



**TAX**  
**INCENTIVES**  
FOR **SMEs** IN MALAYSIA



Secretariat to the National SME Development Council



# TAX INCENTIVES

FOR **SMEs** IN MALAYSIA

# CORPORATE

ECONOMY CAPITAL FEDERAL JOB TAXED INDIVIDUAL RIGHT  
PERSONAL TRADE FORM FEDERAL JOB TAXED INDIVIDUAL RIGHT  
CORPORATE FORM TRADE FEDERAL JOB TAXED INDIVIDUAL RIGHT  
LAW MONEY DEBIT INDIVIDUAL IMPOST AMOUNT FORM TRADE FEDERAL JOB TAXED INDIVIDUAL RIGHT  
LAW MONEY DEBIT INDIVIDUAL IMPOST AMOUNT FORM TRADE FEDERAL JOB TAXED INDIVIDUAL RIGHT

# TAX INCENTIVES FOR SMEs IN MALAYSIA

## A quick reference guide outlining the Malaysian tax incentives for SMEs

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The information provided in this Booklet is based on information obtained from the Malaysian Investment Development Authority (MIDA) and relevant Ministries and agencies involved in SME development as well as Budget announcements.

**Note:** The content in the Booklet is as of May 2016. The tax incentives, qualifying criteria and other facts may change thereafter. For more accurate information, reference can be made to the respective Ministries and agencies.

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## Overview of Tax Incentives in Malaysia

Corporate income tax in Malaysia is applicable to both resident and non-resident companies. Companies are taxed at the rate of 25% (reduced to 24% w.e.f. Year of Assessment (YA) 2016) while small scale companies with paid-up capital not exceeding of RM2.5 million are taxed as follows:

Chargeable Income	YA 2015	YA 2016
The first RM500,000	20%	19%
In excess of RM500,000	25%	24%

\* The companies must not be part of a group of companies where any of their related companies have a paid-up capital of more than RM2.5 million.

In addition to a preferential corporate tax rate for SMEs, Malaysia also offers a wide range of tax incentives for businesses in the manufacturing, services and agriculture sectors in order to attract foreign direct investments (FDIs) into the country and also encourage domestic investments. The incentives for the various sectors are also applicable for SME businesses. The main incentives are the Pioneer Status, Investment Tax Allowance, Reinvestment Allowance, Accelerated Capital Allowance and Industrial Building Allowance.

The tax incentives are provided through the Promotion of Investments (PIA) Act 1986, Income Tax Act 1967, Industrial Coordination Act (ICA) 1975, Customs Act 1967, Sales Tax Act 1972, Excise Act 1976 and Free Zones Act 1990. In addition to the Acts listed above, incentives are also granted in the Gazette Orders following the Government's Budget announcements for a specific year.

## Know Your Incentives

- **Pioneer Status (PS)**

PS incentive is an exemption from the payment of income tax of 70-100% of a company's statutory income (SI) for a period of 5-10 years (income after deduction of allowable expenses and capital allowances).

- **Investment Tax Allowance (ITA)**

ITA incentive is an alternative incentive to PS. Both the ITA and PS incentives are mutually exclusive, i.e. a company can only enjoy either one of the incentives and not both. ITA is an allowance of 60-100% on qualifying capital expenditure (QCE) (e.g. factory, plant, machinery or other equipment used for the approved project) incurred within 5-10 years from the date the first QCE is incurred.

- **Reinvestment Allowance (RA)**

RA is given for the period of 15 years to existing companies engaged in the manufacturing, and selected agricultural activities that reinvest for the purposes of expansion, automation, modernisation or diversification of its existing business into any related products within the same industry on condition that such companies have been in operation for at least 36 months effective from the YA 2009. RA is given at the rate of 60% on QCE incurred by the company, and can be offset against 70% of its SI for the year of assessment. Any unutilised allowance can be carried forward to subsequent years until it is fully utilised.

- **Accelerated Capital Allowance (ACA)**

ACA is given to companies that reinvest in the manufacture of promoted products after benefiting RA for 15 years. ACA provides a special allowance, where the capital expenditure is written off within three years, i.e. an initial allowance of 40% and an annual allowance of 20%.

- **Industrial Building Allowance (IBA)**

IBA is granted to companies incurring capital expenditure on the construction or purchase of a building that is used for specific purposes e.g. manufacturing, agriculture, mining, and infrastructure facilities. These companies are eligible for an initial allowance of 10% and an annual allowance of 3% (can be written off in 30 years).

## Definition of SMEs

### SME definition as of 1 January 2014 (NSDC)

As of 1 January 2014, the SME definition that is used for support and development programmes by the Government such as financing, grants, capacity building and advisory at all Ministries, agencies as well as the definition adopted by banks have been revised.

According to the new definition endorsed by the National SME Development Council (NSDC), all SMEs must be entities registered with SSM or other equivalent bodies. It however excludes:

- Entities that are public listed on the main board; and
- Subsidiaries of:
  - Public-listed companies on the main board;
  - Multinational corporations (MNCs);
  - Government-linked companies (GLCs);
  - Syarikat Menteri Kewangan Diperbadankan (MKD); and
  - State-owned enterprises.

