

TEMPORARY MEASURES FOR GOVERNMENT  
FINANCING (CORONAVIRUS DISEASE 2019  
(COVID-19)) BILL 2020

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ARRANGEMENT OF CLAUSES

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*Clause*

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SCHEDULE



A BILL

*i n t i t u l e d*

An Act to provide for temporary measures relating to government financing to reduce the impact of Coronavirus Disease 2019 (COVID-19) by increasing the ceiling amount for the total amount of the sums that may be raised under the Loan (Local) Act 1959 [*Act 637*] and the total amount of moneys that may be received under the Government Funding Act 1983 [*Act 275*], to establish a COVID-19 Fund, to allow the sums raised under the Loan (Local) Act 1959 and the moneys received under the Government Funding Act 1983 to be paid into the COVID-19 Fund, to allow the moneys in the COVID-19 Fund to be applied and appropriated for the purposes of the programmes under the economic stimulus packages and economic recovery plans, and to provide for related matters.

[ ]

**ENACTED** by the Parliament of Malaysia as follows:

**Short title and commencement**

**1.** (1) This Act may be cited as the Temporary Measures for Government Financing (Coronavirus Disease 2019 (COVID-19)) Act 2020.

(2) Except for section 3, this Act is deemed to have come into operation on 27 February 2020 and shall continue to remain in operation until 31 December 2022.

## **Interpretation**

2. In this Act, “Minister” means the Minister charged with the responsibility for finance.

## **Increase of ceiling amount of sums raised and moneys received**

3. (1) The ceiling amount for the total amount of the sums that may be raised under subsection 3(1) of the Loan (Local) Act 1959 and the total amount of moneys that may be received under subsection 3(1) of the Government Funding Act 1983 specified in the Loan (Local) (Statutory Ceiling for Borrowing) and Government Funding (Statutory Ceiling of Moneys Received) Order 2009 [*P.U. (A) 241/2009*] at the rate of fifty-five per centum of the Gross Domestic Product of Malaysia, is increased up to sixty per centum of the Gross Domestic Product of Malaysia, when calculated together.

(2) Subsection (1) shall have effect for the period from the date this Act is published in the *Gazette* until 31 December 2022 and during such period the Loan (Local) (Statutory Ceiling for Borrowing) and Government Funding (Statutory Ceiling of Moneys Received) Order 2009 is suspended.

(3) For the purposes of this section, “Gross Domestic Product of Malaysia” means the latest Gross Domestic Product of Malaysia confirmed by the Minister.

## **Establishment of COVID-19 Fund**

4. (1) A fund to be known as the COVID-19 Fund is established and shall be specified in and incorporated into the Second Schedule to the Financial Procedure Act 1957 [*Act 61*].

(2) Notwithstanding subsection 5(1) of the Loan (Local) Act 1959 and section 4 of the Government Funding Act 1983, any sum raised under subsection 3(1) of the Loan (Local) Act 1959 and any money received under subsection 3(1) of the Government Funding Act 1983 may be paid into the COVID-19 Fund for the purposes of its application under section 5.

### **Application of COVID-19 Fund**

5. (1) The moneys in the COVID-19 Fund shall be applied and appropriated for the purposes of the programmes under the economic stimulus packages and economic recovery plans specified in column (1) of the Schedule in the amount specified in column (2).

(2) Notwithstanding subsection (1), the Minister may, if he thinks necessary—

- (a) limit or suspend the amount to be applied and appropriated for the purposes of any programme; or
- (b) direct any sum appropriated for a programme to be appropriated in aid of any other programme for which the sum appropriated may be deficient a further amount out of any surplus from the first mentioned programme.

(3) The Minister shall ensure that the application and appropriation of the moneys in the COVID-19 Fund are utilised only for the programmes specified in column (1) of the Schedule, taking into account anything done under subsection (2), and does not exceed the total amount allocated for such programmes.

### **Sums paid, applied and appropriated from 27 February 2020 until date of publication of Act deemed valid**

6. Any sum raised under subsection 3(1) of the Loan (Local) Act 1959 and money received under subsection 3(1) of the Government Funding Act 1983 which is paid into, applied and appropriated for the purposes of, the COVID-19 Fund, for the period from 27 February 2020 until the date this Act is published in the *Gazette*, shall be deemed to have been validly paid, applied and appropriated as such.

### **Yearly statements of COVID-19 Fund**

7. The Minister shall, as soon as practicable after the end of every financial year, prepare in respect of that financial year a statement of receipts and expenditure of moneys accounted in the COVID-19 Fund as required under paragraph 16(1)(c) of the Financial Procedure Act 1957.

