

**Appendix I**  
***Touchpoints***  
**Budget 2023**

“An incredible amount of strength and energy are needed to ensure the MADANI Development agenda is successful. Leaders can no longer be comfortable continuing the wrong practices. A major shift is a must. A shift towards a norm of fighting corruption that has denied the *rakyat* a meaningful life, towards good governance that reflects a principle in spending that leads to the empowerment and socioeconomic mobility for all layers of the *rakyat*”

YAB DATO' SERI ANWAR IBRAHIM  
PRIME MINISTER AND FINANCE MINISTER



**BELANJAWAN 2023 PILLARS**

<b>M</b>	<b>A</b>	<b>D</b>	<b>A</b>	<b>N</b>	<b>I</b>
<i>Mampan</i>	<i>Aman Makmur (Kesejahteraan)</i>	<i>Daya Cipta</i>	<i>Amanah (Keyakinan)</i>	<i>Nilai Hormat</i>	<i>Ihsan</i>
<b>First</b> Inclusive and Sustainable Economic Growth		<b>Second</b> Restoring Confidence in Institutions and Governance		<b>Third</b> Combating Inequality Through Social Justice	

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MAIN MEASURES

- Fiscal Sustainability
- Fulfilling the Rakyat's Economic Needs
- Readiness in Facing Disasters
- Achieving High Impact Investments
- Public Sector Reform
- Empowering Public-Private Partnership
- Prioritising Digital Agenda
- Strengthening the Role of Government-Linked Companies and Agencies
- Eradicating Hardcore Poor
- Minimising Cost of Living
- Ensuring Harmony and Unity
- Providing Quality Basic Amenities



In a glance...

Belanjawan 2023  
Theme  
**Membangun  
Malaysia Madani**



**RM291.5 bil**  
Estimated Revenue  
**RM289.1 bil**  
Operating Expenditure  
**RM99 bil**  
Development  
Expenditure  
*(includes RM2 bil as  
contingency savings)*

“The Government is committed to upholding social justice. Fair revenue distribution does not mean equal treatment across the board but instead based on needs”

**ECONOMIC  
PERFORMANCE**  
Fiscal Deficit: 5%  
GDP: ~4.5%



# Inclusive and Sustainable ECONOMIC GROWTH

## Measure 1: Fiscal Sustainability

1. Expansionary Fiscal Policy
  - Projected Malaysia GDP growth of 4.5%
  - Expected revenue collection of RM291.5 b
  - Total allocation of RM388.1 b  
(Operating Expenditure: RM289.1 b; Development Expenditure: RM99b, (including contingency reserves of RM2 b))
2. Managing Debt Levels
  - Fiscal deficit of 2023 is projected to decline to 5% of GDP, compared to 5.6% in 2022
  - Fiscal deficit is targeted at 3.2% of GDP by 2025
3. Fiscal Responsibility Act (FRA)
  - Fiscal Responsibility Bill will be tabled in Parliament in 2023
  - To ensure macroeconomic stability, debt management, sustainable budgeting and fiscal risk management
4. To Increase the Revenue Collection
  - Introduce the Luxury Tax
  - Study the introduction of Capital Gain Tax for unlisted shares by companies in 2024
  - Introduce the global minimum effective tax rate under Pillar 2 of the BEPS Action Plan 1 Tax Challenges Arising from Digitalisation and implement the Qualified Domestic Minimum Top-up Tax (QDMTT)
  - Impose an excise duty on liquid or gel products containing nicotine used for electronic cigarettes and vapes
  - Intensify enforcement efforts to curb the leakage of proceeds and subsidies due to smuggling syndicates such as diesel, alcohol, and cigarettes

- The voluntary disclosure program by JKDM and LHDN will offer a 100% penalty waiver for voluntary disclosure made from 1 June 2023 until 31 May 2024

## Measure 2: Fulfilling the Rakyat's Economic Needs

1. Reduction in Tax Rate
  - MSMEs' rate on taxable income for the first RM150,000 will be reduced from **17% to 15%**
2. Facilitating Hawkers and Small Traders
  - Build and upgrade MyKiosk@KPKT stalls and kiosks across the country (**RM50 j**)
  - Upgrade MARA's business premises and facilities as well as increasing number of businesses (**project cost RM5 m**)
  - MARA's Program Transformasi Premis Usahawan Luar Bandar (TRENT) (**project cost RM32.8 m**)
  - Provide strategic business space for SME entrepreneurs and hawkers under the Malaysia Entrepreneur Hub Program by UDA (**RM30 m**)
  - Upgrade food courts, markets and *tamu* market under the supervision of PBTs nationwide (**RM28.6 m**)
  - Business premises under Dewan Bandaraya Kuala Lumpur (DBKL) (**RM30 m**)
  - Assistance for Bumiputera property ownership in prime locations and rental strategies for Bumiputera entrepreneurs by Perbadanan Usahawan Nasional Berhad (PUNB) (**RM50 m**)
3. Extension of stamp duty exemption for restructuring or rescheduling of loan/financing agreements executed from 1 January 2023 to 31 December 2024
4. Financing and Guarantee Facilities
  - Various MSME financing facilities, including direct loans, alternative financing, and guarantees (**RM40 b**)

## Microcredit Scheme

Agency	Program/ Scheme	Fund Size (RM mil)	Terms of Financing
BSN	Micro Kasih Scheme	600	<ul style="list-style-type: none"> <li>• Financing Rate: 0% for first 6 months, 4% thereafter</li> <li>• Size: Up to RM50,000</li> <li>• Tenure: up to 5.5 years</li> <li>• Moratorium: 6 months</li> </ul>
	Skim Mikro Kasih Penjaja	350	<ul style="list-style-type: none"> <li>• Financing Rate: 0% for first 6 months, 4% thereafter</li> <li>• Size: Up to RM20,000</li> <li>• Tenure: Up to 5.5 years</li> <li>• Moratorium: 6 months</li> </ul>
	Other Micro Credit Schemes	200	<ul style="list-style-type: none"> <li>• Financing Rate: 4%</li> <li>• Size: Up to RM150,000</li> <li>• Tenure: Up to 5 years</li> </ul>
TEKUN	Various Microcredit Schemes	330	<ul style="list-style-type: none"> <li>• Financing Rate: 3-4%</li> <li>• Size: Up to RM100,000</li> <li>• Tenure: Up to 10 years</li> </ul>
BNM	Micro Enterprises Facility (MEF)	200	<ul style="list-style-type: none"> <li>• Financing Rate: to be determined by financial institutions</li> <li>• Size: MSMEs (including part-time workers (gig workers) on digital platforms and self-employed workers): Up to RM50,000</li> <li>• Tenure: up to 5 years</li> </ul>
	i-TEKAD	4	<ul style="list-style-type: none"> <li>• Starting Capital: Matching Grant</li> <li>• Microfinance under MEF</li> <li>• Rate, size, tenure: to be determined by financial institutions</li> </ul>

## Bank Negara Malaysia Funds for MSMEs

Total funds available: RM9.7 b from RM32.4 b

- This includes additional funds of RM300 mil for HTG, RM500 mil for AF and RM500 mil for ADF under Budget 2023

Agency	Program/ Scheme	Fund Size (RM mil)	Terms of Financing
BNM	Targeted Relief and Recovery Facility (TRRF)	500	<ul style="list-style-type: none"> <li>• Financing Rate: up to 3.5% per annum (including guarantee fee)</li> <li>• Size: up to RM500,000 for SME and up to RM75,000 for micro</li> <li>• Tenure: up to 7 years (including moratorium period)</li> <li>• Moratorium: at least 6 months</li> </ul>
	Low Carbon Transition Facility (LCTF)	1,000	<ul style="list-style-type: none"> <li>• Financing Rate: up to 5% per annum (including guarantee fee)</li> <li>• Size: up to RM10 mil</li> <li>• Tenure: up to 10 years</li> </ul>
	Business Recapitalisation Facility (BRF)	1,000	<ul style="list-style-type: none"> <li>• Financing Rate: up to 3.5% per annum (not inclusive of guarantee fee); up to 5% per annum (including guarantee fee); no profit rate limit for equity investments</li> <li>• Size: up to RM5 mil</li> <li>• Tenure: up to 10 years</li> </ul>
	Agrofood Facility (AF)	1,000	<ul style="list-style-type: none"> <li>• Financing Rate: up to 3.75% per annum (including guarantee fee)</li> <li>• Size: up to RM5 mil</li> <li>• Tenure: up to 8 years</li> </ul>
	SME Automation and Digitalisation Facility (ADF)	1,000	<ul style="list-style-type: none"> <li>• Financing Rate: up to 4% per annum (including guarantee fee)</li> <li>• Size: up to RM3 mil</li> <li>• Tenure: up to 10 years</li> </ul>

