

Perks for social duty

Ceiling of tax cuts for PLCs in community work now 7%

AT A GLANCE

- Ceiling for tax deductions for PLCs increased to 7% to encourage participation in CSR.
- Tax deduction extended to sports activities.
- PLCs to disclose to Government their CSR programmes.
- PLCs encouraged to adopt a charitable institution and encourage employees to participate.

THE ceiling for tax deductions on contributions has been raised to 7% of aggregate income to encourage public listed companies (PLC) to participate in corporate social responsibility (CSR) programmes, especially contributions to charitable organisations.

PLCs will also have to disclose their corporate social responsibility activities in order to inculcate the culture.

The activities include providing business opportunities to domestic entrepreneurs, awarding contracts to bumiputra vendors and contributions towards the well-being of the *rakyat*, especially the less fortunate.

Programmes for developing human capital, which the Government has identified, are the Adopt-A-School Programme,



ALL IN THE GOODIE BAG: Prime Minister Datuk Seri Abdullah Ahmad Badawi and Finance Minister II Tan Sri Nor Mohamed Yakcop (right) arriving at Parliament House yesterday.

training of unemployed graduates and providing scholarships.

The Adopt-A-School Programme includes making contributions to Parent-Teacher Associations, sponsoring excel-

lent students from low-income families, providing equipment and facilities, and sponsoring tuition in English, Mathematics and Science.

PLCs are not only encouraged to adopt charitable insti-

tutions such as welfare homes, orphanages, old folks homes, shelter homes, dialysis centres and drug rehabilitation centres but also to encourage their employees to participate.

PLCs that practise CSR are likely to attract large domestic investors, especially the Employees Provident Fund (EPF) and National Pension Fund (KWAP), and international institutional investors.