



**In this issue:**

Malaysia: Employer Notification Forms to Inland Revenue Board (updated) .....	1
Malaysia: PERMAI Assistance Package: Incentives for Employers and Employees .....	3
Announcement: This will be the final edition of <i>Global InSight</i> .....	5

---

## Malaysia: Employer Notification Forms to Inland Revenue Board (updated)

### Overview

Following the gazette of the Finance Act 2020 and consequent amendment to the Income Tax Act 1967, an employer is now required to submit a notification to the Inland Revenue Board of Malaysia (IRBM) within 30 days (previously one month) of a change in an employee status, as follows:

Event	New deadlines (with effect January 1, 2021)	Prior deadline
Commencement of employment	<b>No later than 30 days</b> after the commencement of employment	No later than <b>one month</b> from commencement of employment
Cessation of employment	<b>No less than 30 days</b> before the cessation of employment	No less than <b>one month</b> before the cessation of employment
Departure exceeding three months/permanent departure from Malaysia	<b>No less than 30 days</b> before the expected departure date from Malaysia	No less than <b>one month</b> before the expected departure date from Malaysia
Death of an employee	<b>No more than 30 days</b> after being informed of such death	N/A

### What is the change?

Following the above, the IRBM issued updated employee notification forms to incorporate the new deadlines into the applicable prescribed forms and also update certain information requirements in the forms as follows:

Form	Other changes
<b>Form CP22:</b> Notification Form by Employer for New Employee	The updated Form CP22 requires employers to report remuneration paid to the new employee in a clearer and more structured manner, by adapting the format used for income reporting in the annual statement of remuneration of employment.
<b>Form CP22A:</b> Notification Form by Employer of Employee's Cessation of Employment	The updated Form CP22A has provided an extra section for the employer to report benefits-in-kind provided to the employee.
<b>Form CP21:</b> Notification Form by Employer of Employee's Departure from Malaysia	The updated form CP21 now includes a note to inform employers that the declaration must be made by the employer in accordance with the category of employer as provided under sections 66 to 76 and section 86 of the Income Tax Act 1967.

Employers are required to use the updated forms immediately.

**URL:**  
[http://www.hasil.gov.my/bt\\_goindex.php?bt\\_jborang=12&bt\\_tahunbor=Semua%7CAI&bt\\_kump=2&bt\\_skum=3&bt\\_posi=1&Submit=Search](http://www.hasil.gov.my/bt_goindex.php?bt_jborang=12&bt_tahunbor=Semua%7CAI&bt_kump=2&bt_skum=3&bt_posi=1&Submit=Search)

### Deloitte's view

With the updated legislation in the Income Tax Act 1967 and the issuance of the new forms, the administrative process is now clearer and promotes alignment between the Income Tax Act 1967 and the IRBM current practice with regard to the notification of change in employee status.

It also worth noting that the structure of the new Form CP22 facilitates data collection for the IRBM. As the IRBM is becoming more data-driven in its tax audits, it is important to ensure that the information provided in the forms is accurate.

— Ang Weina (Kuala Lumpur)  
Partner  
Deloitte Malaysia  
angweina@deloitte.com

Chee Ying Cheng (Kuala Lumpur)  
Partner  
Deloitte Malaysia  
yichee@deloitte.com

Michelle Lai (Kuala Lumpur)  
Director  
Deloitte Malaysia  
michlai@deloitte.com

Lee Lai Kuen (Kuala Lumpur)  
Associate Director  
Deloitte Malaysia  
lailee@deloitte.com

Melissa Vong (Kuala Lumpur)  
Associate Director  
Deloitte Malaysia  
mvong@deloitte.com

---

## Malaysia:

### PERMAI Assistance Package: Incentives for Employers and Employees

#### Overview

On 18 January 2021, the government announced another COVID-19 assistance package (Malaysian Economic and Rakyat Protection Assistance Package or “PERMAI”) worth RM15 billion. The government, through PERMAI, introduced new and/or enhanced existing measures for employers and employees (individuals) with the aim of:

- Combating the COVID-19 outbreak;
- Safeguarding the welfare of the people; and
- Supporting business continuity.

#### What is the change?

PERMAI provides the following measures for employees and employers as below.

#### Employees (individuals)

**Individual income tax relief on COVID-19 screening expenses:** Earlier during the 2021 budget, it was proposed (and subsequently legislated) that, beginning 1 January 2021, the individual income tax relief for complete medical examination expenses be increased from RM500 to RM1,000, effective from the year of assessment 2021.

Through the announcement of PERMAI, the scope of complete medical examination will now be expanded to cover COVID-19 screening and detection tests incurred by the taxpayer.

Please note that this proposal will only be effective upon issuance of gazette order.