Agency	Program/ Scheme	Fund Size (RM mil)	Terms of Financing
BNM	PENJANA Tourism Financing (PTF)	500	<ul style="list-style-type: none"> <li>Financing Rate: up to 3.5% per annum (including guarantee fee)</li> <li>Size: up to RM500,000 for SME and up to RM75,000 for micro</li> <li>Tenure: up to 7 years (including moratorium period)</li> </ul>
	All Economy Sectors Facility (AES)	3,200	<ul style="list-style-type: none"> <li>Financing Rate: up to 7% per annum (including guarantee fee)</li> <li>Size: up to RM5 mil</li> <li>Tenure: up to 5 years</li> </ul>
	High Tech and Green Facility (HTG)	1,000	<ul style="list-style-type: none"> <li>Financing Rate: up to 3.5% per annum (not inclusive guarantee fee); up to 5% per annum (including guarantee fee)</li> <li>Size: up to RM10 mil</li> <li>Tenure: up to 10 years</li> </ul>
	Disaster Relief Facility (DRF)	300	<ul style="list-style-type: none"> <li>Financing Rate: up to 3.5% per annum (including guarantee fee)</li> <li>Size: up to RM700,000 for SME and up to RM150,000 for micro</li> <li>Tenure: up to 7 years (including moratorium period)</li> </ul>

Note: \*Balance of RM200 mil will be allocated to Micro Entrepreneur Financing

### SME Financing Facilities

Agency	Program/Scheme	Fund Size (RM mil)	Terms of Financing
TERAJU	Various Financing Programmes	135	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
PUNB	Various Financing Programmes	200	<ul style="list-style-type: none"> <li>Financing Rate: 0% for the first 6 months, 5.0%-8.0% thereafter</li> <li>Size: up to RM10 mil</li> <li>Tenure: up to 7 years</li> <li>Moratorium: 6months</li> </ul>



Agency	Program/Scheme	Fund Size (RM mil)	Terms of Financing
MARA	Various Financing Programmes	80	<ul style="list-style-type: none"> <li>Financing Rate: 0% to 6%</li> <li>Size: up to RM1 mil</li> <li>Tenure: up to 10 years</li> </ul>
Agrobank	Agrofood Financing Fund	550	<ul style="list-style-type: none"> <li>Financing Rate: 0% for the first 6 months, 3.0% thereafter</li> <li>Size: up to RM5 mil</li> <li>Tenure: up to 10 years</li> <li>Moratorium: 6 months</li> </ul>
	Agrofood Value Chain Modernisation Programme	60	<ul style="list-style-type: none"> <li>Financing Rate 3.5%</li> <li>Size: up to RM1 mil</li> <li>Tenure: up to 10 years</li> <li>Moratorium: 12 months based on eligibility</li> </ul>
Bank Rakyat	BR Plus: i-Biz Lady	100	<ul style="list-style-type: none"> <li>Financing Rate: BFR + 0% (excluding guarantee fee)</li> <li>Size: up to RM1 mil</li> <li>Tenure: up to 7 years</li> </ul>
MIDF	Various Financing Programmes	51.5	<ul style="list-style-type: none"> <li>Financing Rate: 2-5%</li> <li>Size: up to RM10 mil</li> <li>Tenure: up to 20 years</li> </ul>
EXIM Bank	Exporter Development Incentive Scheme (SIP2)	1,000	<ul style="list-style-type: none"> <li>Financing Rate: COF - Subsidy 1.5%</li> <li>Size: up to RM10 mil</li> <li>Tenure: up to 7 years</li> </ul>
SME Bank	Social Enterprise Funding Scheme	20	<ul style="list-style-type: none"> <li>Financing Rate: 4%</li> <li>Size: up to RM500,000</li> <li>Tenure: up to 7 years</li> </ul>

Agency	Program/Scheme	Fund Size (RM mil)	Terms of Financing
SME Bank	IBS Promotion Fund (IBS 2.0)	165	<ul style="list-style-type: none"> <li>Financing Rate: based on risk</li> <li>Size: up to RM10 mil</li> <li>Tenure: up to 15 years</li> </ul>
	Young Entrepreneur Fund (YEF) 2.0	90	<ul style="list-style-type: none"> <li>Financing Rate: 5% for the first 7 years, 6.5% thereafter</li> <li>Size: up to RM1 mil</li> <li>Tenure: up to 10 years</li> </ul>
	SME Recapitalisation Fund	600	<ul style="list-style-type: none"> <li>Dividend rate: 6%</li> <li>Size: up to RM5 mil</li> <li>Tenure: up to 5 years</li> </ul>
	Jaguh Serantau	165	<ul style="list-style-type: none"> <li>Financing Rate: based on risk</li> <li>Size: up to RM20 mil</li> <li>Tenure: up to 20 years</li> </ul>
	Bumiputera MSME Sustainability Fund	160	<ul style="list-style-type: none"> <li>Financing Rate: 5%</li> <li>Size: up to RM750,000</li> <li>Tenure: up to 7 years</li> <li>Moratorium: 6 months</li> </ul>
	Dana Pepadanan Automasi (PEMERKASA Matching Grant)	160	<ul style="list-style-type: none"> <li>Financing Rate: 4-5%</li> <li>Size: up to RM3 mil</li> <li>Tenure: up to 10 years</li> </ul>
	Juara Lestari Scheme	1	<ul style="list-style-type: none"> <li>Size: up to RM25,000</li> <li>Tenure: up to 12 months</li> </ul>
	Sustainability Incentive Scheme	10	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
Malaysia Cooperative Societies Commission	Co-operative Societies Commission Revolving Fund	100	<ul style="list-style-type: none"> <li>To be confirmed</li> </ul>

## Guarantee Financing Scheme for Businesses

1. Green Technology Financing Scheme (GTFS 4.0) **(RM3 b)**
2. Syarikat Jaminan Pembiayaan Perniagaan (SJPP)'s guarantee will be extended to financing by non-banking financial institutions **(RM20 b)**
  - Credit financing companies **(RM1 b)**
  - Co-operative and others **(RM500 mil)**

SJPP Guarantee	All Sectors	Focus Sectors*
<b>Guarantee Coverage</b>	Up to 80%	Up to 90%
<b>Financing limit</b>	Up to RM20 mil	Up to RM30 mil
<b>Guarantee Fee</b>	Up to 1% per annum	0.5%-0.75% per annum
<b>Tenure</b>	Up to 10 years	Up to 10 years

\*Refer to manufacturing, agriculture, tourism and high technology sectors.

3. Entrepreneurship Program
  - Various entrepreneurship schemes under Companies Commission of Malaysia (SSM)
    - 1 OKU 1 Business Scheme – Free SSM license registration and renewal for OKU, limited to 1 business only
    - Skim Pendaftaran Perniagaan Prihatin (SPPP) – Free business registration for B40 entrepreneurs and IPT full-time students
    - Free registration for SSM Biz Trust is extended until 31 December 2023
  - Institut Keusahawanan Malaysia (INSKEN) entrepreneurship training and mentoring program **(RM10 m)**
  - Business Exports Program for 50 potential SME Bumiputera entrepreneurs **(RM4 m)**
  - Business Development Program via Co-operative 2.0 under Malaysia Co-operative Societies Commission (SKM) **(RM5 m)**
  - SME Capability and Competitiveness Performance Improvement Program **(RM5 m)**
  - Professional Training and Education for Growing Entrepreneur (PROTÉGÉ) **(RM5 m)**
  - **Various Entrepreneurship Program by SME Corp (RM88.0 m)**
    - Tunas Usahawan Belia Bumiputera (TUBE) **(RM10 m)**
    - Micro Entrepreneur Business Development Program **(RM5 m)**
    - Strategic industry improvement programs and high-performance companies (PRESTIGE) **(RM3 m)**

- SME Competitiveness Rating for Enhancement **(RM1 m)**
- Inclusive SME Ecosystem (I-SEE) **(RM1 m)**
- MSME Capacity and Capability Improvement Scheme **(RM25 m)**
- Galakan Eksport Bumiputera (GEB) Program **(RM10 m)**
- Bumiputera Enterprise Enhancement Program 2.0 **(RM30 m)**
- SMEs Go Global **(RM3 m)**
- **Various Franchise Entrepreneurship Program (RM21.5 m)**
  - Vendor Capacity Development Program 2.0 **(RM5 m)**
  - Vendor Research and Commercialisation Grants 2.0 **(RM10 m)**
  - Capacity development program for halal industry entrepreneurs **(RM1.5 m)**
  - Halal product capacity development program **(RM1.5 m)**
  - Innovation and halal technology program **(RM2.5 m)**
  - Program Pengantarabangsaan Usahawan Halal **(RM1 m)**
- Halal industry development along with Malaysia Services and Halal Go Global program **(RM10 m)**
- Tanjung Manis Halal Hub Center Development Project in Sarawak Corridor of Renewable Energy (SCORE) **(RM59 m)**

