



KEMENTERIAN PEMBANGUNAN  
USAHAWAN DAN KOPERASI  
Ministry of Entrepreneur Development and Cooperatives

## **MEDIA RELEASE**

### **MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES**

#### **GOVERNMENT PROVIDES INCENTIVE TO SMEs FOR MERGER AND ACQUISITION (M&A) ACTIVITIES**

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**PUTRAJAYA, 1 September 2020** – The Ministry of Entrepreneur Development and Cooperatives (MEDAC) through SME Corp. Malaysia in collaboration with the Inland Revenue Board of Malaysia (LHDN) and the Companies Commission of Malaysia (SSM) is providing a stamp duty exemption incentive to Small and Medium Enterprises (SMEs) for merger and acquisition (M&A) activities. This incentive was announced by the Prime Minister of Malaysia, YAB Tan Sri Muhyiddin Mohd Yassin under the Pelan Jana Semula Ekonomi Negara (PENJANA) package in an effort to build the capacity of local companies and to support SMEs affected in this challenging current landscape.

This incentive is catered for Malaysian-owned SME companies in all sectors including manufacturing, services, agriculture, as well as mining and quarrying. It is created to help build the capacity of local companies and encourage mergers among SME entities to form new companies or the acquisition of SME entities by other SME entities that may become bigger business entities, both by way of legal instruments and contracts.

The Government sees this merger and acquisition effort among SMEs as helping to strengthen SME capacity and prevent the hollowing out of companies as a result of the COVID-19 outbreak by enhancing access to funds and valuable assets for new developments. In addition, this activity also provides an opportunity for new business entities to gain additional knowledge and skills, and quality staff, as well as to lower costs.

The stamp duty exemption on instruments for M&A activities includes the cost of Contracts or Agreements for the sale or lease of properties (including land, buildings, machinery and equipment); Instruments of Transfer and Memorandum of Understanding; Loan or Financing Agreement; and the First Lease Agreement. Application for this incentive is eligible for SMEs that perform M&A activities in the period between 1 July 2020 until 30 June 2021 only. The application form for this incentive can be downloaded from SME Corp. Malaysia's website at [www.smecorp.gov.my](http://www.smecorp.gov.my) and applications must be submitted latest by 31 July 2021.

Enquiries regarding this incentive can be channelled to PSK MEDAC Hotline at 1-300-88-1020 or SME Corp. Malaysia's Info Line at 1-300-30-6000 or email to [info@smecorp.gov.my](mailto:info@smecorp.gov.my).

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