



Incentive for Training and Human Resource Development



INLAND REVENUE BOARD MALAYSIA

Deduction for Cost of Recruitment of Workers

Generally, cost of recruitment of workers is allowed as a deduction for the purpose of tax computation except if such expenses are incurred before the companies commence operation. However, effective from the year of assessment 2009, recruitment cost incurred before the commencement of operations is allowed as a deduction for the purpose of tax computation. Cost includes expenses incurred in participation in job fairs, payment to employment agencies and head-hunters.

Deduction for Pre-Employment Training

Training expenses incurred before the commencement of business qualify for a single deduction. Nevertheless, companies must prove that they will employ the trainees.

Deduction for Non-Employee Training

Expenses incurred in providing practical training to residents who are not employees of the company can be considered for single deduction.

Deduction for Cash Contributions

Contributions in cash to technical or vocational training institutions that are not operating primarily for profit and those established and maintained by a statutory body qualify for single deduction.

Incentive for Unemployed Graduate Training Scheme

To encourage private sector assistance in enhancing the employability of graduates, both public and unlisted companies under the supervision of the Securities Commission (SC) qualify for double deduction



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on allowances paid to participants of Unemployed Graduate Training Programme which are endorsed by the SC. The scheme includes the companies own in-house training programmes.

The incentive takes effect from 2 September 2006 until 31 December 2008 and the deduction is given for the period of three years.

Special Industrial Building Allowance

Companies that incur expenditure on buildings used for approved industrial, technical or vocational training can claim a special annual Industrial Building Allowance (IBA) of 10% for 10 years on qualifying capital expenditure for the construction or purchase of a building.

Double Deduction for Approved Training

Manufacturing and non-manufacturing companies that do not contribute to the Human Resource Development Fund (HRDF) qualify for double deduction on expenses incurred for approved training.

For the manufacturing sector, the training could be undertaken in-house or at approved training institutions. However, for the non-manufacturing sector, the training should be held only at approved training institutions. Approval is automatic when the training is at approved institutions.

Application procedure

Application and inquiries are to be directed to IRB

For more information, please contact

Lembaga Hasil Dalam Negeri Malaysia
Pusat Khidmat Pelanggan
Jabatan Pemprosesan
Aras 12, Menara C
Persiaran MPAJ, Jalan Pandan Utama
Pandan Indah, 55100 Kuala Lumpur.

Tel: 1-300-88-3010

Website: www.hasil.gov.my



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Tax Exemption on Educational Equipment

Approved training institutes, in-house training projects and all private institutions of higher learning are eligible for import duty, sales tax and excise duty exemptions on all educational equipment including laboratory equipment for workshops, studios and language laboratories.

Application procedure

Application and inquiries are to be directed to MIDA.

For more information, please contact

Malaysian Industrial Development Authority (MIDA)
Block 4, Plaza Sentral
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

Tel: 603-2267 3633

Website: www.mida.gov.my



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Grant for Enhancing Marketing Skills of SMEs

The scheme aimed at assisting SMEs to enhance their employees' marketing skills through short-term courses in areas such as marketing strategies and planning, pricing, distribution, development of brand, merchandising and customer services.

Form of Assistance

Assistance is given in the form of a matching grant where 80% of the cost of training is borne by the Government and the remainder by the applicant. For enterprise in the manufacturing sector, registered under business ordinance 1956, assistance is given up to 80 percent of the approved costs.

Eligible Expenses

Participation / Training fee for the following courses:

- *Sales performance Training*
 - Professional Certified Sale Professional(CSP);
 - Professional Certified Sales Manager (CSM); and
 - Professional Certified Account Manager (CAM).

- *Customer Services Training*
 - Professional Certified Customer Service Practitioner (CCSP);
 - Skill Certificate in Customer Care; and
 - Skill Certificate in Customer Relationship Management (CRM).



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- *Marketing*
 - Strategic Brand Building;
 - Analyzing Market Opportunities through Market Research;
 - Developing an Effective Marketing Plan;
 - Maximizing Marketing Communication; and
 - Developing the Market Driven Organization

Application procedure

Application and inquiries are to be directed to SMIDEC.

For more information, please contact

Small and Medium Industries Development Corporation (SMIDEC)
Aras 10, West Wing, MEnara MATRADE, Jalan Khidmat Usaha
Off Jalan Duta, 50480 Kuala Lumpur

Tel: 03-62076000

Website: www.smidec.gov.my



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PEMBANGUNAN SUMBER MANUSIA BERHAD

Ministry of Human Resources
official website



Upon paying the Human Resources Development levy, employers registered with PSMB are immediately eligible to apply for training financial assistance/grants to defray all or a major portion of the allowable cost of training their employees.

SME Training Needs Analysis Consultancy Scheme

In 2008, PSMB introduced the SME Training Needs Analysis Consultancy Scheme. Under this scheme, several highly competent consultant companies have been engaged by PSMB to analyse and help plan workers' annual training plan for SMEs. This is the latest move by PSMB to get SMEs to fully utilize their levy to train and retrain their workforce in line with their business needs to further boost productivity. The target group for this scheme are SMEs, having levy balances of at least RM20,000 in their accounts. The TNA consultancy services offered for SMEs registered under the HRDF are free. The fees incurred will be paid by PSMB. Based on the training needs analysis, the consultants will propose the annual training plan and courses tuned to the needs of the management and will be implemented duly by qualified training provider.

New Initiatives for Employers

The scope of the Human Resources Development Fund (HRDF) Act 2001 (Act 612) provides greater flexibility for employers to choose training and advanced education programmes for their staff. Employers are also allowed to provide financial assistance to:

- Help employees pursue Masters or Doctoral degrees, especially in new and high technology areas;
- Train employees despite the employer having outstanding unpaid levies or outstanding interest on levies; and
- Provide practical training at their premises to students of universities or training institutions.

Training Schemes under Pembangunan Sumber Manusia Berhad (PSMB)

Listed below are various training programmes and available financial assistance from PSMB:

- SBL Scheme



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- SBL-Khas Scheme
- PLT Scheme
 - Annual Training Plan Scheme (PLT Scheme)
 - SME Training Needs Analysis Consultancy Scheme
- PROLUS Scheme / ATP
- PERLA Scheme
- Joint Training Scheme
- Apprenticeship Scheme
- SME Training Partners (SMETAP) Scheme
- Computer-Based Training Scheme
- Technology And Computer-Aided Training Scheme
- Purchase Of Training Equipment And Setting Up Of Training Room Scheme
- English Language Programmes For Workers Under The HRDF
- Industrial Training Scheme

Application procedure

Application and inquiries are to be directed to PSMB.

For more information, please contact

Pembangunan Sumber Manusia Berhad (PSMB)

Ministry of Human Resources

Wisma PSMB

Jalan Beringin, Bukit Damansara

50490 Kuala Lumpur, Malaysia

Tel: 603-2096 4800

Website: www.hrdnet.com.my / www.hrdportal.com.my