### Measure 3: Facing Disasters

1. Readiness in Facing Disasters
  - Procurement of PDRM disaster tents and post-flood operational equipment **(RM11 m)**
  - Procurement of equipment and assets under the Ministry of Defence (KEMENTAH) **(RM10 m)**
  - Procurement of equipment and disaster assets under Bomba **(RM34.5m)**
  - National Disaster Fund **(RM100 m)**
  - Strengthen the functions of National Disaster Management Agency (NADMA) **(RM50 j)**
  - Flood Hazard Control and Signaling Plan **(RM93.2 m)**
  - Disaster management related to Geology **(RM24.1 m)**
  - Pertubuhan Prihatin Komuniti Grant (GPPK) in empowering the role of the community associations in facing disasters **(RM20 m)**
2. Flood Mitigation
  - Out of RM15 b approved for flood mitigation, RM2 b is expected to be saved after cancelling the approval of direct negotiation
  - Six flood mitigation projects will be re-tendered as soon as possible, no later than June 2023, including:
    - Flood Mitigation Plan in Sungai Johor, Kota Tinggi, Johor

- Construction of a dual-purpose reservoir for flood mitigation and raw water supply in Sungai Rasau and Sungai Klang, Selangor
  - Integrated River Basin Development of Golok River Phase 3, Kelantan
  - Upgrade urban infrastructure and drainage **(RM117.7 m)**
  - Maintenance of flood reservoirs under PBT **(RM100 m)**
  - Drainage and Sewer Maintenance involves contractors G1-G4 under PBT **(RM30 m)**
3. Special Allowance of RM100 per day for Rescue Missions in Turkiye **(RM1m)**
4. Green Practices
- Ecological Fiscal Transfer for Biodiversity Conservation (EFT) including the gazetting of new protected areas and the replanting of trees in degraded areas **(RM150 m)**
  - Malayan Tigers, Elephants and other Wildlife Species Protection Program **(RM38 m)**
  - Increasing the number of rangers who guard the forest to 1,500 people nationwide, prioritising Orang Asli, military veterans and police **(RM50m)**
  - Mesra Alam River Drainage Management Plan **(RM68.8 m)**
  - Repair, clean, maintain and treat rivers and Manual Saliran Mesra Alam infrastructure **(RM140.4 m)**
  - Environmental Regulation **(RM86.9 m)**
  - Putrajaya Green City initiative through waste separation and recycling initiatives to catalyze circular economy **(RM30 m)**
  - Precise Technology Management and Agricultural Sustainability **(RM9.4m)**
  - SDG Localisation: Zero Waste Community Development Among Selected PPR Communities **(RM1.3 m)**
  - Green Technology Project **(RM3.2 m)**
  - Ecotourism Program **(RM1.5 m)**
  - Tax exemptions on the issuance costs of SRI-linked Sukuk approved or permitted or lodged with the Securities Commission from the assessment year 2023 to the assessment year 2027
5. Financing Facility BNM
- High Tech and Green Facility **(RM1 b)**
  - Low Carbon Transition Facility **(RM1 b)**
6. Dana Impak Khazanah Nasional **(RM150 m)**
- Environmentally friendly development project includes supporting carbon markets and the restoration of degraded forests

7. Green Technology Financing Scheme (GTFS) **(RM3 b)**
  - Guarantee value increases to RM3 b until 2025
  - Financing scope is extended specifically to the EV sector with a guarantee by government up to 60%
  - Waste management sector's financing guarantee will be increased up to 80%
8. Sustainable Development Financing Scheme – Bank Pembangunan Malaysia Berhad (BPMB) **(RM1 b)**
9. Study and enhance the Green Investment Tax Allowance (GITA) Package and Green Income Tax Exemption (GITE)
10. GENTARI Initiatives
  - Solar panels installation at Government and commercial facilities by 2024
  - 500 units of EV charging facilities throughout the country
11. TNB Initiatives
  - Solar rooftop installation at Government buildings in Putrajaya **(RM75m)**
  - Installation of EV charging facilities at 70 key locations **(RM90 m)**
12. Tax incentives to support EV adoption
  - Full import duty exemption on components for locally assembled EV until 31 December 2027
  - Full excise duty and sales tax exemption on locally assembled CKD EV until 31 December 2027
  - Full import duty and excise duty exemption on imported CBU EV until 31 December 2025
  - Income tax exemption of 100% on statutory income of EV charging equipment manufacturers from the year of assessment 2023 to the year of assessment 2032 and the Investment Tax Allowance of 100% for a period of 5 years
  - Tax deductions for companies that rent EVs with a maximum amount of eligible rental amount limited to no more than 300,000

#### Measure 4: Achieving High Impact Investments

1. Facilitating Investment
  - Invest Malaysia Council and National Committee on Investment (NCI) will oversee the efforts to expedite approvals of high-potential investment projects
  - PEMUDAH empowered as a unit to facilitate the investment climate and business environment
  - Establishment of the New Industrial Master Plan (NIMP) 2030

- The investment promotion agency and tax incentives will be restructured based on outcomes – High-value jobs, local firms in supply chain and the establishment of new industrial clusters
  - Strengthen monitoring on investments that receive incentives to guarantee expected benefits
2. Investment in Key Sectors
- Extension of the current tax incentives and a 15% tax rate for C-Suite executives in companies that make new strategic investments
  - Pioneer Status with income tax exemption and Investment Tax Allowance to companies that carry out ship building and repair activities
  - Income tax exemption and Investment Tax Allowance for aerospace sector
  - Tun Razak Exchange (TRX) as Malaysia's global financial hub
  - Special Financial Zone in Iskandar Malaysia with a competitive incentive package
  - Expansion and capability enhancement project of Penang International Airport and Subang International Airport
  - Development support of Sanglang Port, Perlis and build new coastal erosion structures between Kuala Sanglang, Perlis to Kuala Jerlun in Kubang Pasu, Kedah
  - Bank Pembangunan Malaysia Berhad strategic financing to promote sustainable agenda and automation **(RM6 b)**
  - Development of the main port on Pulau Carey, Klang by private sector

## BPMB Strategic Financing

Type	Program/ Scheme	Fund Size (RM mil)	Terms of Financing
<b>Financing Subsidy*</b>	Tourism Infrastructure Scheme	1,000	<ul style="list-style-type: none"> <li>Financing Rate: <u>Government</u>: COF + Margin – Subsidy 1.5% <u>Commercial</u>: BFR + Margin – Subsidy 1.5%, <u>Sukuk/Bon</u>: Guarantee Fee– Subsidy 1.5%</li> <li>Size: Up to RM100 m</li> <li>Tenure: Up to 5-20 years</li> </ul>
	Maritime & Logistic Scheme	800	
	National Development Scheme	1,000	
	Sustainable Development Scheme	1,000	
	Industrial Digitization Transformation Scheme	1,000	
<b>Loan/ equity financing</b>	Rehabilitation and Support through Equity (RESET)	500	<ul style="list-style-type: none"> <li>Financing Rate: 8-15% IRR</li> <li>Size: RM5 m – RM20 m</li> <li>Tenure: Up to 3 years</li> </ul>
	Modal Kerja Scheme*	500	<ul style="list-style-type: none"> <li>Financing Rate: 5%</li> <li>Size: minimum RM5 m</li> <li>Tenure: Up to 3 years</li> </ul>
	Matching Funding Platform	100	<ul style="list-style-type: none"> <li>Will be finalized</li> </ul>

Note: \*Extend to 2025

### 3. Economy and Islamic Finance

- Starting in 2024, EPF syariah savings assets will be fully separated to provide competitive returns to 1.25 m members who own syariah accounts

### 4. Waqf Land Development

- The Government has received commitments from the private sector with assets worth over RM1 b, including land, mosques, health and education facilities





# INSTITUTIONAL REFORMS AND GOOD GOVERNANCE TO RESTORE CONFIDENCE

## Measure 5: Public Sector Reform

1. Transparency in Government Procurement
  - Delegate the approval authority for Government procurement to the respective *Pegawai Pengawal* of Ministries and Departments to improve the effectiveness of procurement processes and level of accountability in line with the concept of 'Let Managers Manage'
  - Enact the Government Procurement Act
  - Amend Whistleblower Protection Act to combat corruption and misconduct
2. Accelerating Public Infrastructure Projects
  - Dilapidated Schools and Clinics
    - Increase the procurement quotation limit from RM500,000 to RM1 m and ballot procurement from RM100,000 to RM200,000
    - Supply procurement must be carried out entirely by the main contractor through the appointed panel contractor
    - Exemption for the Ministry of Education and the Ministry of Health from the use of the IBS model and the requirement to obtain the technical department services
    - Establishing a special team to accelerate the repair projects of school/ dilapidated school and clinics (400 dilapidated clinics, 380 schools)
      - Repair of dilapidated school in Semenanjung, Sabah and Sarawak **(RM920.4 m)**
      - Repair of dilapidated clinics and hospitals **(RM340 m)**
  - Road Safety
    - Services from District Engineers to expedite road paving of federal roads and other immediate repairs **(RM20 m)**
    - Minor maintenance works for federal roads by G1 to G4 contractors **(RM300 m)**