	Micro	Small	Medium
<b>Manufacturing</b>	Annual sales turnover < RM300,000 <u>OR</u> full time employees < 5	Annual sales turnover RM300,000 to < RM15mil <u>OR</u> full time employees 5 to < 75	Annual sales turnover RM15mil to ≤ RM50mil <u>OR</u> full time employees 75 to ≤ 200
<b>Services and Others</b>	Annual sales turnover < RM300,000 <u>OR</u> full time employees < 5	Annual sales turnover RM200,000 to < RM3mil <u>OR</u> full time employees 5 to < 30	Annual sales turnover RM3mil to ≤ RM20mil <u>OR</u> full time employees 30 to ≤ 75

## 2. Definition for Income Tax and Tax Incentives Purposes

The preferential corporate tax rate and tax incentives under PIA are categorised as follows:

### a) Income Tax Act 1967 Schedule 1 Para 2A (inserted in 2003)

Company resident in Malaysia with a paid-up capital of ordinary shares of RM2.5 million or less at the beginning of the basis period of a year of assessment enjoy a tax rate of 20% (19% w.e.f. YA 2016) on chargeable incomes of up to RM500,000. The remaining chargeable income is taxed at 25% (24% w.e.f. YA 2016).

### b) Promotion of Investments (PIA) Act 1986

Small company with shareholders' fund<sup>1</sup> not exceeding RM2.5 million and having 60% to 100% Malaysian equity is eligible for tax incentives under PIA Act 1986.

<sup>1</sup> "Shareholders' funds" means the aggregate amount of a company's paid up capital (in respect of preference shares and ordinary shares and not including any amount in respect of bonus shares to the extent they were issued out of capital reserve created by revaluation of fixed assets), reserves (other than any capital reserve which was created by revaluation of fixed assets and provisions for depreciation, renewals or replacements and diminution in value of assets), balance of share premium account (not including any amount credited therein at the instance of issuing bonus shares at premium out of capital reserve created by revaluation of fixed assets), and balance of profit and loss appropriation account.





No.	Name	Eligibility	Type	Incentive	Submit to:
		<p>related company of more than RM500,000.</p> <ul style="list-style-type: none"> <li>• For companies with shareholders' fund of &gt; RM500,000 to ≤ RM2.5 million must fulfil:               <ul style="list-style-type: none"> <li>– 100% Malaysian equity;</li> <li>– Achieve at least 25% value-added in its activity or product;</li> <li>– Managerial, technical and supervisory staff level must be at least 20%; and</li> <li>– Not more than 20% of the paid-up capital of ordinary shares is directly or indirectly owned by a related company of more than RM2.5 million.</li> </ul> </li> <li>• Companies undertaking activities in:               <ul style="list-style-type: none"> <li>– <i>Appendix III: List of Promoted Activities &amp;</i></li> </ul> </li> </ul>			

No.	Name	Eligibility	Type	Incentive	Submit to:
2.	Accelerated Capital Allowance (ACA)	<p><i>Products – Small Scale Companies; and</i>                      – <i>Appendix 1: List of Promoted Activities &amp; Products – General</i></p> <ul style="list-style-type: none"> <li>• ACA for all assets in the form of plant and machinery</li> <li>• Have been granted with RA for 15 years</li> </ul> <p>(Source: MIDA and Budget 2009)</p>	ACA	<ul style="list-style-type: none"> <li>• SMEs are allowed to claim full CA on all small-value assets within 1 year</li> </ul>	IRB
3.	Small and Medium Companies (SMC)	<ul style="list-style-type: none"> <li>• Malaysian company with paid-up capital of ordinary shares of RM2.5 million or less at the beginning of the basis period of a year of assessment</li> <li>• Company cannot be controlled by another company with a paid-up capital exceeding RM2.5 million.</li> </ul> <p>(Source: Budget 2014)</p>	Reduced corporate tax	<ul style="list-style-type: none"> <li>• 19% on chargeable incomes of up to RM500,000</li> <li>• The rate on the remaining chargeable income is maintained at 24%</li> </ul> <p>Rates effective YA 2016.</p>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
4.	Promotion of Venture Capital Companies	<ul style="list-style-type: none"> <li>Venture capital companies that invest at least 30% of their funds in start-up, early stage financing or seed capital (Source: Budget 2009)</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>5-year tax exemption on the amount of investment</li> </ul>	SC
5.	Venture Capital Industry	<ul style="list-style-type: none"> <li>Venture capital companies investing at least:                             <ul style="list-style-type: none"> <li>50% of its investment funds in venture companies in the form of seed capital or</li> <li>70% of its investments funds in venture companies in start-up or early stage financing</li> </ul> </li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>Income tax exemption for 10 years</li> </ul>	IRB
6.	Enhance Use of ICT	<ul style="list-style-type: none"> <li>Expenses on the purchase and installation of ICT equipment and software</li> <li>Until YA 2016 (Source: Budget 2014)</li> </ul>	ACA	<ul style="list-style-type: none"> <li>ACA over 1 year with an initial allowance of 20% and an annual allowance of 80%</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
		<ul style="list-style-type: none"> <li>Expenditure incurred on development of an electronic ecommerce enabled websites for a business</li> </ul>		<ul style="list-style-type: none"> <li>Annual deduction of 20% for 5 years</li> </ul>	IRB
		<p>Foreign Tourists:</p> <ul style="list-style-type: none"> <li>Tour operators who bring in at least 750 foreign tourists in groups in a year by air, sea or land transportation</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>100% exempted from tax in respect of income derived from the business of operating such tours</li> </ul>	
7.	Tax Exemption for Tour Operators	<p>Local Tourists:</p> <ul style="list-style-type: none"> <li>Tour operators that organise domestic tour packages for at least 1,500 local tourists per year involving at least one night's accommodation</li> </ul> <p>Until YA 2018 (Source: Budget 2016)</p>	Tax exemption	<ul style="list-style-type: none"> <li>100% exempted from tax in respect of income derived from the business of operating such tours</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
8.	Automatic Double Deduction for R&D Project	<ul style="list-style-type: none"> <li>Companies with paid-up capital not exceeding RM2.5 million</li> <li>Required to submit R&amp;D project application to IRB (Source: Budget 2016)</li> </ul>	Automatic Double Deduction	<ul style="list-style-type: none"> <li>Double deduction automatically for R&amp;D project expenditures up to RM50,000 for each year of assessment</li> </ul>	IRB (YA 2016-2018)
9.	Allowance for Increase Exports Incentive to SMEs	<ul style="list-style-type: none"> <li>Manufacturing and agriculture companies that export goods and attain at least 20% value-added</li> <li>Manufacturing and agriculture companies that export goods and attain at least 40% value-added (Source: Budget 2016)</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>Exempted from tax to 10% of the value of increased exports</li> <li>Exempted from tax to 15% of the value of increased exports</li> </ul>	IRB (YA 2016-2018)

