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# Highlights of Budget 2021 proposals

**BUSINESS**

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Belanjawan 2021 dibentangkan di Parlimen pada Jumaat petang.

Main points of Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz's [Budget 2021](#) speech

- \* For corporate companies involved in highly high skilled industries such as oil & gas and aerospace, guarantee of RM3bil under the Danajamin Prihatin Guarantee Scheme extended until 2021 with improved terms and conditions.
- \* RM500mil to implement the National Digital Network initiative, JENDELA to ensure the connectivity of 430 schools throughout Malaysia covering all states.
- \* Malaysian Communications and Multimedia Commission to allocate RM7.4bil for year 2021 and 2022 to build and upgrade broadband services.
- \* To help taxpayers who have lost their jobs due to Covid-19 pandemic, for years of assessment 2020 and 2021 the income tax exemption limit for compensation for loss of employment be increased from RM10,000 to RM20,000 for each full year of service.
- \* To encourage more individual investors to participate in equity crowdfunding (ECF) platforms, an income tax exemption of 50% from the invested amount or limited to RM50,000 will be given.

- \* RM30mil is allocated to a matching grant that will be invested into ECF platforms under the supervision of the Securities Commission.
- \* Govt committed to continue with High-Speed Rail project, also announced RM3.8b of new transport infra jobs
- \* Extension of the implementation of the Wage Subsidy Program for another three months with a more targeted approach, specifically for the tourism sector, which includes the retail sector at a rate of RM600 per month for workers earning 4,000 ringgit and below. Limit of 200 employees per application raised to 500 employees. RM1.5bil allocated and to help about 70,000 employers and 900,000 employees.
- \* To help taxpayers who have lost their jobs due to Covid-19 pandemic, for years of assessment 2020 and 2021 the income tax exemption limit for compensation for loss of employment be increased from RM10,000 to RM20,000 for each full year of service.
- \* To encourage more individual investors to participate in equity crowdfunding (ECF) platforms, an income tax exemption of 50% from the invested amount or limited to RM50,000 will be given.
- \* Govt committed to continue with High-Speed Rail project, also announced RM3.8b of new transport infra jobs.
- \* EPF to continue development of Kwasa Damansara with gross development value of RM50b. This will include commercial, residential, social infrastructure, innovation hub and medical.
- \* Top Glove, [Hartalega](#) , Supermax and Kossan commit to provide total of RM400m to fight Covid-19 and to be used cost of the vaccine
- \* Govt allocates RM400m to help FELDA settlers' resolve loan interest and for new income development programme
- \* RM2.7bil allocated for rural infrastructure development
- \* RM400mil to help FELDA settlers to resolve their debts
- \* Stamp duty exemption for purchase of first house
- \* RM7.4b to expand broadband services in 2021 to 2022
- \* RM500m for National Digital Network JENDELA
- \* EPF allows withdrawal from Account 2 for the purchase of life insurance and takaful protection products and for critical illnesses

- \* RM500 can be withdrawn monthly from EPF Account 1 up to RM6,000 within 12 months
- \* Employees' minimum EPF contribution is reduced to 9% starting January 2021
- \* EPF contributors will be allowed to withdraw RM500 per month from their Account 1, up to a total of RM6,000 a year
- \* Covid-19 Fund raised to RM65b to cover additional assistance under KITA PRIHATIN package
- \* Tax relief increased to RM8,000 for parents' medical, special needs and care expenses
- \* Single individuals earning RM2,500 and below to receive RM350, eligibility reduced to 21 yrs old from 40 previously
- \* RM1b allocated in 2021 to contain third wave of COVID-19, in addition to RM1.8b allocated this year: Bernama
- \* Maximum tax relief for individual, spouse and children's medical expenses for serious medical ailments raised to RM8,000
- \* Government has agreed to a one-off payment of RM500 to frontline workers in handling the Covid-19 pandemic
- \* For 2021, the government said it will allocate RM1bil more to fight the third wave of the Covid-19 pandemic