- Immediate installation of street lights at accident-prone areas **(RM50 m)**
  - Cost of operating and maintaining village street lights and new street lights installation in rural areas **(RM123 m)**
  - Rural roads and inter-village roads projects **(RM1.5 b)** ○ Expanding the scope of MARRIS to allow for the repair and replacement of bridges and drains
  - Increase MARRIS allocation for the maintenance of the state roads **(RM5.2 b)**
  - Upgrading and maintaining the paved and unpaved federal roads **(RM1 b)**
  - Repairing, replacing and upgrading roads and bridges **(RM1.7 b)**
  - Upgrade of roads and paths **(RM1.56 m)**
  - Slope repair throughout Malaysia **(RM317.5 m)**
3. Encourage Ministries and Agencies to Innovate
- Upgrade public sector cloud computing services through MyGovCloud, which operates on a hybrid basis
  - Establish key performance indices (KPI) for all ministries and departments based on the MADANI framework
  - Research grants and equipment procurement under the national vaccine development program **(RM56 m)**
  - Various research by Ministries **(RM366 m)**
  - Innovation program across ministries **(RM68 m)**
  - Malaysia Research & Education Network (MYREN) **(RM35 m)**
4. Dealing with Rakyat's Issues
- Strengthening the role of the National Scam Response Centre (NSRC) in handling online fraud or scams **(RM10 m)**
  - Enforcement of 'kill switch' policy by BNM
  - Amendment of Insolvency Act 1967 to automatically discharged minor bankruptcy cases **(RM2 m)**
  - While pending the pass of the Act, debts of less than RM50,000 will be discharged beginning from 1 March 2023
  - Enactment of the Consumer Credit Act and establish the Consumer Credit Monitoring Board to regulate companies such as licensed moneylenders, pawnbrokers and Buy Now Pay Later credit providers
  - Increasing the eligibility limit for full legal aid assistance from the Legal Aid Department from RM30,000 to RM50,000
  - Expanded scope of the Legal Aid Department to cover civil and sharia cases
  - A study to enact special Act to provide free legal aid
  - Expanding the operation of Mobile Courts to manage court cases particularly in rural Sabah and Sarawak **(RM12 m)**

- Strengthening the Children's Sexual Crimes Court **(RM3 m)**
5. Institutional Reform
- Reform and streamline Government agencies and institutions that are seen to have overlapping authority and almost similar functions
    - Fully exempt and separate remuneration of self-sustaining Federal Statutory Bodies
    - Restructuring of Bumiputera investment institutions by combining Yayasan Pelaburan Bumiputera, Yayasan Amanah Hartanah Bumiputera as well as Yayasan Ekuiti Nasional
    - Merge agencies that regulate and coordinate the startup and innovation ecosystem
  - Establishment of the Special Task Force on Agency Reform (STAR) chaired by the Chief Secretary to the Government to lead public delivery system to best serve the rakyat without being confined to each respective ministries or agencies
    - Fund for pilot project implementation
  - Performance Acceleration Coordination Unit (PACU) is responsible for planning, implementing, monitoring and evaluating MADANI programs by Government
  - Propose to prohibit GLCs and Federal Statutory Bodies from engaging in activities that are not aligned with their original mandate of establishment
  - A review on the remuneration package of Chief Executives and top management of GLCs and statutory bodies

## Measure 6: Empowering Public-Private Partnership

1. Partnership with Industry for TVET implementation
- 90% TVET graduates earn <RM2,00 monthly. Reforms must be implemented to ensure 90% TVET graduates earn >RM2,000 monthly
  - The partial or full management of TVET institution operations, including the Institut Kemahiran Belia Negara (IKBN), community colleges, and Institut Latihan Perindustrian (ILP), by 50 selected companies
  - The National Dual Training System (SLDN) which benefits over 8 thousand trainees **(RM50 m)**
  - Academy in Factory Program **(RM5.3 m)**
    - On-the-job training at the factory
    - Targeting more than 50 thousand trainees a year

## 2. Incentives to Provide Jobs with Meaningful Income

- Encouraging the palm oil sector to emulate Sime Darby Plantation by employing local workers with a minimum salary of RM3,000 monthly and improving the working environment through mechanization and automation, including the use of robotics and artificial intelligence
- Encourages automation in the plantation sector through the use of robotics and artificial intelligence - AI that can employ skilled local workers
  - Matching grant to implement pilot project with oil palm companies **(RM50 m)**
  - Impose a higher levy rate to companies with high numbers of foreign workers, additional levy collection will be used to support employers in financing automation initiatives
- 35 thousand career opportunities for youth, TVET graduates, vulnerable groups and veterans by GLCs
- Skills training under HRD Corp **(RM1 b)**
  - Training to increase productivity and income opportunities
  - Benefits 800 thousand workers
- Capital Market Graduate Program **(RM30 m)**
  - Collaboration between the Securities Commission (SC) and the Capital Market Development Fund
  - Increase the marketability of 9 thousand graduates in capital market
- Formulation of Gig Workers Policy to protect the rights and welfare of gig workers
- Encourage the private sector to pay higher wages
  - Incentives by SOCSO to employers who employ TVET graduates for RM600 monthly for three months as an addition to the salary offered **(RM45 m)**
  - Incentives by SOCSO for employers who employ vulnerable groups such as persons with disabilities, ex-convicts, the homeless, and chronically unemployed for up to RM600 monthly for up to 3 months **(RM100 m)**
- Encouraging youth to enhance their abilities and skills **(RM60 m)**
  - Microcredentials upskilling program for gig workers through provision of up to RM4,000 training fees and RM300 allowance for 3 months as a replacement income for gig workers undergoing training programs **(RM40 m)**
  - Training fees of up to RM2,500 to 30 thousand gig workers for microcredential trainings

- Mobility assistance for job seekers
  - RM500 to job seekers who find employment outside of their state of residence
  - RM1,000 to job seekers who find employment and involve long-distance migration from Sabah or Sarawak to the Peninsular and vice versa
- 3. Programs to Boost the Tourism Sector
  - Allocation to promote tourism **(RM 250 m)**
  - Matching grant of up to RM115 m to collaborate with the tourism and culture industry
  - Malaysia Airport Holdings Berhad and international airlines collaborative efforts to promote chartered flights to Malaysia **(RM40m)**
  - Special tax deductions for limited hoteliers on eligible craft products purchased from local craft entrepreneurs amounting to RM150,000 and above, from 1 January 2023 to 31 December 2025
  - Reduce traffic congestion that affects tourist destination. among others:
    - Build new roads from Habu to Tanah Rata, Cameron Highlands (project cost of **RM480 m**)
    - Upgrade Jalan Tun Hamzah up to the intersection of Semabok Lebu AMJ Central Melaka District **(project cost of RM300 m)**
    - Build Sungai Sepang road and bridge to connect Bukit Pelandok, Port Dickson and Sungai Pelek, Sepang **(project cost of RM160 m)**
    - Improve the highway network facilities to Pengerang by constructing an overtaking lane on the Senai Desaru Expressway
    - Upgrading project of North-South Highway at Senai Utara-Sedenak, Johor Bahru from 4 to 6 lanes **(project cost of RM525 m)**

## Measure 7: Prioritising the Digital Agenda

1. Internet Connectivity for the Rakyat
  - Accelerating the implementation of Jalinan Digital Negara project (JENDELA)
  - Rural internet project (matching grant of RM25 m by TNB) **(RM50 m)**
  - National Fiberisation & Connectivity Plan (NFCP) **(RM700 m)**
2. Digitalisation of Business
  - 1DUN 1PEDi Program involving at least one PEDi in each DUN before end of 2023 and the role of the Digital Economy Center (PEDi) will be strengthened to help small entrepreneurs with ICT and e-commerce knowledge
  - Matching grant of **up to RM5,000 under the SME Digitalisation Grant Scheme (RM100 m)** – SMEs (RM90 m); small hawkers **(RM10 m)**
  - Automation and Digital facilities for SMEs (ADF) by BNM **(RM1b)**