## Tax Incentives for Manufacturing Sector

No.	Name	Eligibility	Type	Incentive	Submit to:
1.	Main Incentives for Manufacturing Companies	<ul style="list-style-type: none"> <li>Company that involves in promoted activities or promoted products (See <i>Appendix I: List of Promoted Activities and Products - General</i>)</li> </ul>	<p>PS</p> <p>ITA</p>	<ul style="list-style-type: none"> <li>70% tax exemption for 5 years</li> <li>60% on QCE incurred within 5 years</li> <li>Offset against 70% of SI</li> <li>The remaining 30% will be taxed at the prevailing company tax rate</li> </ul>	MIDA
2.	High Technology Companies	<ul style="list-style-type: none"> <li>Companies in the production of promoted products in areas of new and emerging technologies (See <i>Appendix II: List of Promoted Activities and Products - High Technology Companies</i>)</li> <li>At least 1% of local R&amp;D expenditure to gross sales per</li> </ul>	PS	<ul style="list-style-type: none"> <li>100% tax exemption for 5 years</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
		year and has been operating at least 3 years • 15% of the company's total workforce are scientific and technical staffs (degrees or diplomas with minimum 5 years' experience)	ITA	<ul style="list-style-type: none"> <li>• 60% on QCE incurred within 5 years</li> <li>• Offset against 100% of SI</li> </ul>	
3.	Strategic Projects	<ul style="list-style-type: none"> <li>• Heavy capital investments with long gestation periods, high levels of technology, are integrated, generate extensive linkages</li> <li>• Involve products or activities of national importance</li> </ul>	PS	<ul style="list-style-type: none"> <li>• 100% tax exemption for 10 years</li> </ul>	MIDA
			ITA	<ul style="list-style-type: none"> <li>• 100% on QCE incurred within 5 years</li> <li>• Offset against 100% of SI</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
4.	Production of Selected Machinery and Equipment (M&E)	<ul style="list-style-type: none"> <li>Companies undertaking activities in the production of selected M&amp;E (<i>Appendix IV: List of Promoted Activities and Products – Selected Industries</i>)</li> <li>Value-added must be at least 40%</li> <li>Percentage of Managerial, Technical and Supervisory staff (MTS Index) to total workforce must be at least 25%.</li> </ul>	<p>PS</p> <p>ITA</p>	<ul style="list-style-type: none"> <li>100% tax exemption for 10 years</li> <li>100% on QCE incurred within 5 years</li> <li>Offset against 100% of SI</li> </ul>	MIDA
5.	Manufacture of Critical and High Value-added Parts and Components for the Automotive Industry	<ul style="list-style-type: none"> <li>Manufacturing part and components in automotive industry e.g. transmission, brake, airbag and steering systems</li> </ul>	<p>PS</p> <p>ITA</p>	<ul style="list-style-type: none"> <li>100% tax exemption for 10 years</li> <li>100% on QCE incurred within 5 years</li> <li>Offset against 100% of SI</li> </ul>	MIDA



