

**CIRCULAR NO. 21**  
**Government Financial Aid for Malaysian SMEs in 2021**



**D**ear IEM Members,

Since the MCO in 2020, the government has launched multiple initiatives to help individuals and businesses cope with their financial burdens. Here, we have narrowed down a list of reliefs for SMEs that are currently available or open for applications in 2021. They were announced under Budget 2021, PERMAI, PENJANA, and PEMERKASA economic stimulus packages.

Hopefully, with this financial aid, it can help Malaysian entrepreneurs and SMEs stay afloat while the country progresses with its mass vaccination programme.

### **1. Wage Subsidy Programme (WSP 3.0)**

**Objective:** To help businesses cope with payroll difficulties from MCO.

**What it is:** Under the WSP 3.0, employers, regardless of sector, can receive a subsidy of RM600 per employee earning under RM4,000 per month, for up to a maximum of 500 employees.

For businesses part of the tourism or retail sector, the WSP will be for 6 months for new applicants or another 3 months for existing WSP recipients.

A one-off financial assistance of up to RM600 will be given to homestay businesses registered with the Ministry of Tourism, Arts and Culture (MOTAC) as well, under PEMERKASA.

**Where To Apply:** [PERKESO](#)

Effective From: January 1, 2021.

Beneficiaries: All businesses.

## 2. Targeted Loan Repayment Assistance (TRA)

**Objective:** Delaying loan repayment for SMEs whose incomes were affected by the pandemic.

**What It Is:** SMEs with a loan amount of up to RM150,000 can defer monthly instalments for 3 months or reduce monthly instalments by 50% for 6 months.

**Where To Apply:** The respective [banks](#) you loaned from.

Application Duration: November 2020. *\*Until further announcement by the government*

Beneficiaries: All SMEs.

## 3. COVID-19 Screening Test Programme

**Objective:** To increase screening amongst employees to curb the spread of COVID-19 .

**What It Is:** The cost of screening for registered foreign workers will be borne fully by SOCSO to identify possible COVID-19 clusters at the workplace.

Local employees will have to bear the costs themselves and can claim an RM1,000 relief for their individual income tax relief.

**Where To Apply:** [PERKESO](#).

Effective From: February 2, 2021.

Beneficiaries: All registered foreign employees.

## 4. PERMAI Special Prihatin Grant (GKP)

**Objective:** To provide additional financial assistance to SMEs and micro-entrepreneurs.

**What It Is:** An extension of the GKP 1.0 and 2.0 last year, where SMEs who've previously registered will receive a one-off payment.

The amount of the one-off assistance under the grant are as follows:

SMEs registered in states under the MCO: RM1,000

SMEs registered in other states: RM500

For those who have never received this grant before, they can apply for it starting from April 1, 2021. This grant is predicted to benefit over a million businesses in the nation.

Financial assistance of RM1,000 will also be given through the GKP for traders and hawkers in Sabah.

**Where To Apply:** New applicants can apply [here](#).

Effective From: March 2021.

Beneficiaries: SMEs who have previously registered for the GKP, and new applicants.

## 5. SME Digitisation Grant

Objective: To assist SMEs in adopting digitisation services in day-to-day business operations.

What It Is: A grant of up to RM5,000 will be provided for SMEs that qualify for a subscription to digitisation services. This is meant to enhance the business's competitiveness in the market and productivity.

Each grant is limited to 1 application per SME. Companies can apply for up to 3 types of digitisation services with 1 or more service providers [registered with MDEC](#).

For SMEs in the manufacturing and service sectors, there is also a [Smart Automation Grant \(SAG\)](#) to digitise parts of the business operations.

Where To Apply: [SME Bank](#).

Grant Availability: 5 years from February 17, 2020, or upon reaching 100,000 applications, whichever comes first.

Beneficiaries: SMEs looking to digitise their businesses.

## 6. Boosting Online Businesses

Objective: To facilitate more SMEs in adopting e-commerce and e-payment whilst expanding their market outreach.

What It Is: Local businesses and individuals with or without business registrations can receive e-commerce and e-payment onboarding training, seller subsidy, and sales support.

Where To Apply: [MDEC Official Website](#).

Beneficiaries: All SMEs and e-commerce sellers.

## 7. Electricity Bill Support

Objective: To alleviate business cash flow burdens for sectors who could not operate during MCO.

What It Is: A 10% discount is given to 6 affected sectors including hotel operators, theme parks, convention centres, shopping malls, domestic flight company offices, and tour agencies.

Those who've received the 15% discount from 2020's Economic Stimulus Package are automatically eligible for the above discount under [PERMAI](#). Under the PEMULIH package, domestic and SME customers will enjoy discount on their power consumption from 1 July to 30 September 2021.