3. e-commerce **(RM53.5 m)**
  - eTRADE 2.0 **(RM1.5 m)**
  - Automation and Digitalisation: MARA's Business Digitalisation Program **(RM5 m)**
  - e-commerce ecosystem preparation program **(RM15 m)**
  - e-commerce adoption program **(RM12 m)**
4. Automation and Digitalisation: Digital Agriculture - DE AgTech **(RM10 m)**
5. MSME Digitalisation
  - e-Trans Phase II **(RM6 m)**
  - Second Chance Fund **(RM20 m)**
  - Industrial Digitalisation Transformation Scheme **(RM1 b)**
  - Sustainability and Green Business Financing Scheme (SGBF) **(RM16.5 m)**
  - Research Incentive Scheme for Entrepreneurship (RISE) **(RM5 m)**
  - MSC Malaysia Special Incentive (MCI) **(RM20 m)**
  - MSME Digitalisation Transformation Program **(RM1.2 m)**
6. Cybersecurity
  - Advanced cyber technology security assessment and testing capabilities development (CENTREACT) **(RM15 m)**
  - Malaysian cybersecurity empowerment program for SMEs **(RM8 m)**
  - Digital security and privacy certification **(RM8 m)**
  - Strengthening, monitoring, detection and reporting of cyber threats **(RM8 m)**
  - PPKS public sector cyber security assessment program implementation plan **(RM0.5 m)**
  - Strengthening cyber forensic systems capabilities **(RM15 m)**
  - Malaysia as a global data center hub **(RM15 m)**
  - Development of Modul Etika Siber Nasional (ESN) at school level and Cyber Ethics Readiness Index application (CERI) **(RM4 m)**
7. Funds and Grants
  - Khazanah National Dana Impak for digitisation and high technology field, to focus on supporting startups and local human capital **(RM250m)**
  - DE Rantau **(RM10 m)**
  - Technology Innovation Globalization Fund (TIG) **(RM15 m)**
  - Digital Content Fund to intensify the marketing of local art products and encourage the production of more creative works **(RM102 m)**

8. Human Capital
  - Empower Human Capital Creative Industry 2.0 **(RM3 m)**
  - Digital Freelancer and GIG Workers Training Program **(RM3 m)**
  - Digital Economy Human Capital Development **(RM15 m)**

### **Measure 8: Strengthening the Role of Government-Linked Companies and Agencies**

1. Cumulative investment value of Government Linked Companies **(RM50 b)**
2. Investment in local startups by GLIC such as Khazanah and EPF **(RM1.5 b)**
3. Investment by GLC in food security projects **(RM1.3 b)**
4. Tax deduction of up to RM1.5 m for listing expenses on the ACE or LEAP market extended up to the assessment year 2025
5. Expand tax deduction to include the cost of listing technology-based companies on Bursa Malaysia Main Market
6. Expand capital funding opportunities and attract local talents in highly innovative sectors
  - Malaysia Coinvestment Fund (MyCIF) Matching Fund by SC **(RM40 m)**
  - Facilitate the creation of more secondary markets for private market instruments
  - Allow the issuance of dual-class shares and guideline will be issued by the SC
  - Venture Capital Fund through MAVCAP, Kumpulan Modal Perdana and Ekuinas **(RM136 m)**
  - Cradle Fund **(RM50 m)**
7. Corporate Social Responsibility by GLC and GLIC
  - Corporate social contribution for the hardcore poor **(RM250 m)**
  - Kuala Lumpur Green Belt and Heritage – to lead the effort to redevelop heritage buildings such as Sultan Abdul Samad Building and Carcosa Sri Negara
  - Establishment of National Heritage Fund by Khazanah Nasional Berhad **(RM700 m)**
  - Local – focused gentrification projects to raise the potential of historical and cultural assets by ThinkCity and to increase the habitability of public housing in Kuala Lumpur **(RM30 m)**
  - To preserve world heritage sites recognised by UNESCO at the states of Melaka and Penang **(RM50 m)**



# Combating Inequality through SOCIAL JUSTICE

## Measure 9: Eradicating Hardcore Poor

1. Cash Assistance and People's Income Initiative
  - Implementing People's Income Initiative (IPR) **(RM750 m)**
  - Monthly assistance for hardcore poor under the Social Welfare Department **(RM400 m)**
  - Whitelisting of recipients is expedited for the Government monthly assistance by combining the efforts and databases of e-Kasih ICU and JKM
2. Role of the State Governments
  - Sabah and Sarawak to use part of the petroleum revenue proceeds for hardcore poverty-eradicating programs
  - Kelantan and Terengganu Wang Ehsan will be channelled to help the poor
3. UNDP **(RM10 m)** and the All Party Parliamentary Group Malaysia (APPGM) **(RM20 m)** includes the community garden program
4. Rural development projects and poverty eradication programs **(RM3.9 b)**

## Measure 10: Minimising Cost of Living

1. Government will provide up to RM64 b through subsidies, assistance and incentives
2. Payung Rahmah Concept
  - Rahmah Menu Campaign with lunch and dinner sets at RM5
  - Jualan Rahmah offers essential goods that are up to 30% cheaper than the market price involving 222 parliamentary constituency **(RM100 m)**



- Community Drumming Program's allocation increased by RM25 m to **RM225 m**
    - Subsidise the cost of transportation and distribution for basic necessities namely rice, cooking oil, liquefied petroleum gas, petrol and diesel
    - Expand the essential goods distribution program to 25 new zones including Paloh and Passin, Sarawak; Pasir Raja, Terengganu, and Kuala Krai, Kelantan
  - Cooking Oil Stabilisation Scheme (COSS) program and upgrading the eCOSS system (**RM502 m**)
  - Price Standardisation Program in Sabah, Sarawak and Labuan (**RM40m**)
  - RM200 e-Tunai Belia Rahmah credit to 2 million youth aged 18 to 20 (**RM400 m**)
3. Rahmah Cash Assistance (STR) benefiting almost 9 million recipients through an allocation of almost **RM8 b**
- Improvements:
    - New category: Households with more than 5 children.
    - Special assistance for single senior citizens (RM600) and single (RM350)
    - Bakul Rahmah Assistance consists of basic items such as rice, sugar, cooking oil, flour, condensed milk, mihun and eggs **or** voucher worth RM100 every month for a period of 6 months to each head of the hardcore poor household
  - Family classified as the hardcore poor are eligible to receive assistance up to a maximum of RM3,100

Basic Rate Household	No. of Recipients	Number of Children			
		0	1-2	3-4	≥5
<RM2,500	3.3 m	<b>RM1,000</b>	<b>RM1,500</b>	<b>RM2,000</b>	<b>RM2,500</b>
RM2,501 – RM5,000	0.9 m	<b>RM500</b>	<b>RM750</b>	<b>RM1,000</b>	<b>RM1,250</b>
<b>Special Assistance</b>					
Single Senior Citizen	1.1 m	<b>RM600</b>			
Single (<60 tahun)	3.4 m	<b>RM350</b>			
<b>Additional Rate</b>					
Hardcore Poor	0.4 m	<b>RM600</b>			

4. Aid for Paddy Farmers and Rubber Smallholders
- Subsidy and incentives on the price of rice, rice fertilizer, upland rice paddy fertilizer (**RM1.6 b**)
  - Cash assistance of RM200 per month for 3 months to paddy farmers (**RM228 m**)

- Benefits 240,000 paddy farmers.
  - BERNAS
    - **RM60 m** contribution to help poor paddy farmers
    - To share **30%** of their net profit from rice imports to paddy farmers
  - Rubber Production Incentive (IPG) – activation pricing level is increased from RM2.50 to RM2.70 per kilogram (**RM350 m**)
  - Smallholder Rubber Cultivation Area Development Program (**RM315.5m**)
    - Rubber tree replanting
    - Benefits 380,000 rubber smallholders
  - Monsoon Season Aid (**RM256 m**)
    - The rate increased from RM600 to RM800 for 4 months (November, December, January and February)
    - Benefit 320,000 rubber smallholders
  - Cuplump Modified Bitumen (CMB) for road maintenance (**RM50 m**)
  - Fishermen productivity improvement program and fishermen facility project (**RM18.3 m**)
  - Continuation of the Rubber Industry Transformation Project (TARGET) (**RM15 m**)
  - Allocation to FELDA, FELCRA and RISDA (**RM2.6 b**)
5. M40 Disposable Income
- Income tax rates reduction (**RM900 m**)
  - Income tax rate revision for 3 chargeable income bands
  - Benefits approximately 2.4 million taxpayers with excess disposable income of up to RM1,300 per year
  - Individuals earning between RM100,000 to RM1 million will be subject to a tax rate increase ranging from 0.5% to 2%. However, under the restructuring of this tax rate, only those with an income of more than RM230,000 will pay higher tax, which involves less than 150,000 taxpayers.