No.	Name	Eligibility	Type	Incentive	Submit to:
6.	Assembly or Manufacture of Hybrid and Electric Vehicles	<ul style="list-style-type: none"> <li>Undertaking the assembly or manufacture of hybrid and electric vehicles</li> </ul>	<p>PS</p> <p>ITA</p> <p>Excise duty exemption</p>	<ul style="list-style-type: none"> <li>100% tax exemption for 10 years</li> <li>100% on QCE incurred within 5 years</li> <li>Offset against 100% of SI</li> <li>50% exemption on excise duty for locally assembled / manufactured vehicles or provision under the Industrial Adjustment Fund (IAF)</li> </ul>	MIDA
7.	Utilisation of Oil Palm Biomass	<ul style="list-style-type: none"> <li>Utilise oil palm biomass to produce value-added products e.g. particleboard, medium density fibreboard, plywood, pulp and paper</li> </ul>	<p>PS</p> <p>ITA</p>	<ul style="list-style-type: none"> <li>100% tax exemption for 10 years</li> <li>100% on QCE incurred within 5 years</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
8.	Reinvestment Allowance (RA)	<ul style="list-style-type: none"> <li>This incentive is eligible to both new companies and existing companies that wish to reinvest</li> <li>The value-added must be at least 60%</li> <li>The managerial, technical and supervisory (MTS) ratio must be at least 25%.</li> <li>Engaged in manufacturing &amp; selected agricultural activities that reinvest for the purposes of expansion, automation, modernisation or diversification of its existing business into any related products within the same industry (See Appendix V: List of Promoted Activities and Products – Reinvestments)</li> <li>Have been in operation for at least 36 months effective from the YA 2009</li> <li>Assets acquired for RA cannot be disposed off within a period</li> </ul>	RA	<ul style="list-style-type: none"> <li>Offset against 100% of SI</li> <li>60% on QCE incurred within 15 years</li> <li>Offset against 70% of SI; or</li> <li>Company can offset the RA 100% of its SI for the YA if the company attains a productivity level exceeding the level determined by MOF</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
		<p>of 5 years from the time of reinvestment and effective from YA 2009 (Source: MIDA &amp; Budget 2016)</p>		<ul style="list-style-type: none"> <li>Special RA for reinvestments made in a period of 3 years of assessment (QCE incurred from YA 2016- 2018)</li> </ul>	
		<ul style="list-style-type: none"> <li>Companies that intend to reinvest before the expiry of its tax relief can surrender their PS for the purpose of cancellation and eligible for RA</li> </ul>	RA	<ul style="list-style-type: none"> <li>Surrender of PS to eligible for RA</li> </ul>	MIDA
9.	Accelerated Capital Allowance (ACA)	<ul style="list-style-type: none"> <li>Companies that reinvest in the manufacture of promoted products (See Appendix I: List of Promoted Activities and Products - General)</li> <li>Have been granted with RA for 15 years (Source: MIDA and Budget 2015)</li> </ul>	ACA	<ul style="list-style-type: none"> <li>Capital expenditure is written off within 3 years i.e. an initial allowance of 40% and an annual allowance of 20%. Small-value assets not exceeding RM1,000 (RM1,300 w.e.f YA 2015) each are eligible for 100% CA.</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
10.	ACA on Equipment to Maintain Quality of Power Supply	<ul style="list-style-type: none"> <li>Power supply equipment determined by the MEGTW</li> </ul>	ACA	<ul style="list-style-type: none"> <li>The total capital allowances of such assets are capped at RM10,000 (RM13,000 w.e.f YA 2015) except for SMEs</li> <li>Capital expenditure is written off within 2 years, i.e. an initial allowance of 20% and an annual allowance of 40%.</li> </ul>	IRB
11.	ACA on Security Control Equipment	<ul style="list-style-type: none"> <li>Security control equipment installed in all business premises under Industrial Coordination Act 1975 e.g. anti-theft alarm system, siren, security camera etc.</li> </ul>	ACA	<ul style="list-style-type: none"> <li>Capital expenditure is written off within 1 year, i.e. an initial allowance of 20% and an annual allowance of 80%.</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
12.	CA to Increase Automation in Labour Intensive Industries	<ul style="list-style-type: none"> <li>• Category 1: high labour intensive industries i.e., rubber products, plastics, wood, furniture and textiles; and</li> <li>• Category 2: other industries.</li> <li>• Automation equipment should enhance the productivity e.g. reduce man hours, reduce workers and increase volume of output and must adopt technology that is more advanced than the technology currently used by the company and verified by SIRIM</li> <li>• For SMEs, acquiring similar types of machine and equipment is permissible in 2 years of acquiring the existing machine and equipment.</li> </ul>	CA	<ul style="list-style-type: none"> <li>• Category 1: CA of 200% on the first RM4 mil expenditure incurred within YA 2015-2017</li> <li>• Category 2: CA of 200% on the first RM2 mil expenditure incurred within YA 2015-2020</li> </ul>	MIDA

(Source: MIDA & Budget 2015)

No.	Name	Eligibility	Type	Incentive	Submit to:
13.	Industrial Building System (IBS)	<ul style="list-style-type: none"> <li>Expenses on the purchase of mould used in the production of IBS components</li> </ul>	ACA	<ul style="list-style-type: none"> <li>Capital expenditure is written off within 3 years with an initial allowance of 20% and an annual allowance of 40%</li> </ul>	IRB
14.	Value of Increased Exports	<ul style="list-style-type: none"> <li>Manufacturing companies that export goods that attain at least 30% value-added</li> <li>Manufacturing companies that export goods that attain at least 50% value-added</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>Exempted from tax to 10% of the value of increased exports</li> <li>Exempted from tax to 15% of the value of increased exports</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
15.	Value of Increased Exports	<ul style="list-style-type: none"> <li>• Under National Automotive Policy (NAP), manufacturing in the automotive industry</li> <li>• Effective from YA 2010 until YA 2014</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>• Exempted on SI equivalent to 30% of the value of increased exports, provided that the goods exported attain at least 30% value-added</li> <li>• Exempted on SI equivalent to 50% of the value of increased exports provided that the goods exported attain at least 50% value-added</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
		<ul style="list-style-type: none"> <li data-bbox="275 738 381 1128">ii. Succeeds in penetrating new markets</li> <li data-bbox="381 738 489 1128">iii. Achieves the highest increase in export in its category</li> </ul>		<ul style="list-style-type: none"> <li data-bbox="264 300 381 574">• Exempted from tax to 50% of the value of increased exports</li> <li data-bbox="381 300 489 574">• Full tax exemption on the value of increased exports</li> </ul>	



## Tax Incentives for Services Sector

### A. Tourism Industry

No.	Name	Eligibility	Type	Incentive	Submit to:
1.	Hotel and Tourism Industry	<ul style="list-style-type: none"> <li>• Tourism projects includes eco-tourism and agro-tourism.</li> <li>• These include hotel businesses, construction of holiday camps, recreational projects including recreational camps, theme parks and construction of convention centres with a capacity to accommodate at least 3,000 participants.</li> <li>• Hotel businesses refer to the following:                             <ul style="list-style-type: none"> <li>– Construction or renovation of medium and low-cost hotels as certified by the Ministry of Tourism and Culture (MOTAC); and</li> <li>– Expansion / modernisation of existing hotels.</li> </ul> </li> </ul>	PS	<ul style="list-style-type: none"> <li>• 70% tax exemption for 5 years</li> </ul>	MIDA by 31 Dec 2016
				<ul style="list-style-type: none"> <li>• 60% on QCE incurred within 5 years</li> <li>• Offset against 70% of SI</li> </ul>	
		<ul style="list-style-type: none"> <li>• As explained above by MOTAC</li> </ul>	ITA		

