

Tax Incentive for Structured Internship Programme

Frequently Asked Question (Companies)

1. Which companies are eligible for this tax incentive?

The qualifying organisations would be as follows:

- Organisations of strong financial background, track record and size. The organisations are required to provide the following upon application.
 - Company Profile Search Result from SSM(within 14 days from the date of application).
 - A detailed write-up of The structured Internship Programme

- Organisations meeting the following requirements:
 - Partnership or companies with share capital of at least RM 2.5 million.
 - A proven average revenue record of RM 21 million and more over the past 3 years
 - Headcount
 - For non-manufacturing companies - should at least have a minimum of 50 FTEs.
 - For manufacturing companies - should at least have a minimum of 100 FTEs.
 - Years of establishment - The Companies must at least have been established for 5 years and more. However, companies that meet the above criteria but only have been established between 3 to 5 years may be considered.

2. Can a company submit for this incentive if it has already enjoyed other incentives?

Yes. This incentive is on top of other additional incentives enjoyed by companies, as long as they meet the qualifying criteria.

3. Should we hire Malaysian students who are studying abroad? Are we still eligible to get the double tax incentive?

No. This applies only for Malaysian students studying in local IPTA and IPTS.

4. Is the company obligated to any policies by TalentCorp upon getting the endorsement approved? And what are the implications/ penalties if the Company doesn't abide by this policy?

Upon endorsement of its SIP from TalentCorp, the Company shall must do the following, failing which will tantamount to the **endorsement being revoked**.

- i. Must advertise internship placements in MoHE's *career4u* portal.
- ii. Must ensure each intern to participate in online *TalentCorp Internship Survey* at www.talentcorp.com.my upon completion of the internship programme. The result of the survey will be one of the criteria valued upon your next renewal of the endorsement.
- iii. Must perform the selection process via our portal, MoHE's *career4u* portal
- iv. Must update the status of intern hired in our portal, MoHE's *career4u* portal

Note: Please visit TalentCorp's website for updates on the above links.

Frequently Asked Question (The internship programme)

1. How do we know that our internship programme qualify for this tax incentive?

Your internship programme should meet the following qualifying criteria, and this should be explained clearly in the detailed write-up submitted to us.

- A programme that opens to all disciplines or specific disciplines.
- The objectives and learning outcomes of the internship programme must be stated clearly.
- This programme shall accommodate the compulsory and non-compulsory internships. For compulsory internship, the programme shall be in continuous minimum ten (10) weeks duration.
- The design of the programme shall be able to also accommodate staggered duration, in the case of non-compulsory internship. However, the interns shall complete the programme within twelve (12) months period to be eligible for the tax incentive.
- Implement the structured internship programme throughout the organization (holding and subsidiary companies).
- The internship programme offered must be relevant or similar to the students' field of study. The programme should emphasize on the following skills and attributes:

Technical Competence	Personal Competence	Business Competence
Technical/ functional knowledge and skills required substantially in the area of responsibility of the position.	Personal attributes and skills that enhances individual's interactions and increase personal effectiveness.	Professional attributes and skills required to enhance professional and business performance.
Example: <ul style="list-style-type: none"> • Specific technical knowledge/ skills 	Example: <ul style="list-style-type: none"> • Communication skills • Presentation skills • Personal effectiveness 	Example: <ul style="list-style-type: none"> • Business acumen • Conflict resolution and negotiation • Teamwork/ teambuilding

2. How much do we have to pay for the interns?

The Companies must provide a minimum cash or cash equivalent of RM500 monthly allowance for each intern.

3. Would there be an application fee for the approval of the internship programme?

No, submission is free via www.talentcorp.com.my .

4. When can we start applying? And How?

You can start applying starting January 2012 via our portal at www.talentcorp.com.my .

5. What is the effective date of this incentive?

YA 2012 - 2016

6. Do we need to implement this internship programme for certain duration before we can apply?

No, you can start applying with a new internship programme.

7. How frequent should we submit the application?

Application for endorsement should be submitted **annually** at least one (1) month before its expiry date.

8. How long would the process for approval take?

It will take up to 14 working days from the date of submission.

9. Are we eligible to claim the tax incentive if we have hired the intern prior to the approval from TalentCorp?

No, it is only eligible starting from the endorsement date.

10. Can we apply for the incentive if we do not have a structured internship programme?

No, there must be a structured internship programme implemented to be eligible for the tax incentive.

11. We have a structured internship programme but only for a specific discipline (i.e. engineering). Can we claim for tax incentive for interns that do not go through this structured internship programme?

No. The tax incentive is only applicable for the interns who undergo the structured internship programme. Participating companies shall provide correct and accurate information about their companies and details about their structured internship programme when submitting their application for endorsement as well as submission for tax.

12. What do we need to submit with the application via the internet?

- i. Company Profile Search Result by SSM (dated within 14 days before the submission of application in .pdf format)
- ii. The detailed write-up on the structured internship programme (.pdf format)

13. Can we submit the hardcopy application manually?

No, application must only be submitted online.

14. How do we know that our submission is approved?

Status can be checked via www.talentcorp.com.my

15. Can we still claim if interns drop out in the middle of the programme?

Yes, you can claim for the **paid** allowance that you have paid to the interns.