Taxable Income	Tax Rate
RM35,001 – RM50,000	8% to 6%
RM50,001 – RM70,000	13% to 11%
RM70,001 – RM100,000	21% to 19%
RM100,001 – RM250,000	24% to 25%
RM250,001 – RM400,000	24.5% to 25%
RM400,001 – RM600,000	25% to 26%
RM600,001 – RM1,000,000	26% to 28%

## 6. Food Security

- BNM's Agrofood Financing Scheme (AF) offers loans of up to RM5 m at a rate of 3.75%, which includes guarantee fees, with a repayment period of up to 8 years **(RM1 b)**
- Co-operative Societies Commission Revolving Fund for basic necessities supply, empowerment of co-operative supply chains, business development programs by the Malaysian Cooperative Commission **(RM100 m)**
- Accelerated Capital Allowance claim and income tax exemption of 100% on qualifying capital expenditure for equipment automation
  - Scope of automation includes the adaptation of Industry 4.0 elements;
  - Targeted to the manufacturing, services, and agriculture sectors; and
  - The limit of capital expenditure is coordinated and increased up to RM10 m
- Precision Farming and agricultural sustainability **(RM9.4 m)**
- Integrated Agriculture Development Areas (IADA) by the Perak Agriculture Department **(RM17.3 m)**
- Agricultural pilot project: High Value Herbal Product Research Scheme Grant **(RM21.4 m)**
- Rubber Cluster Planting Project (Sabah) – Phase 2 **(RM50 m)**
- *Program Pembangunan Semula Hasil Baharu* **(RM40 m)**
  - Supplementary sources of income through short-term food crops and livestock
  - Benefit 4,000 farmers
- Oil palm plantations
  - Malaysian Sustainable Palm Oil Certification Program (MSPO) for Independent Oil Palm Smallholders **(RM40 m)**
  - MSPO Incentives **(RM30 m)**
  - Intensify the efforts to promote and counter anti-palm oil campaigns at the global level **(RM10 m)**
- The implementation of multi-tiered levy for foreign workers and additional levy proceeds to employers who undertake automation initiative.
- Latex Production Incentives and development of a more efficient latex supply business model **(RM23.4 m)**
- Cocoa Development Program **(RM22.6 m)**
- Domestic corn grain farming involves 70 acres of LTAT's land

## 7. Tax Incentives

- Tax incentives for food production projects is expanded to include agricultural projects based on Controlled Environment Agriculture and the incentives application period is extended

- Income tax exemption rate on statutory income of BioNexus status company be increased to 100% and the incentives application period is extended
- 8. Accelerated Capital Allowance and income tax exemption for chicken farmers who adopt the closed coop system from assessment year 2023 to assessment year 2025
- 9. Idle lands of up to 800 acres owned by FELDA, FELCRA, RISDA, and other Ministry of Agriculture and Food Security (MAFS) agencies will be used for food agriculture projects
- 10. Collaborations with several State Governments to implement agrofood projects **(RM30 m)**
- 11. Upgrade irrigation and drainage **(RM126.8 m)**
- 12. Investment Fund and Financing by Agrobank
  - Agrofood Financing Fund – Working capital financing facilities for agricultural SMEs **(RM550 m)**
  - Agrofood Value Chain Modernisation Programme **(RM60 m)**
- 13. Khazanah Nasional Berhad's Dana Impak – Increasing the income and productivity of smallholders **(RM200 m)**
- 14. Modernization and Empowerment of the Pineapple Industry **(RM29 m)**
- 15. Incentives to farmers for integrated crop pest management (IPM) and GAP certification –non-chemical pesticide free **(RM5 m)**
- 16. MAFS will pioneer a sustainable agriculture project that utilises organic fertilizers **(RM5 m)**

### **Measure 11: Ensuring Harmony and Unity**

1. Development of Sabah and Sarawak
  - Benefit greatly from development allocation - Sabah **(RM6.5 b)** and Sarawak **(RM5.6 b)**
  - Accelerate the implementation of Sabah Pan Borneo highway and Sarawak- Sabah Link Road **(RM20 b)**
  - Develop towns bordering Kalimantan, Indonesia **(RM1 b)**
  - Implement public infrastructure projects, including projects for road, street lighting, water and electricity supply **(RM2.6 b)**
  - Increase clinic facilities, bank and mobile courts **(RM30 m)**
  - Expedite the implementation of projects by delegating approval authority for Federal project procurement to the Technical Department in Sabah and Sarawak up to RM50 m
2. Home Affairs & Defence – The Ministry of Home Affairs (KDN) **(RM18.5 b)** and KEMENTAH **(RM17.7 b)**

- To enhance the country's level of defence and maritime control, the Government agreed to approve the acquisition of 3 Littoral Mission Ships (LMS) at a cost of **RM2.4 b**
  - Maintaining and purchasing ATM assets (**RM4.1 b**)
  - Sabah, Sarawak & Semenanjung Border Control Development (**RM1.1b**)
  - Additional 36 PGA police border control posts, 3 Immigration posts and 3 ESSCOM posts
  - Procurement of over 2,100 units of Body Worn Camera for PDRM
  - Construction of Perak Contingent Police New Headquarter and police quarters (**RM450 m**)
  - Maintenance of Rumah Keluarga Angkatan Tentera (RKAT) (**RM317 m**)
  - Build more than 7,000 affordable housing under the Satu Anggota Satu Rumah Program in KL
  - Repair the residential quarters and institutions under PDRM (**RM232m**)
  - Empower local communities for border control (**RM20 m**)
  - Uniform assistance for Uniform Bodies (**RM7.9 m**)
  - Second Career Program for ATM veterans through collaboration with LTAT involves a guarantee for 5,000 retired ATM veterans this year to be matched with jobs or given skills training to generate income
  - The Veteran Affairs Department together with other Government agencies to offer 5 courses, including drone operation, cyber security, and aircraft maintenance of 3 months
  - Maintenance of prison facilities (**RM18.5 m**)
  - Program Menyemai Kasih Rakyat (MEKAR) (**RM5 m**)
3. Syiar Islam
- Allocation related to Islamic affairs (**RM1.5 b**)
  - Repair rakyat Islamic school, Tahfiz school and registered pondok institutions (**RM150 m**)
  - Increase allowance for 35,000 KAFA teachers by RM100 to RM1,100 (**RM40 m**)
  - RM600 special payment to iman, bilal, tok siak, noja, marbut, KAFA teachers and takmir teachers (**RM40 m**)
4. Sports and Culture
- Sports*
- Matching grant to encourage private sector's sponsorship of sports, particularly sports that promote unity, national-level sport tournaments and sports reality programmes (**RM50 m**)

- Funds to improve training programs and sports facilities **(RM324 m)**
  - Develop a comprehensive sports ecosystem from talent search to podium events
  - Maintenance and upgrading of sports facilities throughout the country
- Support sports events such as Agenda Nasional Malaysia Sihat, National Sports Day and Jelajah Fit Malaysia **(RM25 m)**
- Organizing leisure and healthy lifestyle Fit@Komuniti Projek Perumahan Rakyat involves various age groups **(RM1.5 m)**
- Funds for the National Athlete Welfare Foundation (YAKEB) starting 2023 **(RM5 m)**
- Tax deduction of up to 10% of aggregate income for individuals or companies that contribute to non-profit organizations that implement sports development programme at the grassroots level.

*Cultural Arts, Creative Works and Language*

- Tax deductions for contributions made to the Tabung Komuniti Filem and National Film Development under FINAS
  - Exemption from import duty and sales tax on studio and filming production equipment
  - Translation of Masterpieces and high-quality publications by Dewan Bahasa dan Pustaka **(RM20 j)**
  - Print 1 mil copies of the Al-Quran by Yayasan Restu **(RM10m)**
5. Unity
- Various Unity Programs **(RM10 m)**
  - Ini Warisan Kita **(RM10 m)**
  - Nusa Citra @ Muzium **(RM5 m)**
  - Funds to stimulate cultural and artistic activities at the community level **(RM25 m)**
  - Gotong-royong Program in schools nationwide **(RM20 m)**
6. Community and Religion
- Monthly allowance for imams, KAFA teachers and Takmir teachers **(RM724.2 m)**
  - RM600 one-off special payment to 70 thousand KAFA teachers, Takmir teachers, imams, bilals, siak, Noja and Marbut **(RM40 m)**
  - Allowance to the Head of the Kampung Baru **(RM12.8 m)**
  - Rukun Tetangga Grant **(RM50 m)**
  - Maintenance and repair of non-Muslim houses of worship nationwide **(RM50 m)**