Customers will see the discount in their bills beginning 15 July 2021 onwards. Those who usually receive their bills between 1st and 14th of the month will see the adjustment recorded in their August 2021 bill.

Domestic users with monthly consumption up to 200kWh will entitle to 40% discount. Domestic consumers using between 201 to 300 kWh per month will enjoy 15% discount. Those consuming

between 301 to 600 kWh per month will see a 10% discount reflected in their bill. Customers using between 601 and 900 kWh per month will be given a 5% discount.

Small and Medium enterprises (SME) under the commercial, industrial and specific agricultural low-voltage categories will be given a 5% discount.

6 selected sectors (hotels, theme parks, convention centres, shopping malls, local airline offices as well as tour and travel agencies), which has been given 10% electricity bill discount for July to September 2021 under the previous Pemerkasa Plus package, will see their benefit extended for another 3 months until December 2021 under PEMULIH Package.

In addition, TNB also stated that "We would defer power cuts to domestic users with arrears not exceeding six months, until September 30, 2021, as well as offering Easy Payment Plan for domestic users until December 31, 2021".

7. For more info, please visit [www.tnb.com.my/mco/pemulih](http://www.tnb.com.my/mco/pemulih), call TNB CareLine at 1300885454 or email them at [tnbcareline@tnb.com.my](mailto:tnbcareline@tnb.com.my).

Furthermore, up to a 9% bill reduction will be applied for all users.

Where To Apply: New applicants who are TNB customers can email TNB's Careline ([tnbcareline@tnb.com.my](mailto:tnbcareline@tnb.com.my)) or please visit [www.tnb.com.my/mco/pemulih](http://www.tnb.com.my/mco/pemulih). You can call TNB CareLine at 1300885454 or email them at [tnbcareline@tnb.com.my](mailto:tnbcareline@tnb.com.my). or visit the nearest Kedai Tenaga.

Effective From: January to December 31, 2021.

Beneficiaries: All TNB users.

## **8. Penjana Kerjaya 2.0**

Objective: To promote the creation of quality jobs and reduce unemployment among locals.

What It Is: Under the [Penjana Kerjaya initiative](#), employers will be given an additional incentive of 60% (≤RM6,000). It is meant to encourage job opportunities for people with disabilities, those who are unemployed long-term, and workers who have been terminated.

For sectors that have a high reliance on foreign workers, a special incentive of 60% of the monthly salary will be provided.

40% (≤RM4,000) of that will be channeled directly to employers, and 20% (≤RM2,000) for their "Malaysianisation" programme. It essentially encourages employers to hire locals to replace foreign workers. These incentives will last for a period of 6 months.

Employers who hire talents under Penjana Kerjaya can also claim a maximum of RM7,000 for a staff's training programme/apprenticeship. This only applies to those with employees undergoing a professional certificate programme.

Where To Apply: [PERKESO](#).

Application Duration: From January 1, 2021.

Beneficiaries: All businesses.

### **9. PEMERKASA's Additional Employment Incentives**

Objective: To provide additional incentives for companies hiring gig workers.

What It Is: Under PEMERKASA, the government is expanding its scope of employment incentives to include temporary and gig work:

60,000 workers will be incentivised with RM600 each per month for 6 months,

Every employer will receive RM200 for every gig worker they successfully hire to cover temporary work,

An apprenticeship subsidy of RM800 per month extended from 3 months to 6 months,

Creation of the UpskillMalaysia and e-LaTiH platforms as an upskilling information centre and 300 free training courses respectively.

Where To Apply: TBA.

Effective From: TBA.

Beneficiaries: Employers who hire gig workers.

### **10. Incentivising Women Entrepreneurs**

Objective: To incentivise and facilitate women who aspire to become entrepreneurs.

What It Is: The [DanaNITA financing schemes](#) will help intensify women's participation in entrepreneurial activities. It can also help empower existing women entrepreneurs and increase their household income.

There is also the [Ar-Rahnu Micro-Credit Programme](#), a channel to raise capital for women's businesses. It's where women who have no access to financial loans can trade their gold or valuable jewellery for capital instead.

Additionally, an allocation of RM10 million in the form of a 70% matching fund for women entrepreneurs and self-employed women will also be provided under SOCSO's Self-Employment Social Security Scheme.

Where To Apply: Apply online at [myusahawan](#) or at a MARA District Office.

Application Duration: Varies depending on the programme.

Beneficiaries: Women entrepreneurs.

### **11. Indian Community Entrepreneur Development Scheme (SPUMI)**

Objective: To help Indian entrepreneurs who run micro-businesses expand.