**Dealings with COVID-19 Fund upon the expiry of Act**

8. (1) Upon the expiry of this Act, where there is any money payable from the COVID-19 Fund, it shall be paid within six months from the date of expiry of this Act.

(2) Where there is any balance of moneys in the COVID-19 Fund after all the payments are made under subsection (1), notwithstanding subsection 10(3) of the Financial Procedure Act 1957, such balance of moneys shall be paid by the Minister into the Development Fund specified in the Second Schedule to the Financial Procedure Act 1957.

(3) After the balance of moneys in the COVID-19 Fund has been paid in accordance with subsection (2), the COVID-19 Fund shall be deemed dissolved and the Dewan Rakyat may, by a resolution, delete the COVID-19 Fund from the Second Schedule to the Financial Procedure Act 1957.

**SCHEDULE**

[Subsection 5(1)]

**PROGRAMMES UNDER ECONOMIC STIMULUS PACKAGES  
AND ECONOMIC RECOVERY PLANS**

(1) Programmes	(2) Amount (RM)
1. Wage subsidy, job retention and workers' hiring incentive, and training assistance programmes	16,800,000,000
2. Bantuan Prihatin Nasional	11,200,000,000
3. Small scale projects	4,000,000,000
4. Skill and upskilling programmes	2,000,000,000
5. PENJANA SME financing	2,000,000,000
6. PRIHATIN SME grant	1,900,000,000
7. Micro credit loans under Bank Simpanan Nasional and TEKUN Nasional	1,000,000,000
8. Allocation for the Ministry of Health for COVID-19 related expenses	1,000,000,000

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*(Coronavirus Disease 2019 (COVID-19))*

(1)	(2)
Programmes	Amount (RM)
9. Food security fund	1,000,000,000
10. COVID-19 special allowance for frontliners	600,000,000
11. PENJANA National Fund	600,000,000
12. ePENJANA	520,000,000
13. Electricity bill discounts	500,000,000
14. Additional RM100 for Bantuan Sara Hidup (BSH)	300,000,000
15. Special assistance to students of higher educational institutions	300,000,000
16. Bumiputera Relief Financing	200,000,000
17. MY30 public transport subsidy	200,000,000
18. Special assistance to taxi drivers, school bus drivers, tour bus drivers, tour guides, trishaw operators and e-hailing drivers	160,000,000
19. Social assistance support to vulnerable groups	110,000,000
20. Smart automation grant	100,000,000
21. Soft loan under MyCreative Venture	100,000,000
22. Social protection and training for gig economy workers	75,000,000
23. E-Dagang campaign for SME and micro enterprises	70,000,000
24. “Shop Malaysia Online” for online consumption	70,000,000
25. PEKA B40 health care support	50,000,000
26. Grant for child care centres and kindergartens	50,000,000
27. Digital content fund	35,000,000
28. Assistance to non-governmental organizations	25,000,000
29. Digitalization of government service delivery	20,000,000

(1) Programmes	(2) Amount (RM)
30. Digitalization marketing and promotion fund under the Cultural Economy Development Agency (CENDANA)	10,000,000
31. MyAssist SME One Stop Centre	5,000,000
TOTAL	45,000,000,000

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#### EXPLANATORY STATEMENT

This Bill (“the proposed Act”) seeks to provide for temporary measures relating to government financing to reduce the impact of Coronavirus Disease 2019 (COVID-19) by increasing the ceiling amount for the total amount of sums that may be raised under the Loan (Local) Act 1959 [*Act 637*] and the total amount of moneys that may be received under the Government Funding Act 1983 [*Act 275*], to establish a COVID-19 Fund, to allow the sums raised under the Loan (Local) Act 1959 and the moneys received under the Government Funding Act 1983 to be paid into the COVID-19 Fund, and to allow for the moneys in the COVID-19 Fund to be applied and appropriated for the purposes of the programmes under the economic stimulus packages and economic recovery plans.

2. *Clause 1* of the proposed Act contains the short title and provide that the proposed Act is deemed to have come into operation on 27 February 2020 and shall continue to remain in operation until 31 December 2022. Except for *clause 3*, the date of coming into operation of the proposed Act is backdated to 27 February 2020 in line with the first announcement of the economic stimulus package by the Prime Minister. A few other economic stimulus packages and economic recovery plans such as the Pakej Rangsangan Ekonomi Prihatin Rakyat (PRIHATIN), Langkah Tambahan Bagi Pakej Rangsangan Ekonomi Prihatin Rakyat (PRIHATIN PKS) and Pelan Jana Semula Ekonomi Negara (PENJANA) had also been announced prior to the tabling of the proposed Act.

3. *Clause 2* of the proposed Act contains the definition of the word “Minister” to mean the Minister of Finance.