## Measure 12: Providing Quality Basic Amenities

1. Federal Grant to the State Governments based on Tahap Pembangunan Ekonomi, Infrastruktur dan Kesejahteraan Hidup (TAHAP) allocation increased by RM70 m **(RM400 m)**
2. Transportation sector
  - My50 monthly pass initiative to benefit around 180,000 commuters **(RM115 m)**
  - Introduction of MYBAS50 Unlimited Travel Pass to benefit the Rakyat of Johor Bahru who use the stage bus service under the Stage Bus Service Transformation Program (SBST)
  - Transformation Fund Program and stage bus service transformation **(RM230 m)**
  - Expand the implementation of the SBST Program including Malacca town, Kuching, Kota Kinabalu and Kuala Terengganu (Phase 2) **(RM150m)**
  - Wheelchair ramp facilities at 7 airports in Sabah and Sarawak and benefit 2,300 wheelchair users who fly with MASWings **(RM0.75 m)**
  - Review the details and costs of the Mass Rapid Transit 3 (MRT3) Project
  - Air transportation subsidy for Sabahan and Sarawakian **(RM209 m)**
  - Subsidy for operating cost of less economical train services in the eastern region **(RM33 m)**
  - New ferry between Pekan Pengkalan Kubor and Pekan Takbai, Narathiwat, Thailand **(RM9 m)**
  - Free driver's license test fee for B2 class motorcycles, taxi, bus and e-hailing licenses fee **(RM4.7 j)**
  - Expansion and review of excise duty and sales tax exemption on sale/transfer /private use/disposal of individually owned taxis and hired cars
3. Education – Allocation for Ministry of Education (**2023: RM55.2 b; 2022: RM52.6 b**)
  - Conductive and safe school learning space **(RM2.3 b)**
    - School maintenance and repair work **(RM900 m)**
    - Upgrade buildings and infrastructure in 380 dilapidated schools, primarily in Sabah and Sarawak **(RM920 m)**
    - Replace worn-out dormitory and classroom furniture and equipment
  - Construction of seven new schools **(RM560 m)**
    - SMK Nabalu, Sabah
    - SMK Dudong, Sarawak
    - SK Paya Dusun, Terengganu
    - SK Cyberjaya 2, Selangor
    - SMK Denai Alam, Selangor

- SMK Johan Setia, Selangor
  - SK Setia Alam 2, Selangor
  - Increase the rate of Rancangan Makanan Tambahan (RMT) from RM2.50 to RM3.50 (Peninsular Malaysia) and from RM3.00 to RM4.00 (Sabah and Sarawak) which benefits 700,000 students, increased from RM625 m to **RM777 m**
  - The rate of Bantuan Makan Prasekolah (BMP) under the Ministry of Education has been raised from RM2 to RM3 for Peninsular Malaysia and from RM2.25 to RM3.25 for Sabah, Sarawak, and Labuan **(RM108m)**
  - Supply 50,000 laptops to MOE's schools and educational institutions **(RM38 m)**
  - RM10 stamp duty is extended to cover educational loan/scholarship agreements for employment for all levels in educational and training institutions completed from 1 June 2023
  - Extension of tax relief of up to RM3,000 for sending children to TASKA or TADIKA until assessment year 2024
4. Higher Education Sector – Allocation for Ministry of Higher Education **(2023: RM15.3 b; 2022: RM14.5 b)**
- Repair infrastructure and replace outdated equipment that is no longer economical at IPTAs **(RM436 m)**
  - Fund to improve the internet connectivity in higher education institutions in Malaysia under the Malaysian Research & Education Network program (MYREN) **(RM35 m)**
  - Promote R&D activities under the Ministry of Higher Education and the Ministry of Science, Technology and Innovation (MOSTI) **(RM428 m)**
    - Additional allocation for MOHE to promote translational R&D that is more beneficial to solving community and industry issues **(RM50m)**
    - R&D grants specifically for the production of national vaccines to MOSTI **(RM15 m)**
  - Educational facilities for Bumiputera children **(RM6.6 b)**
    - Through Majlis Amanah Rakyat (MARA), Yayasan Peneraju and Universiti Teknologi MARA
    - Access to education loans and opportunities to pursue professional fields
  - Upgrade and maintain public university facilities **(RM300 m)**
  - Government will coordinate with MNCs to provide internship opportunities and students are allowed to serve their scholarship bonds with the said companies
  - Standardization of stamp duty rates for education loan agreements



- RM10 for educational loan agreement at certificate or professional level as charged to diploma students and above
  - PTPTN
    - Discount up to 20% on PTPTN loan repayments for a period of three months starting from 1 March 2023
    - Defer repayment for a period of 6 months to borrowers with a monthly income of RM1,800 and below. Applications for this postponement can be made starting from 1 March 2023.
  - Agenda to empower TVET through 7 main Ministries **(RM6.7 b)**
  - Skills Development Fund Corporation (PTPK) **(RM180 m)**
5. Healthcare – Allocation for Ministry of Health **(2023: RM36.3 b; 2022: RM32.4 b)**
- Medicines, reagents, vaccines and consumables procurements **(RM4.9b)**
  - New permanent and contract appointments for over 1,500 medical officers, dentists, and pharmacists **(RM3 b)**
  - Procurement of generators to 10 hospitals **(RM10 m)**
  - Procurement procedures for public infrastructure
    - Replacement of obsolete medical equipment (RM100 m)
    - Procurement and maintenance of medical equipment in all Government clinics under the Medical Equipment Enhancement Tenure (MEET) – QMSSB **(RM160 m)**
  - Mobile Health Clinics
    - Mobile health clinics with an extension to cancer screening - Teaching Hospital **(RM10 m)**
    - Dental **(RM10.6 m)**
  - Madani Medical Scheme and Health Card for the B40 Group **(RM120m)**
  - Peduli Kesihatan Scheme for the B40 group (PEKA B40) including diabetes screenings **(RM80 m)**
  - Rare Disease
    - Allocation for rare disease treatment cost **(RM25 m)**
    - Establish Trust Account for Rare Disease Treatment
      - Tax deduction equals to the amount of contribution to the fund
  - Mammogram subsidy and Cervical Cancer Screening Program **(RM11.5m)**
  - Pilot project for cervical cancer screening using a new method (PCR) under the ROSE Foundation in collaboration with the University of Malaya and the University of Malaysia Sarawak.
  - Construction of women and children’s block with a capacity of 476 beds to reduce overcrowding at Melaka Hospital **(RM700 m)**

- Upgrading of 26 hospitals including expansion of
    - Kuala Kangsar Hospital, Perak
    - Jelebu Hospital, Negeri Sembilan
    - Pontian Hospital, Johor
  - Tax relief limit on medical treatment expenditure is increased from RM8,000 to RM10,000 from assessment year 2023
    - The scope of relief also covers rehabilitation treatment costs for children with learning disabilities such as Autism, Down Syndrome, and Specific Learning Disabilities, up to a limit of RM4k
  - Procurement of 10 units of 3D denture printing machines to reduce the frequency of a patient's visit to Government dental clinics from 5 times to only 2 times **(RM10 m)**
  - The implementation of diagnostic studies and clinical trials of cervical and colon cancer through the use of artesunate to the University of Malaya towards production of affordable medicine and treatment for all **(RM5 m)**
  - Establishment of a National Centre of Excellence for Mental Health (NCEMH) **(RM34.5 m)**
  - Mental health wellness improvement program through MyMYNDA
  - Import duty exemption and sales tax on nicotine replacement therapy
  - Charitable hospitals registered as Company Limited by Guarantee be given income tax exemption equivalent to the amount of charitable expenditure incurred
  - Tax deduction of up to 10% of aggregate income to the donor to charitable hospitals
6. Housing Sector
- Public Housing Maintenance
    - WPKL Low Cost Public Housing Maintenance **(RM200 m)**
    - Malaysian Housing Maintenance Fund (TPPM) **(RM44.4 m)**
    - State Low Cost Public Housing Maintenance (PPP) **(RM46 m)**
    - Upgrading and maintenance work of Kampung Baru Cina **(RM25 m)**
    - Maintenance work of PPR Lift **(RM50 m)**
      - Quotation limit for elevator maintenance and repair work has been raised to RM1.2 million instead of RM500,000
    - Free internet access in 56 selected PPRs
  - Stamp duty exemption for first-time home ownership
    - Full stamp duty exemption for houses valued at RM500,000 and below until the end of 2025
    - The stamp duty exemption rate will be increased from 50% to 75% for houses valued from RM500,001 to RM1 m until 31 December 2023
  - Program Perumahan Rakyat and Program Perumahan Rakyat Disewa **(RM389.5 m)**

- Mesra Rakyat Housing Program **(RM358 m)**
- Malaysia Public Housing Project **(RM463 m)**
  - Construction of 23k units
- Renovate rural houses **(RM460.2 m)**
  - Increase in the ceiling price of new home building assistance from RM56,000 to RM66,000 per unit (Peninsular Malaysia) and from RM68,000 to RM79,000 per unit (Sabah, Sarawak and Labuan).
  - Increase in the ceiling price of home repair assistance from RM13,000 to RM15,000 per unit (Peninsular Malaysia) and from RM15,000 to RM17,000 per unit (Sabah, Sarawak and Labuan).
- Collaborative projects with civil society/NGOs through matching grants **(RM100 m)**
  - Rural Water Project **(RM15 m)**
  - Rural Electrification Project **(RM15 m)**
  - Health and Nutrition Screening Project **(RM10 m)**
  - Education Project **(RM15 m)**
  - Income-generating Project **(RM30 m)**
  - Conservation of Flora and Fauna Project **(RM5 m)**
  - Social Enterprise Development Program **(RM10 m)**
- Duty stamp on the instruments of transfer of property by way of love and affection be fully exempted, limited to the first RM1 million of the property's value and given 50% remission on the stamp duty imposed. For instrument of transfer of property executed from 1 April 2023.
- Syarikat Jaminan Kredit Perumahan (SJKP) - The value of the guarantee is increased up to **RM5 b** with the following improvements:

