented in phases** based on the types of instruments or agreement.
- STSDS requires duty payers or appointed agent to upload information in STAMPS and undertake self-assessment of value of stamp duties for instruments or agreements and make payment within specified timeframe.
- Effective Date : As shown in table below

Phase	Effective Date	Types of instruments
Phase 1	From 1 January 2026	Instruments/agreement related to rental/lease, general stamping and securities
Phase 2	From 1 January 2027	Instruments of transfer of property ownership
Phase 3	From 1 January 2028	Instruments or agreements other than stated in Phase 1 and 2



07

LABUAN



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Expansion of Income Tax Exemption for Islamic Financial Activities Under Labuan International Business and Financial Centre

- Proposed full income tax exemption be expanded to include qualifying Labuan Takaful business activities and Labuan takaful related activities (see Table below):

No	Labuan Trading Entity	Qualifying Activities
1	Labuan insurer; Labuan reinsurer; Labuan takaful operator; or Labuan re-takaful operator.	Takaful and re-takaful businesses that comply with Shariah principles: <ol style="list-style-type: none"> Risk management; or Product development.
2	Labuan captive insurer; or Labuan captive takaful.	Takaful and re-takaful businesses that comply with Shariah principles where takaful participants are related companies or associated companies or as approved by the Labuan Financial Services Authority: <ol style="list-style-type: none"> Risk management; or Product development
3	Labuan underwriting manager; or Labuan underwriting takaful manager.	Provides underwriting services including administration related to Labuan takaful business.
4	Labuan insurance manager; or Labuan takaful manager.	Provides management or administrative services related to Labuan takaful business.
5	Labuan insurance broker; or Labuan takaful broker.	Provides services such as: <ol style="list-style-type: none"> Arrange Labuan takaful and re-takaful business; or Financial analysis.

- Full income tax exemption for 4 years (Year of assessment 2025 to Year of assessment 2028).

08

GRANTS



Sports Program Matching Grant Fund

- **RM 230 million**
- **Purpose:**

To strengthen national sports development, including:

 - Podium programs, athlete training, and the Road to Gold initiative;
 - Preparation of para-athletes ahead of the World Para Games, including the Deaflympics Tokyo 2025;
 - Maintenance and repair of youth and sports facilities nationwide; and
 - Sports matching grants to encourage the organization of sports competitions by associations and NGOs.

Industry Training Program for Small and Medium Enterprises (LIKES)

- **RM 10 million**
- **Purpose:**

To allow companies to train students in STEM fields through industrial training, provided as a matching grant through TalentCorp.

Tunas Usahawan Belia Bumiputera (TUBE) Program

- **RM 20 million**
- **Purpose:**

To encourage the youth generation to venture into business, with RM20 million allocated to the Tunas Usahawan Belia Bumiputera (TUBE) Program.

Malaysia Science Endowment (MSE) Trust Fund

- RM 170 million
- **Purpose:**
To support R&D programs, funds are allocated to the Malaysia Science Endowment (MSE) Trust Fund, providing matching grants to private entities and industries.

i-TEKAD Matching Grant Fund

- RM 20 million (including RM5 million for insurance or takaful premium)
- **Purpose:**
To support low-income micro-entrepreneurs by providing a matching grant for insurance or takaful premiums. This initiative benefits small traders, delivery riders and participants of the People's Income Initiative (IPR) whose crops were damaged by disasters.

Malaysia Co-Investment Fund (MyCIF) Matching Grant

- RM 40 million
- **Purpose:**
To support social impact investments, including Shariah-compliant P2P financing and equity crowdfunding, under the MyCIF program.

Rubber Industry Smallholders Development Authority (RISDA)

- RM 60 million
- **Purpose:**
To encourage smallholders to produce latex for industrial demand, the grant is provided as a matching grant under the Latex Production Incentive Program.

Export Sustainability Incentive Scheme by EXIM Bank

- **RM 750 million**
- **Purpose:**
To encourage local exporters to expand their operations into international markets.

MATRADE Reimbursement Grant

- **RM 40 million**
- **Purpose:**
To help Malaysian exporters promote locally made products and services on the international stage, particularly in exploring new markets in Africa, Latin America, and the Middle East.

SME & Hawker Digitalisation Grant

- **RM 50 million**
- **Purpose:**
To help local entrepreneurs stay competitive in the market, the grant is allocated as the MSME Digital Matching Grant and the Digital Grant for Hawkers under BSN.

Cradle Fund

- **RM 15 million (Matching Grant)**
- **Purpose:**
To encourage GLCs to collaborate with startups through corporate venture capital initiatives.

