



## UPDATED INFORMATION ON SPECIAL DEDUCTION FOR RENTAL REDUCTION OFFERED TO SMALL AND MEDIUM ENTERPRISES

We summarise below the updated information on the special deduction for rental reduction offered to Small and Medium Sized Enterprises (“SMEs”). The updates are in **red**.

### Qualifying persons

Any taxpayers who rents **business premises** to SMEs

- Corporate, individuals, cooperatives or other business and non-business entities

Business premises must be used by the SME for business purposes and they comprise office, workshop, warehouse, childcare and rented lot/bazar/booth/stall

### Quantum of reduction

Minimum reduction of at least 30% of the original monthly rental rate

### Qualifying period

The months of April 2020 to **September 2020**

### Additional tax deduction

Equivalent to the amount of reduction in rental

### Supporting documents

- **Stamped** tenancy agreement
- Rental income statement
- **SME Status Certification issued by SME Corp Malaysia**
- **Tenants information, rental information and details of rental reduction**

### \* Definition of SME

Business category	Sector	Annual turnover	OR	Full time employees
Micro	All sectors	Less than RM300,000	OR	Less than 5
Small	Manufacturing	RM300,000 to less than RM15 million	OR	5 to less than 75
	Services and other sectors	RM300,000 to less than RM3 million	OR	5 to less than 30
Medium	Manufacturing	RM15 million to not exceeding RM50 million	OR	75 to not exceeding 200
	Services and other sectors	RM3 million to not exceeding RM20 million	OR	30 to not exceeding 75

- Public companies listed on the main board of Bursa Malaysia Securities Berhad and its subsidiaries and subsidiaries of Multinational Corporations, Government Linked Companies, Syarikat Menteri Kewangan Diperbadankan and State-owned enterprises are not SMEs

- **The SME tenant has to be one registered with and has obtained a SME Status Certification from SME Corp Malaysia**