No.	Name	Eligibility	Type	Incentive	Submit to:
2.	Undertaking New Investments	<ul style="list-style-type: none"> <li>Companies undertaking new investments in 4 and 5-star hotels in Sabah and Sarawak</li> </ul>	<p>PS</p> <p>ITA</p>	<ul style="list-style-type: none"> <li>100% tax exemption for 5 years</li> <li>100% on QCE can be offset to 100% of SI on each YA for 5 years.</li> <li>Unutilised allowances can be carried forward to subsequent years until fully utilised.</li> </ul>	MIDA by 31 Dec 2016
3.	Reinvestment: Hotel and Tourism Projects	<ul style="list-style-type: none"> <li>Reinvest in the expansion, modernisation, renovation and refurbishment of hotels and tourism projects</li> </ul>	<p>PS</p> <p>ITA</p>	<ul style="list-style-type: none"> <li>70% tax exemption for 5 years</li> <li>60% on QCE incurred within 5 years</li> <li>Offset against 70% of SI</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
			ITA	<ul style="list-style-type: none"> <li>• 100% on QCE incurred within 5 years</li> <li>• Offset against 100% of SI</li> </ul>	
4.	Healthcare Travel	<ul style="list-style-type: none"> <li>• Private hospitals that invest in expansion, modernisation, renovation, refurbishment of existing hospitals or in the construction of new private hospital, or setting up of the International Patients Unit</li> <li>• These hospitals must be registered with the Ministry of Health (MOH)</li> </ul>	ITA	<ul style="list-style-type: none"> <li>• 100% on QCE incurred within 5 years</li> <li>• Offset against 100% of SI</li> </ul>	MIDA by 31 Dec 2017
		<ul style="list-style-type: none"> <li>• Automatic Employment / Professional Pass Approval for Medical Specialist</li> </ul>		<ul style="list-style-type: none"> <li>• Automatic pass subject to registration with relevant professional bodies</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
5.	Luxury Yacht Industry	<ul style="list-style-type: none"> <li>• Construct luxury yachts</li> <li>• Carry out repair and maintenance activities for luxury yachts in the island of Langkawi</li> <li>• Provide chartering services of luxury yachts in the country</li> </ul>	<p>PS</p> <p>Tax exemption</p> <p>Tax exemption</p>	<p>N/A</p> <ul style="list-style-type: none"> <li>• Tax exemption of 100% for 5 years</li> <li>• Tax exemption of 100% for 5 years</li> </ul>	<p>MIDA</p> <p>MOF</p> <p>IRB</p>
6.	Double Deduction on Overseas Promotion	<ul style="list-style-type: none"> <li>• Hotels and tour operators that participated in promotional activities overseas.</li> <li>• The qualifying expenditure are: <ul style="list-style-type: none"> <li>– publicity and advertisements in any mass media outside Malaysia</li> <li>– publication of brochures, magazines and guide books, including delivery costs that are not charged to the overseas customers</li> </ul> </li> </ul>	<p>Tax double deduction</p>	<ul style="list-style-type: none"> <li>• Income tax double deduction on the expenditure incurred for promotional activities overseas.</li> </ul>	<p>IRB</p>

No.	Name	Eligibility	Type	Incentive	Submit to:
7.	Double Deduction on Approved Trade Fairs	<ul style="list-style-type: none"> <li>- market research into new markets overseas, subject to the prior approval by MOTAC</li> <li>- fares to any country outside Malaysia to negotiate or secure a contract for advertising or participating in trade fairs, conferences or forums approved by the MOTAC</li> <li>- organising trade fairs, conferences or forums approved by the MOTAC</li> <li>- maintenance of sales offices overseas for purposes of promoting tourism in Malaysia.</li> </ul> <ul style="list-style-type: none"> <li>• Companies that participate in an approved international trade fair in Malaysia</li> </ul>	Tax double deduction	<ul style="list-style-type: none"> <li>• Income tax double deduction on the expenditure incurred in participating in</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
8.	Tax Exemption for Promoting International Conference and Trade Exhibitions	<ul style="list-style-type: none"> <li>• Local companies who bring in at least 500 foreign participants to the conference</li> <li>• Organisers bring in at least 500 foreign participants per year to the international trade exhibitions in Malaysia</li> <li>• Exhibitions must be approved by the Malaysia External Trade Development Corporation (MATRADE)</li> </ul>	Tax exemption	<p>an approved international trade fair in Malaysia</p> <ul style="list-style-type: none"> <li>• Exempted from tax in respect of income earned</li> <li>• Exempted from tax in respect of income earned</li> </ul>	IRB
9.	Single Deduction on Cultural Performances	<ul style="list-style-type: none"> <li>• Companies that promote and manage musical or cultural groups and sponsoring local and/or foreign cultural performances as approved by MOTAC</li> </ul>	Tax deduction	<ul style="list-style-type: none"> <li>• Income tax deduction on expenditure incurred</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
10.	Car Rental Operators	<p>Expenses incurred in:</p> <ul style="list-style-type: none"> <li>• Sponsoring arts, cultural and heritage performances and shows for up to RM500,000.</li> <li>• The ceiling for deductions allowed on foreign performances and shows remains at RM200,000 per year</li> </ul> <p>• Operators of car rental services for tourists</p>	Excise duty exemption	<ul style="list-style-type: none"> <li>• Full excise duty exemption on the purchase of national cars</li> <li>• 50% excise duty exemption on locally assembled 4WD vehicles</li> </ul>	MOF