What It Is: Through [TEKUN](#), Indian entrepreneurs can get a Small Financing Scheme (RM10,000-RM50,000) or Medium Financing Scheme (RM50,000-RM100,000). Their repayment timelines are 5 and 10 years, respectively.

There is also a TEKUN Niaga financing scheme for [Bumiputra entrepreneurs](#) who run micro-businesses.

Where To Apply: [TEKUN Nasional](#).

Beneficiaries: Indian and Bumiputra micro-entrepreneurs.

## **12. Sustainable Development Goals (SDGs) Financing Scheme**

Objective: To support the government's efforts in implementing [17 SDGs](#) under the United Nation 2030 development agenda.

What It Is: Funding will be provided to eligible businesses whose operations contribute positively to 1 of the 17 SDGs. They include developing affordable and clean energy, gender equality in the workplace, promoting sustainable industrialisation, etc.

Where To Apply: Call Business Banking Group 03-2611 3888 for more information.

Loans Disbursement: Within [7 working days](#) from the date of acceptance.

Beneficiaries: Businesses meeting United Nations' SDGs.

## **13. Supporting New Startup Launches**

Objective: To encourage the establishment of new SMEs.

What It Is: SMEs who register and start their operations from July 1, 2020 until December 31, 2021 can claim [tax rebates](#) of up to RM20,000 per year. This will be applicable for 3 assessment years.

Under PEMERKASA, the fundraising limits will be increased from RM10 million to RM20 million. Equity crowdfunding will also be extended to unlisted limited companies.

SSM has also agreed to increase the indebtedness threshold from RM10,000 to RM50,000. Free business registration is also available to the B40 group and full-time IPT students looking to venture into entrepreneurship.

Where To Apply: Claim it while filing your company taxes.

Effective From: 3 years after the launch of the company.

Beneficiaries: Newly launched companies.

## **14. Working Capital Guarantee Scheme (SJMK)**

Objective: To assist SMEs in all sectors in accessing funding from participating Financial Institutions (FIs).

What It Is: RM17.5 billion has been allocated to the SJMK, a government funding for SMEs in various industries. Funds must be used for working capital or CAPEX only. It cannot be used to refinance existing facilities granted by the same or other participating FIs. There is a financing limit of up to [RM100,000 to RM10 million](#) for this scheme.

Specifically, for Bumiputras, there is also a dedicated [SJMK-B](#).

Where To Apply: Participating banks.

Application Duration: From now until the full utilisation of the WCGS fund of RM17.5 billion, or upon expiry of guaranteed tenure on December 31, 2035, whichever is earlier (according to Maybank).

Beneficiaries: All SMEs.

### 15. Safe@Work Initiative

Objective: For employers to be responsible in providing a conducive work environment and place to stay for their workers.

What It Is: Companies, especially those in the manufacturing industry will be granted RM500,000 as additional tax deductions on the rental expenses of their premises and workers' dormitories.

Where To Apply: TBA.

Effective From: Applications start on April 1, 2021.

Beneficiaries: Employers who hire foreign workers.

### SMEs GOVERNMENT LOAN AID

1.	<p><b>Targeted Relief and Recovery Facility (TRRF)</b></p> <p><u>Source:</u></p> <ul style="list-style-type: none"> <li>• <a href="https://www.bnm.gov.my/documents/20124/2294076/Brochure_TRRF_EN.pdf">https://www.bnm.gov.my/documents/20124/2294076/Brochure_TRRF_EN.pdf</a></li> <li>• <a href="https://www.smebank.com.my/en/financing/programmes/trf">https://www.smebank.com.my/en/financing/programmes/trf</a></li> </ul>	<ul style="list-style-type: none"> <li>● Total sum RM6 billion</li> <li>● Personal services (e.g., repair of computers / household goods, laundry, hairdressing, beauty, food and beverage service activities, human health and social work activities, arts, entertainment and recreation, wholesale and retail trade, business services (e.g. professional, scientific and technical activities, administrative and support service activities)</li> <li>● Financing size for SME up to RM500,000; Micro enterprise up to RM75,000</li> <li>● Up to 3.5% per annum, inclusive of guaranteed fee</li> <li>● Collateral not required</li> <li>● Deadline 31/12/2021</li> </ul> <p><i>Note: SME is allowed to apply even though has applied for other loans</i></p>
2.	<p><b>PENJANA SME Financing (PSF)</b></p> <p><u>Source:</u></p> <ul style="list-style-type: none"> <li>• <a href="https://www.maybank2u.com.my/maybank2u/malaysia/en/business/financing/working_ca">https://www.maybank2u.com.my/maybank2u/malaysia/en/business/financing/working_ca</a></li> </ul>	<ul style="list-style-type: none"> <li>● Total sum RM2 billion</li> <li>● Up to 3.5% per annum, inclusive of guaranteed fee</li> <li>● Up to RM500,000</li> <li>● Collateral not required</li> </ul>