**Extension of special individual income tax relief on purchase of mobile phones, computers, and tablets:** Initially announced under the Short-Term Economic Recovery Plan (PENJANA) in June 2020, a special individual income tax relief of up to RM2,500 shall be given for the purchase of a mobile phone, notebook, and tablet made from 1 June 2020 to 31 December 2020. This relief was in addition to the lifestyle relief that also provides for the purchase of a personal computer, smartphone, or tablet, among other purchases or payment, for personal use of the taxpayer, spouse, or child.

Through the announcement of PERMAI, the above special tax relief will be extended until 31 December 2021.

Please note that this proposal will only be effective upon issuance of gazette order.

**Enhancement of the Employees Provident Fund (EPF) i-Sinar Program:** The i-Sinar facility has been made available to all EPF members whose income has been affected by COVID-19, where they are allowed to withdraw up to 10% of their Account 1 balance.

There were two categories of employees who are eligible for this facility:

- **Category 1:** Eligible members include workers in the formal sector, self-employed workers and workers in the gig economy, those who have not contributed to the EPF for a period of time, those who have lost their jobs, or those who have been given no pay leave.
- **Category 2:** This category was introduced during the 2021 budget and includes members whose total income has been reduced by 30% and above (total income including base salary and other benefits such as allowances and overtime) from 1 March 2020 onwards, whereby the said reduction can only be verified with supporting documents.

Through the announcement of PERMAI, for applicants under Category 2, an interim payment (advance) of up to RM1,000 from the amount applied, shall be provided by EPF, pending EPF's completion of the processing of the initial application.

To receive the RM1,000, affected individuals are to provide a self-declaration that they meet the prescribed criteria and submit the supporting documents online.

If the self-declaration is found to be incorrect and/or not supported by the correct documents, EPF shall halt further payments.

## Employer

**Improving the Wage Subsidy Program:** It is proposed that the Wage Subsidy Program 3.0 under the Social Security Organization be enhanced where all employers operating in the Movement Control Order (MCO) states will be eligible to apply for wage subsidy, irrespective of sector. For one month, eligible employers will receive a wage subsidy of RM600 for each employee earning less than RM4,000. In addition, the wage subsidy previously limited to 200 employees for each employer will be increased to 500 employees.

**Note:** In the 2021 budget, the government proposed to extend the implementation of the Wage Subsidy Program for another three months but with a more targeted approach (*i.e.*, specifically for the tourism sector and the retail sector, where a RM600 per month subsidy is provided with respect to workers earning RM4,000 and below). The limit of 200 employees per application will be increased to 500 employees.

## Deloitte's view

As Malaysia moves into its latest MCO phase, the above measures are timely and fitting to provide support to both employers and employees to operate amid the restricted conditions.

— Ang Weina (Kuala Lumpur)  
Partner  
Deloitte Malaysia  
angweina@deloitte.com

Chee Ying Cheng (Kuala Lumpur)  
Partner  
Deloitte Malaysia  
yichee@deloitte.com

Michelle Lai (Kuala Lumpur)  
Director  
Deloitte Malaysia  
michlai@deloitte.com

Lee Lai Kuen (Kuala Lumpur)  
Associate Director  
Deloitte Malaysia  
lailee@deloitte.com

Melissa Vong (Kuala Lumpur)  
Associate Director  
Deloitte Malaysia  
mvong@deloitte.com

---

## Announcement:

### This will be the final edition of *Global InSight*

This will be our final edition of *Global InSight*. We look forward to bringing you information and insights via new formats and avenues. To ensure you receive relevant updates and invitations directly to your mailbox we recommend taking the following steps:

1. Create a My Deloitte account  
[URL: https://my.deloitte.com](https://my.deloitte.com)
2. Once you log in hit the “**Subscriptions**” tab in the top navigation.
3. Select “**Dbriefs webcasts invitations**” on the left side bar
  - a. Select “**Dbriefs – Tax Executives**” to receive webcast invitations
  - b. Scroll to the bottom of the page and hit save
  - c. Once back on the home screen hit the personal avatar icon in the top right-hand corner
4. Select “**Profile/Interests**”
  - a. Scroll down to “**Topics of interest**”
  - b. Select “**Tax**” In the business interests left side bar
  - c. Scroll down and agree to receive email updates
  - d. Hit save

In addition to subscribing to the above, we recommend visiting and bookmarking our Global Employer Services home page to browse our latest articles and offerings.

[URL: https://www2.deloitte.com/us/en/pages/tax/topics/global-employer-services.html?icid=top\\_global-employer-services?id=us:2sm:3na:gis:awa:tax:020521&sfid=7011O0000038IANQAY](https://www2.deloitte.com/us/en/pages/tax/topics/global-employer-services.html?icid=top_global-employer-services?id=us:2sm:3na:gis:awa:tax:020521&sfid=7011O0000038IANQAY)

## About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organization”) serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 312,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.