**B. Environmental Management**

No.	Name	Eligibility	Type	Incentive	Submit to:
1.	Forest Plantation Projects	<ul style="list-style-type: none"> <li>Companies that undertake forest plantation projects are eligible under Promotional of Investments Acts 1986</li> </ul>	PS	<ul style="list-style-type: none"> <li>100% tax exemption of SI for 10 years</li> </ul>	
			ITA	<ul style="list-style-type: none"> <li>100% on the QCE within 5 years</li> <li>Offset against 100% of SI for each YA.</li> <li>Unutilised allowances can be carried forward to fully utilised</li> </ul>	MIDA



No.	Name	Eligibility	Type	Incentive	Submit to:
		<p>Alternatively, Section 127, Income Tax Act 1967 for companies:</p> <ul style="list-style-type: none"> <li>Invest in the related company which eligible for tax deduction equivalent to the amount invested</li> <li>Company that undertakes an approved Forest Plantation Project</li> </ul>	<p>Tax exemption</p>	<ul style="list-style-type: none"> <li>100% on SI for 10 years</li> <li>Losses incurred before and during the exemption period are allowed to be brought forward after the exemption period of 10 years</li> </ul>	<p>MPIC</p>

No.	Name	Eligibility	Type	Incentive	Submit to:
2.	Storage, Treatment and Disposal of Toxic and Hazardous Wastes	<ul style="list-style-type: none"> <li>Companies that are directly involved in these three activities in an integrated manner</li> </ul>	PS	<ul style="list-style-type: none"> <li>70% tax exemption for 5 years</li> </ul>	MIDA
			ITA	<ul style="list-style-type: none"> <li>60% on QCE incurred within 5 years</li> <li>Offset against 70% of SI</li> </ul>	
3.	Waste Recycling Activities	<ul style="list-style-type: none"> <li>Undertakes waste recycling activities that are high value-added and use high technology</li> <li>These activities include recycling of agricultural wastes or agricultural by-products, recycling of chemicals and the production of reconstituted wood-based panel boards or products.</li> </ul>	PS	<ul style="list-style-type: none"> <li>70% tax exemption for 5 years</li> </ul>	MIDA
			ITA	<ul style="list-style-type: none"> <li>60% on QCE incurred within 5 years</li> <li>Offset against 70% of SI</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
4.	Accelerated Capital Allowance for Environmental Management	<ul style="list-style-type: none"> <li>• Companies using environmental protection equipment such as:                             <ul style="list-style-type: none"> <li>– Waste generators and wish to establish facilities to store, treat and dispose-off their wastes, either on-site or off-site</li> <li>– Undertake waste recycling activities.</li> </ul> </li> </ul>	ACA	<ul style="list-style-type: none"> <li>• Capital expenditure is written off within 3 years, i.e. an initial allowance of 40% and an annual allowance of 20%.</li> </ul>	IRB
5.	Green Technology Incentives	<ul style="list-style-type: none"> <li>• For green technology activities in the areas of energy, transportation, building, waste management, and supporting services activities</li> <li>• All green technology asset must be listed in MyHijau Directory</li> </ul>			MIDA by 31 Dec 2020

No.	Name	Eligibility	Type	Incentive	Submit to:
		<p>(A) Green Technology Project</p> <ul style="list-style-type: none"> <li>Green technology project related to renewable energy, energy efficiency, green building, green data centre, and waste management</li> </ul>	ITA	<ul style="list-style-type: none"> <li>100% on QCE incurred from YA 2013 until 2020</li> <li>Offset against 70% of SI</li> </ul>	
		<p>(B) Green Technology Services</p> <ul style="list-style-type: none"> <li>Green technology services related to renewable energy, energy efficiency, electric vehicle (EV), green building, green data centre, green certification and verification, and green township</li> </ul>	ITA	<ul style="list-style-type: none"> <li>100% on QCE incurred from YA 2013 until 2020</li> <li>Offset against 70% of SI</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
	(C) Purchase of Green Technology Assets	<ul style="list-style-type: none"> <li>Green technology asset must be listed in MyHijau Directory</li> </ul>	ITA	<ul style="list-style-type: none"> <li>100% on QCE incurred from YA 2013 until 2020</li> <li>Offset against 70% of SI</li> </ul>	
6.	Incentives for Waste Eco Parks (WEPs)	(A) Incentive for WEP Developers (Companies) <ul style="list-style-type: none"> <li>The developer must develop the infrastructure within the WEP which incorporates the following elements:               <ul style="list-style-type: none"> <li>Basic infrastructure such as roads, drainage system, utilities and sewerage;</li> <li>Building &amp; facility for waste receiving and separation;</li> <li>Waste water treatment facility;</li> </ul> </li> </ul>	Tax Exemption	<ul style="list-style-type: none"> <li>Tax exemption of 70% w.e.f YA 2016 – 2025 for rental of building, usage of waste receiving and separation facility and waste water treatment facility located in the WEP</li> </ul>	MIDA by 31 Dec 2020

No.	Name	Eligibility	Type	Incentive	Submit to:
		<ul style="list-style-type: none"> <li>- Building for Recycling / recovery / treatment facility; and</li> <li>- Building for Education &amp; awareness centre; and / or</li> <li>- Disposal facility.</li> <li>• The WEP must be approved by the National Solid Waste Management Department (JSPSPN), relevant Waste Authorities, State Government or Local Authorities.</li> </ul>			
		(B) Incentive for WEP Managers (Companies)	Tax Exemption	<ul style="list-style-type: none"> <li>• Tax exemption of 70% w.e.f YA 2016-2025 for services activities related to</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
		<p>(C) Incentive for WEP Operators (Companies)</p> <ul style="list-style-type: none"> <li>• Eligible to companies located in the WEP undertaking qualifying activities as follows:               <ul style="list-style-type: none"> <li>– Waste treatment;</li> <li>– Waste recovery; and</li> <li>– Waste recycling</li> </ul> </li> </ul>	<p>Tax Exemption</p>	<ul style="list-style-type: none"> <li>• Tax exemption of 100% or 5 years; or</li> <li>• Tax exemption equivalent to 100% of QCE (ITA) incurred within 5 years; and</li> <li>• Offset against 70% of SI</li> </ul>	