Guarantee Terms	
Guarantee Limit	Up to RM500,000
Tiered Guarantee Fees	<ul style="list-style-type: none"> <li>• 0.25% per annum up to RM300,000 and</li> <li>• 0.5% per annum for amounts exceeding RM300,000 up to RM500,000</li> </ul>

#### 7. Social Protection

- The Government will require all its own employees to contribute under Self-Employment Social Security Scheme (SKSPS) in stages and will also apply to platform providers who have operating licences under MOT and KKD.
- SOCSO
  - 80% of the SOCSO contribution value will be borne by the Government to protect and to encourage self-employed to contribute **(RM100 m)**
    - benefit more than 500 thousand employees
  - Grant of 80% of the insured employee's salary to support women to return to work **(RM292 m)** to benefit more than 130 thousand women

- SOCSO Health Screening Program on matching grant basis **(RM70 m)**
- TVET apprenticeship & Graduate Employment Program **(RM50m)**
- Career Building Program for informal gig workers **(RM60 m)**
- MYFutureJobs, Satellite Centre and Career Fairs at UTC nationwide **(RM10 m)**
- Creation of additional protection through LINDUNG+ Program
  - Collaboration with private insurance providers
  - Provides additional social security protection plans beyond the scope of protection under SOCSO such as income protection above RM5,000, medical treatment as well as protection for chronic diseases that are not considered infirmities
- KWSP
  - Review of tax relief for mandatory/voluntary contributions to approved schemes/EPF and life insurance premiums or life takaful or additional voluntary contributions to EPF
  - Raise the EPF voluntary contribution limit from RM60k to RM100k
  - Extension of i-Saraan in 2023 **(RM30 m)**
    - The Government contributes 15% on top of voluntary contributions
    - Limited to maximum RM300 per year
    - Benefit more than 100 thousand contributors
  - Scope of tax relief for life insurance premiums or life takaful contributions is expanded to include voluntary contributions to EPF up to RM3,000
  - Government's Contribution to EPF Account 1 **(RM1 b)**
    - The Government will contribute RM500 to EPF members aged between 40 to 54 years old with EPF saving of less than RM10,000
    - Benefits almost 2 million EPF members
- 8. Increase the maximum investment limit of Amanah Saham Bumiputera (ASB) and ASB2 from RM200k to RM300k
- 9. Increase the size of Amanah Saham Malaysia (ASM) fund to RM5 b
- 10. Enhance Program Menyemai Kasih Rakyat (MEKAR) **(RM5 m)**
- 11. Civil servants
  - Maintain the proposal to increase the early redemption of GCR up to 50%, equivalent to a maximum of 90 days
  - Aidilfitri Special Financial Assistance of RM700 to all civil servants Grade 56 and below, including contract appointments
  - Aidilfitri Special Financial Assistance of RM350 to Government pensioners
  - Childcare fee subsidy of RM180 per month and eligibility limit increased from RM5,000 to RM7,000

## 12. Key Communities

- Women and Children
  - Gender Focal Team will be established in each Ministry and Agency to ensure that budget preparation is formulated based on gender's need
  - Women leadership - Special training program by the SC to enhance skills, identify and increase the number of qualified women to be appointed as Board Members
  - Local Social Support Center **(RM8.3 m)**
  - Women Empowerment: Implementation of the Sexual Harassment Act through the establishment of a Tribunal and Advocacy Program **(RM10 m)**
  - Training and Professional Certification for Postnatal Maternal Caregivers – **MamaCare (RM5 m)**
  - 2-Year Exit Policy Program that will benefit 300 women entrepreneurs (RM1 m)
  - Women Business Financing Fund **(RM235 m)**

Agency	Program/ Scheme	Fund Size (RM m)	Financing Terms
BSN	Mikro Kasih: MikroNita	100	Financing rate: 4% Size: Up to RM50,000 Tenure: Up to 5.5 years (including moratorium for the first 6 months)
TEKUN	Tekunita	20	Financing rate: 4% Size: Up to RM100,000 Tenure: Up to 10 years
MARA	DanaNITA	15	Financing rate: 3.5% Size: Up to RM150,000 Tenure: Up to 10 years
Bank Rakyat	BR Plus: i-Biz Lady	100	Financing rate: BFR + 0% Size: Up to RM1 m Tenure: Up to 7 years

- Diversion Program: Community-Based Rehabilitation for Juvenile Offenders **(RM1 m)**
- Establish a Children Development Department under JKM to provide more comprehensive support services to children
- Children Financial Assistance (RM1.8 m)
- Operating grant for Rumah Tunas Harapan (RTH) **(RM1.6 m)**
- Operating grant for Jawatankuasa Kebajikan Kanak-Kanak (PKKK) **(RM0.6 m)**
- Operating grant for Child Protection Teams (PPKK) **(RM0.7 m)**

- Operating grant for Children Activity Center (PAKK) **(RM1.8 m)**
- Community childcare centres subsidy **(RM0.5 m)**
- Private childcare centres fee assistance subsidy **(RM3.2 m)**
- Subsidy for childcare fees for households with a per capita income of less than RM800 who send their children to registered childcare centres **(RM3.6 m)**
- The Government encourages employers to provide childcare facilities in their offices by streamlining the guidelines for childcare centres
- Extension of tax incentives for childcare allowances and the cost of setting up childcare centres in the workplace
- Facilitate the registration process and start the legalization program of unregistered nurseries and childcare centres nationwide **(RM15 m)**
- Build 80 KEMAS nurseries and childcare centres, including 13 new projects
- Exemption of excise duty on infant and children's formula milk to ensure reasonable prices in the market
- Community Feeding Program specifically for Orang Asli's children to address malnutrition problem **(RM3 m)**
- Senior Citizens
  - Socioeconomic Assistance for Senior Citizens and Senior Citizens Financial Assistance **(RM900 m)**
  - Implementation of Senior Citizens Activity Centres (PAWE) and Older Person Care Unit (UPWE) **(RM8.7 m)**
  - Operating grant for private care institutions for senior citizens, children and persons with disabilities handled by NGOs **(RM21.2m)**
- Orang Asli
  - Allocation for Orang Asli **(RM305 m)**
  - Orang Asli commercial replanting project **(RM15 m)**
    - Involves 19 areas of rubber and oil palm plantations and skill training
    - Benefits 2,100 Orang Asli, including those in Kemaman, Terengganu; Bera, Pahang; and Gua Musang, Kelantan
  - Orang Asli Entrepreneurship Development Program **(RM2 m)**
    - Business equipment assistance and entrepreneurship guidance for 550 Orang Asli
  - Sponsorship of at least 10 Orang Asli children by Yayasan under a Government-Linked Investment Companies to study abroad
- Persons with Disabilities
  - Assistance for persons with disabilities **(RM1 b)**
    - Allowance for disabled workers **(RM542 m)**

- Allowance for persons with disabilities who are incapable of work **(RM346 m)**
- Assistance for carers of bed-ridden disabled and chronically ill (BPKT) **(RM170 m)**
- o Financial Assistance for Persons with Disabilities **(RM0.63 m)**
- o *Kurang Upaya Pemulihan Dalam Komuniti* **(RM109 m)**
- o 1 OKU 1 Business Scheme is enhanced through fee exemption for registration and business license renewals with SSM
- o Free fare for train services for persons with disabilities and students from Standard 1 to Form 6 **(RM4 m)**
- o Special incentives for the establishment of 50 new nurseries for the disabled compared to the existing 13 nurseries **(RM5 m)**
- o Supply of teaching equipment and improvement of facilities in schools with special needs **(RM20 m)**
- Veterans
  - o Strategic collaboration among LTAT, MAFS & KEMENTAH for the Grain Corn Agriculture Pilot Project
  - o Reskilling & Upskilling Program for ATM Veterans by the Department of Veteran Affairs (JHEV) in collaboration with the Department of Skills Development (JPK) & MYTVET Malaysia Association **(RM5 m)**
  - o Second Career Program for ATM Veterans with LTAT and government linked companies
  - o Special relaxation of veteran housing loans repayment under LPPSA
- Prisoners
  - o Empowerment of Community Rehabilitation Program - Expansion of Agropenjara initiative **(RM10 m)**
  - o Health Examination for Detained Persons (OKT) by Private Medical Practitioners **(RM10 m)**