4. *Subclause 3(1)* of the proposed Act seeks to increase the ceiling amount for loans that may be raised under the Loan (Local) Act 1959 and the amount of moneys that may be received by the Government under the Government Funding Act 1983 up to sixty per centum of the Gross Domestic Product of Malaysia, when calculated together. The increase of the ceiling is to accommodate the additional borrowings to finance programmes announced under the economic stimulus packages and economic recovery plan. Currently, the ceiling is specified at the rate of fifty-five per centum of the Gross Domestic



Product of Malaysia under the Loan (Local) (Statutory Ceiling for Borrowing) and Government Funding (Statutory Ceiling of Moneys Received) Order 2009 [P.U. (A) 241/2009]. The increase of the ceiling is a temporary measure and the ceiling will revert to fifty-five per centum of the Gross Domestic Product of Malaysia on 1 January 2023.

*Subclause 3(2)* of the proposed Act seeks to clarify that the new ceiling amount for loans that may be raised and the amount of moneys that may be received by the Government will take effect from the date the proposed Act is published in the *Gazette* until 31 December 2022. During that period the ceiling amount specified under the Loan (Local) (Statutory Ceiling for Borrowing) and Government Funding (Statutory Ceiling of Moneys Received) Order 2009 at the rate of fifty-five per centum of the Gross Domestic Product of Malaysia is suspended.

5. *Subclause 4(1)* of the proposed Act seeks to provide for the establishment of the COVID-19 Fund and that the COVID-19 Fund shall be specified in and incorporated into the Second Schedule to the Financial Procedure Act 1957 [Act 61]. *Subclause 4(2)* seeks to allow any sum raised under subsection 3(1) of the Loan (Local) Act 1959 and money received under subsection 3(1) of the Government Funding Act 1983 to finance the programmes specified in the Schedule to the proposed Act to be paid into the COVID-19 Fund. Currently, under subsection 5(1) of the Loan (Local) Act 1959 and section 4 of the Government Funding Act 1983, the sums raised and moneys received are only to be applied for repayments of matured loans and payment into the Development Fund.

6. *Clause 5* of the proposed Act seeks to provide for the application of the COVID-19 Fund.

*Subclause 5(1)* seeks to ensure that the COVID-19 Fund shall only be used for the purposes of the programmes under the economic stimulus packages and economic recovery plans specified in the Schedule to the proposed Act.

*Paragraph 5(2)(a)* seeks to allow the Minister to limit or suspend any amount that is allocated for the purposes of the programmes under the economic stimulus packages and economic recovery plans specified in the Schedule to the proposed Act.

*Paragraph 5(2)(b)* seeks to allow the Minister to direct the use of funds allocated for a programme to be used for another programme if there is surplus from any programme.

*Subclause 5(3)* seeks to provide that it shall be the responsibility of the Minister to ensure that the application and appropriation of the moneys in the COVID-19 Fund are utilised only for the programmes specified in column (1) of the Schedule to the proposed Act, taking into account anything done under *subclause 5(2)*, and does not exceed the total amount of forty-five billion ringgit allocated for all programmes.

7. *Clause 6* of the proposed Act seeks to validate sums paid into, applied and appropriated from, the COVID-19 Fund, from 27 February 2020 until the date of the publication of the proposed Act in the *Gazette*.

8. *Clause 7* of the proposed Act seeks to require the Minister to prepare a statement of receipts and expenditure of moneys accounted in the COVID-19 Fund after the end of every financial year as required under paragraph 16(1)(c) of the Financial Procedure Act 1957 and the statement will be published in the annual Federal Government Financial Statement.

9. *Clause 8* of the proposed Act seeks to allow dealings with the COVID-19 Fund upon the expiry of the proposed Act.

*Subclause 8(1)* seeks to require any money payable from the COVID-19 Fund to be paid within six months from the date of expiry of the proposed Act.

*Subclause 8(2)* seeks to require the Minister to pay the balance of moneys in the COVID-19 Fund into the Development Fund specified in the Second Schedule to the Financial Procedure Act 1957 after all the payments of the money payable has been made. This is in line with subsection 5(1) of the Loan (Local) Act 1959 and section 4 of the Government Funding Act 1983 which provides that any sum raised and money received shall be paid into the Development Fund.

*Subclause 8(3)* seeks to clarify that after the balance of moneys in the COVID-19 Fund is paid into the Development Fund, the COVID-19 Fund shall be deemed dissolved and the Dewan Rakyat may, by a resolution, delete the COVID-19 Fund from the Second Schedule to the Financial Procedure Act 1957.

#### *FINANCIAL IMPLICATIONS*

This Bill will involve the Government in extra financial expenditure of forty-five billion ringgit.

[PN(U2)3233]