### C. Research and Development (R&D)

No.	Name	Eligibility	Type	Incentive	Submit to:
<ul style="list-style-type: none"> <li>• The Promotion of Investments Act 1986 defines research and development (R&amp;D) as "any systematic or intensive study carried out in the field of science or technology with the objective of using the results of the study for the production or improvement of materials, devices, products, produce or processes but does not include:               <ul style="list-style-type: none"> <li>– Quality control of products or routine testing of materials, devices, products or produce;</li> <li>– Research in the social sciences or humanities;</li> <li>– Routine data collection;</li> <li>– Efficiency surveys or management studies; and</li> <li>– Market research or sales promotion.</li> </ul> </li> <li>• Companies which carry out design, development and prototyping as independent activities are also eligible for incentives.</li> </ul>					
1.	Main Incentives for R&D	(i) Contract R&D Company <ul style="list-style-type: none"> <li>• Company that provides R&amp;D services in Malaysia to a company other than its related company</li> <li>• Fulfill the following criteria               <ul style="list-style-type: none"> <li>– Research undertaken should be in accordance</li> </ul> </li> </ul>	PS  ITA	<ul style="list-style-type: none"> <li>• 100% tax exemption for 5 years</li> <li>• 100% on QCE incurred within 10 years</li> <li>• Offset against 70% of SI</li> </ul>	MIDA



No.	Name	Eligibility	Type	Incentive	Submit to:
		<p>with the needs of the country and bring benefit to the economy;</p> <ul style="list-style-type: none"> <li>- At least 70% of the income of the company should be derived from R&amp;D activities;</li> <li>- For manufacturing-based R&amp;D, at least 50% of the workforce of the company must be appropriately qualified personnel performing research and technical functions; and</li> <li>- For agriculture-based R&amp;D, at least 5% of the workforce of the company must be appropriately qualified personnel performing research and technical functions.</li> </ul>			

No.	Name	Eligibility	Type	Incentive	Submit to:
		(ii) R&D Company <ul style="list-style-type: none"> <li>• Company that provides R&amp;D services in Malaysia to its related company or to any other company</li> <li>• Fulfil the 4 criteria as above</li> </ul>	ITA	<ul style="list-style-type: none"> <li>• 100% on QCE incurred within 10 years</li> <li>• Offset against 70% of SI</li> </ul>	
		(iii) In-house Research <ul style="list-style-type: none"> <li>• Company that undertakes in-house R&amp;D to further its business</li> </ul>	ITA	<ul style="list-style-type: none"> <li>• 50% on QCE incurred within 10 years</li> <li>• Offset against 70% (100% for promoted areas) of SI</li> </ul>	
		(iv) Second Round Incentives <ul style="list-style-type: none"> <li>• R&amp;D companies / activities mentioned in categories (i) - (iii)</li> </ul>	PS & ITA	<ul style="list-style-type: none"> <li>• Second round of Pioneer Status for another 5 years, or ITA for a further 10 years, where applicable.</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
2.	Commercialisation of Public Sector R&D	<ul style="list-style-type: none"> <li>• Fulfill the following criteria                             <ul style="list-style-type: none"> <li>– At least 70% of the investing company (holding company) and the company undertaking the commercialisation projects are owned by Malaysians;</li> <li>– The company investing should own at least 70% of the equity of the company commercialising the R&amp;D findings;</li> <li>– The commercialisation of the R&amp;D findings should be implemented within 1 year from the date of approval of the incentive</li> </ul> </li> <li>(i) Company investing in its subsidiary company engaged in the R&amp;D commercialisation</li> </ul>	Tax deduction	<ul style="list-style-type: none"> <li>• Income tax deduction equivalent to the amount of investment made in the subsidiary company</li> </ul>	MIDA by 31 Dec 2017

No.	Name	Eligibility	Type	Incentive	Submit to:
		(ii) Subsidiary company undertaking the commercialisation of the R&D findings (Source: Budget 2013)	Tax Exemption	<ul style="list-style-type: none"> <li>100% tax exemption for 10 years</li> </ul>	
3.	Double Deduction for R&D	(i) Revenue (non-capital) expenditure for research which is directly undertaken and approved by the Ministry of Finance (MOF)	Tax double deduction	<ul style="list-style-type: none"> <li>Income tax double deduction on its revenue (non-capital) expenditure for research</li> </ul>	IRB
		<ul style="list-style-type: none"> <li>Company that contributes cash or donations to approved research institutes, and payments for the use of the services of approved research institutes, approved research companies, R&amp;D companies or contract R&amp;D companies.</li> </ul>	Tax double deduction	<ul style="list-style-type: none"> <li>Income tax double deduction on the cash contributions, donations</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
		<ul style="list-style-type: none"> <li>Approved R&amp;D expenditure incurred during the tax relief period for companies granted Pioneer Status</li> </ul>	Tax double deduction	<ul style="list-style-type: none"> <li>Income tax double deduction after the tax relief period</li> </ul>	
		<ul style="list-style-type: none"> <li>Expenditure on R&amp;D activities undertaken overseas, including the training of Malaysian staff</li> </ul>	Tax double deduction	<ul style="list-style-type: none"> <li>Income tax double deduction on a case-by-case basis</li> </ul>	
4.	Researchers to Commercialise Research Findings	<ul style="list-style-type: none"> <li>Researchers who undertake research that are focused on value creation</li> <li>The research must be verified by the Ministry of Science, Technology and Innovation (MOSTI)</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>Tax exemption of 50% for 5 years on the income that they receive from the commercialisation of their research findings</li> </ul>	IRB