Incentives for Farmers and Livestock Breeders

- **RM 27 million**
- **Purpose:**
To provide incentives to farmers and livestock breeders for increasing the production of beef cattle, small ruminants (meat goats, dairy goats, and sheep), as well as boosting the production of local onions.

Subsidies, Assistance and Incentives for Paddy Farmers and Fishermen

- **RM 2.78 billion**
- **Purpose:**
To continue safeguarding the well-being of paddy farmers and fishermen through the provision of subsidies, assistance, and incentives.

Replanting Incentive for Smallholder Palm Oil Farmers

- **RM 100 million**
- **Purpose:**
To provide incentives to smallholder palm oil farmers for replanting old, non-productive trees, this initiative aims to boost productivity by replanting higher-yielding palm oil varieties.

National Disaster Management and Flood Mitigation

- **RM 20 million**
- **Purpose:**
To enhance response efforts and deliver aid to flood-affected victims in impacted areas, provided as a matching grant for GLIC and GLC Foundations.

Film Incentive in Malaysia (FIMI)

- **RM 40 million**
- **Purpose:**
To support the production of international films in Malaysia.



09



FINANCING PACKAGE



09 Financing Package



Dana Pelaburan Bersama Strategik (CoSIF) & Dana Pembangunan Industri NIMP (NIDF)

A total of RM 200 million has been allocated to support the growth of SMEs and mid-sized companies, and promote creations.

GEAR-uP initiative

Government-Linked Investment Company (GLIC) plans to invest RM 120 billion in direct investments through the initiative over the next 5 years, starting with RM 25 billion next year.

For example,

- **KWAP:** Allocating RM 6 billion through the Dana Pemacu to enhance the local private market, focusing on private equity, infrastructure, and real estate. This includes a co-GP partnership model with an initial investment of RM 500 million next year in sectors like data centers, energy transition, and advanced manufacturing.
- **Khazanah:** Committing RM 1 billion to support investments in the local semiconductor industry.



National Fund-of-Funds (NFOF)

The NFOF will be launched under Khazanah next month with a capital of RM 1 billion to support venture capital fund managers investing in startups, including RM 300 million is allocated for 2025.

Dana Perintis

- KWAP, under the Dana Perintis will provide RM 1 billion to support local startup activities, with RM 200 million specifically allocated for 2025.

Cradle Fund

- Cradle Fund will receive RM 65 million to help promising startups expand regionally and globally. This includes RM 15 million in matching grants as an incentive for GLCs to collaborate with startups through corporate venture capital initiatives.

Empowerment and Support for Local Entrepreneurs and Exporters

Empowering micro, small, and medium enterprises (MSMEs) will continue to be intensified to support local entrepreneurs enter export markets.

Program Syarikat Mid-Tier by Khazanah

- Khazanah will launch the Program Syarikat Mid-Tier with a fund of RM 1 billion aimed at providing financing to support the capacity building of local companies.

Skim Insentif Pemampanan Pengeksport by EXIM Bank

- To encourage local exporters to expand their operations into foreign markets, RM 750 million is provided under the Skim Insentif Pemampanan Pengeksport by EXIM Bank.

Financial assistance by MATRADE

- RM 40 million is also provided under MATRADE as a reimbursement grant to help Malaysian exporters promote Malaysian-made products and services on the international stage, particularly exploring new markets in Africa, Latin America, and the Middle East.

Skim Pembiayaan Teknologi Hijau (GTFS)

- The implementation of GTFS will continue with total financing of RM 1 billion until 2026.

Food Security by Agrobank

- Agrobank provides a loan facility of RM 200 million to agri-food entrepreneurs supporting food security and sustainable agriculture.

Development of the HALAL Industry

- Bank Pembangunan Malaysia Berhad (BPMB) dan SME Bank offer specific financing for halal SMEs with available funds of nearly RM 600 million.
- Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) is also ready to guarantee up to 80 percent of financing for halal SMEs, with a guarantee value of up to RM 1 billion.
- MATRADE is tasked with driving the development of more halal enterprises to enhance competitiveness with an allocation of RM 20 million.

Wakaf MADANI

- Syarikat Jaminan Kredit Perumahan Berhad (SJKP) will guarantee first homebuyer loans of up to RM 500 thousand for properties developed on waqf land.

Business Loan Facilities and Financing Guarantees

The Malaysian government is allocating a total of RM40 billion for loan facilities and business financing guarantees through various agencies. This includes:

Micro-sized Loans for Small Traders

- RM3.2 billion in micro-sized loans from Tabung Ekonomi Kumpulan Usaha Niaga (TEKUN) and Bank Simpanan Nasional (BSN) to support small traders, including the Persons with Disabilities (PWD) community, Chinese, and Bumiputera.