	<a href="http://www.mymca.com.my/pital/business/penjana-SME-financing.page">pital/business/penjana-SME-financing.page</a>	
3.	<b>Micro Enterprise Fund (MEF)</b> Source: <ul style="list-style-type: none"> <li>• <a href="https://www.bnm.gov.my/documents/20124/2294076/Features%20of%20Micro%20Enterprises%20Facility%20MEF.pdf">https://www.bnm.gov.my/documents/20124/2294076/Features%20of%20Micro%20Enterprises%20Facility%20MEF.pdf</a></li> </ul>	<ul style="list-style-type: none"> <li>● Total sum RM410 million</li> <li>● Cooperative members or hawkers &amp; peddlers society, sole proprietor, partnership, private limited company</li> <li>● Financing size RM1000 - RM50,000</li> </ul>
4	<b>Micro Credit Scheme by BSN</b> Source: <ul style="list-style-type: none"> <li>• <a href="https://www.bsn.com.my/page/business-financing-index">https://www.bsn.com.my/page/business-financing-index</a></li> </ul>	<ul style="list-style-type: none"> <li>● Total sum RM300 million</li> <li>● Sole proprietorship, partnership, or private limited company; women entrepreneurs; young entrepreneurs aged 30 years and below; micro entrepreneurs with disabilities</li> <li>● Financing size up to RM50,000</li> </ul>
5	<b>Koperasi Jayadiri Malaysia Bhd (KOJADI) Low Interest Finance</b> Source: <ul style="list-style-type: none"> <li>• <a href="http://kojadi.my/v2/index.php?lang=en">http://kojadi.my/v2/index.php?lang=en</a></li> </ul>	<ul style="list-style-type: none"> <li>● Up to 4% per annum, inclusive of guaranteed fee</li> <li>● Chinese enterprises with financial problem in business</li> <li>● Financing size RM50,000 – RM250,000</li> <li>● Collateral not required</li> </ul>
6	<b>SME Technology Transformation Fund (STTF)</b> Source: <ul style="list-style-type: none"> <li>• <a href="https://www.smebank.com.my/en/sttf">https://www.smebank.com.my/en/sttf</a></li> </ul>	<ul style="list-style-type: none"> <li>● SMEs in digitalisation and/or automation such as Computer hardware and software; IT solutions and services; Technology support services</li> <li>● Up to 4% per annum</li> <li>● Financing size RM100,000 – RM3,000,000</li> </ul>
7	<b>SME Corp Micro Finance</b> Source: <ul style="list-style-type: none"> <li>• <a href="https://www.maybank2u.com.my/maybank2u/malaysia/en/business/financing/working_capital/business/sme_micro_financing.page?">https://www.maybank2u.com.my/maybank2u/malaysia/en/business/financing/working_capital/business/sme_micro_financing.page?</a></li> </ul>	<ul style="list-style-type: none"> <li>● Total sum RM50 million</li> <li>● Up to 3% per annum</li> <li>● Financing size up to RM250,000</li> </ul>
8	<b>Smart Automation Grant (SAG)</b> Source: <ul style="list-style-type: none"> <li>• <a href="https://mdec.my/digital-economy-initiatives/for-the-industry/smart-automation-grant/">https://mdec.my/digital-economy-initiatives/for-the-industry/smart-automation-grant/</a></li> </ul>	<ul style="list-style-type: none"> <li>● Total sum RM150 million</li> <li>● SMEs and mid-tier companies in the services sector are now able to kickstart their digital adoption journey and increase their digital capabilities to continue striving forward in this new norm</li> <li>● Financing size up to RM1,000,000</li> </ul>

IEM will continue to keep our members updated on latest announcements from the government, ministries or government agencies related or affecting the engineering industry. Do keep a look out for our email blast or visit the IEM website at [www.myiem.org.my](http://www.myiem.org.my) under the tab 'RELATED TO ENGINEERING' or join our Telegram Channel to receive faster updates.



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IEM had also launched our very own mobile app IEMGo on 15 April 2021 to improve communication with members. You may download IEMGo from the following platforms:



We hope that all our members would remain safe and healthy during this challenging time. We will keep you updated on any further information promptly.

Thank you.

#myIEMstaysafe  
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#iemstayhealthystaysafe

**Special Committee on COVID-19**  
**The Institution of Engineers, Malaysia**  
**11<sup>th</sup> June 2021**

**##END##**