**D. Training**

No.	Name	Eligibility	Type	Incentive	Submit to:
1.	Main Incentives for Training	<ul style="list-style-type: none"> <li>• Companies that establish technical or vocational training institutions</li> <li>• Existing companies providing technical or vocational training that undertake new investments to upgrade their training equipment or expand their training capacities</li> <li>• The incentive also applies to:               <ul style="list-style-type: none"> <li>– Private Higher Education Institutions (PHEIs) in the field of science; and</li> <li>– Existing PHEIs in the field of science that undertake new investments to upgrade their training equipment or expand their training capacities.</li> </ul> </li> </ul>	ITA	<ul style="list-style-type: none"> <li>• 100% on QCE incurred within 10 years</li> <li>• Offset against 70% of SI</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
2.	Deduction for Cost of Recruitment of Workers	<ul style="list-style-type: none"> <li>Cost includes expenses incurred in participation in job fairs, payment to employment agencies and head-hunters.</li> </ul>	Single tax deduction	<ul style="list-style-type: none"> <li>Income tax deduction on the cost of recruitment</li> </ul>	IRB
3.	Deduction for Pre-Employment Training	<ul style="list-style-type: none"> <li>Training expenses incurred before the commencement of business</li> <li>Companies must prove that they will employ the trainees</li> </ul>	Single tax deduction	<ul style="list-style-type: none"> <li>Single tax deduction on the expenses incurred</li> </ul>	IRB
4.	Deduction for Non-Employee Training	<ul style="list-style-type: none"> <li>Expenses incurred in providing practical training to residents who are not employees of the company</li> </ul>	Single tax deduction	<ul style="list-style-type: none"> <li>Single tax deduction on the expenses incurred</li> </ul>	IRB
5.	Deduction for Cash Contributions	<ul style="list-style-type: none"> <li>Contributions in cash to technical or vocational training institutions that are not operating primarily for profit and those established and maintained by a statutory body</li> </ul>	Single tax deduction	<ul style="list-style-type: none"> <li>Single tax deduction on the cash contributions</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
6.	Special Industrial Building Allowance (IBA)	<ul style="list-style-type: none"> <li>Companies that incur expenditure on buildings used for approved industrial, technical or vocational training</li> </ul>	IBA	<ul style="list-style-type: none"> <li>Special annual IBA of 10% for 10 years on QCE for the construction or purchase of a building</li> </ul>	IRB
7.	Tax Exemption on Educational Equipment	<ul style="list-style-type: none"> <li>Applicable to the approved training institutes, in-house training projects and all private institutions of higher learning</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>Import duty, sales tax and excise duty exemptions on all educational equipment including laboratory equipment for workshops, studios and language laboratories</li> </ul>	MIDA



No.	Name	Eligibility	Type	Incentive	Submit to:
8.	Tax Exemption on Royalty Payments	<ul style="list-style-type: none"> <li>Royalty payments made by educational institutions to non-residents (franchisors) for franchised education programmes that are approved by the Ministry of Education (MOE)</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>Tax exemption on royalty payments</li> </ul>	IRB
9.	Double Deduction for Approved Training	<ul style="list-style-type: none"> <li>Manufacturing and non-manufacturing companies that do not contribute to the HRDF                             <ul style="list-style-type: none"> <li>For manufacturing sector, training could be undertaken in-house or at approved training institutions.</li> <li>For non-manufacturing sector, the training should be held only at approved training institutions.</li> <li>For hotel and tour operation business, training programmes, in-house or at approved</li> </ul> </li> </ul>	Double tax deduction	<ul style="list-style-type: none"> <li>Double deduction on expenses incurred for approved training.</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
10.	Double Deduction for Structured Internship Programme	<p>training institutions, to upgrade the level of skills and professionalism in the tourism industry, must be approved by MOTAC</p> <ul style="list-style-type: none"> <li>• Employers who incur expenses for training their employees in the following skills :               <ul style="list-style-type: none"> <li>– Post graduate courses in information and communication technology (ICT), electronics and life sciences;</li> <li>– Post basic courses in nursing and allied health care; and</li> <li>– Aircraft maintenance engineering courses.</li> </ul> </li> <li>• The internship programme is for full time undergraduate students from the Public / Private Higher Educational Institutions; and</li> </ul>	Double deduction	<ul style="list-style-type: none"> <li>• Double deduction on expenses incurred by companies</li> </ul>	IRB (YA 2012-2016)

No.	Name	Eligibility	Type	Incentive	Submit to:
11.	Double Deduction for Awarding Scholarship	<ul style="list-style-type: none"> <li>• Internship programme is for a minimum period of 10 weeks with a monthly allowance of not less than RM 500</li> <li>• Private companies that award scholarships to Malaysian students pursuing study at diploma and bachelor's degree in local institutions of higher learning registered with the MOE</li> <li>• Scholarships awarded are for students that fulfil the following criteria:               <ol style="list-style-type: none"> <li>i. Full-time student;</li> <li>ii. Have no sources of income; and</li> <li>iii. Total monthly income of the parents or guardian of the student does not exceed RM5,000.</li> </ol> </li> </ul>	Double deduction	<p>that implement the structured internship programme</p> <ul style="list-style-type: none"> <li>• Double deduction on cost incurred for awarding scholarship</li> </ul>	IRB (YA 2012-2017)

**E. