

Staff Training Expenditure (STE)

Frequently Asked Questions (FAQs)

Introduction

The FAQs are intended to provide clarifications to MSB licensees on the implementation of STE requirement.

No.	Questions	Answers
1.	What are the revisions made to the STE requirement?	<p>The Bank has aligned the <u>basis</u> of computation of STE with the Human Resource Development (HRD) levy, although the amount of STE to be allocated remains at 2%.</p> <p>With the alignment, the amount of STE to be allocated by a MSB shall be at 2% of the MSB's previous financial year's <u>gross wages</u>. The definition of "wages"/ "gross wages" are provided under paragraph 6 of the policy document.</p>
2.	Would the gross wages for both Malaysian and non-Malaysian staff be included in the computation of STE?	Yes, the gross wages of all staff on full time employment (whether contract or permanent staff) shall be included in the computation of STE.
3.	Would a director of the MSB be deemed as a staff?	If the director is paid a salary by the MSB, he/she will be regarded as a staff of the MSB, whereas a director who only accepts director fees is not considered as a staff.
4.	Can claimable trainings completed under HRD Corporation (HRDC) be counted towards STE compliance?	Yes, external contributions towards trainings offered by HRDC can count towards meeting the 2% minimum STE requirement.
5.	For a MSB that conducts training in its own premises, how should it qualify the equivalent rental costs as a STE expense?	<p>As a general guide, there are several options for a MSB to qualify the equivalent rental costs as a STE expense, including:</p> <p>(i) Chargeable costs of alternative training premises that are comparable to its own training premises (e.g. in terms of location and grade).</p> <p>In the event where a comparison of the specific training premises is not available, a MSB may use the apportioned rental costs of the entire office space based on, for example, the floor space used and time spent for the training programme; or</p> <p>(ii) Chargeable rental costs of the MSB's training premises should it rent the premises out to a third party for training purpose.</p> <p>A MSB should ensure that the basis used is documented.</p>

Any updates to the FAQs will be notified to MSB licensees from time to time.

If you have additional queries on this requirement, you may submit them to paymentpolicy@bnm.gov.my