Infrastructure and Sectoral Financing

- RM6.4 billion from Bank Pembangunan Malaysia Berhad for infrastructure, digitalisation, tourism, logistics, transportation, renewable energy, and transition sectors.

Small and medium-sized enterprises (SMEs) Financing Guarantees

- RM20 billion in SMEs financing guarantees through SJPP, with RM5 billion specifically for Bumiputera SMEs.

SMEs Loan Funds for Digital and Sustainable Practices

- RM3.8 billion in SMEs loan funds from BNM to support digital and automation transitions, agri-food sector, and sustainable practices.

Support for Women and Youth Entrepreneurship

- RM650 million to support women and youth entrepreneurship.

Programs for the Indian Community

- RM130 million for programs to support the Indian community's human capital, social, and welfare, including business financing.

Government Support for Cooperative Business Activities

The government continues to support the business activities of cooperatives, including providing working capital. Financing of up to RM 100 million is allocated under the Suruhanjaya Koperasi Malaysia.

09 Financing Package



Financing under Majlis Amanah Rakyat (MARA) and Perbadanan Usahawan Nasional Berhad (PUNB)

RM 800 million in financing under MARA and PUNB will be available to support more Bumiputera entrepreneurs, including initiatives for local artisan.

Support for Higher Education Access for Students

A total allocation of RM 4 billion is provided in the form of scholarships, loans and education allowances to facilitate students' pursuit of higher education.

To produce graduates with high employability that meets industry demands, Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) offers education financing of RM 500 million specifically to prioritize students pursuing studies in STEM fields at public universities (IPTA).

Financing for Industrial Trainees

Perbadanan Tabung Pembangunan Kemahiran (PTPK) is providing financing of up to RM 500 million to benefit more than 20,000 trainees, including RM 100 million specifically allocated for New Industrial Master Plan (NIMP) priority sectors such as Maintenance, Repairs and Operations (MRO), Electric Vehicle (EV), aerospace, and Artificial Intelligence (AI).

Government Guarantees for First-Time Homebuyers through Skim Jaminan Kredit Perumahan (SJKP)

SJKP has approved RM 12.8 billion in government guarantees for over 57,000 first-time homebuyers. The government will continue to guarantee housing loans up to RM 10 billion, benefiting an additional 20,000 homebuyers.

09 Financing Package



Financing for Women-Led micro, small, and medium enterprises (MSMEs)

A total of RM 470 million in financing is provided by SME Bank, BSN, Bank Rakyat and MARA to support MSMEs in securing working capital, purchasing assets, and scaling their businesses to higher levels.

Skim Step Up Financing

The Skim Step Up Financing is introduced under the Syarikat Jaminan Kredit Perumahan Berhad (SJKP) as a government guarantee of up to RM 5 billion specifically for young people who want to own their first home. This scheme offers lower loan repayment facilities for the first 5 years.

Skim Sinar BSN for Persons with Disabilities

Financing facilities through the Skim Sinar BSN are provided with a fund of RM 50 million to support persons with disabilities (OKU) in pursuing business ventures.

MyCreative Ventures' Financing for Creative Arts Industry

MyCreative Ventures has been allocated RM25 million to support the creative industry through equity injections for high-potential companies and provide financing for creative social entrepreneurs.

Skim Pembiayaan Perumahan Muda for Young Public Servants

Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA) will introduce the Skim Pembiayaan Perumahan Muda for young public servants to apply for housing financing of up to 40 years.

10

OTHERS



Established A Rare Disease Fund



The allocation for covering the medical costs of rare diseases has been increased to RM25 million.



The mySalam scheme was also expanded to include rare diseases and Rheumatoid Arthritis.



Donations to the Fund will qualify for a tax deduction equal to the contribution amount.

Subsidy for RON95

- Government plans to implement targeted subsidies for RON95 petrol in mid of 2025.

Multi-tier Levy Mechanism

- Government plans to implement a multi-tier levy mechanism early next year to reduce dependence on foreign workers.
- Revenue from the levy collection would be channeled back to industry players to drive their business processes towards automation and mechanisation.

Minimum wage

- Increase from RM 1,500 to RM 1,700 effective from 1 February 2025.
- Employer with less than 5 workers, will be given 6 months deferment until 1st August 2025.

YYC'S 2025 BUDGET WEBINAR



ENGLISH

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Platform: Zoom

MANDARIN

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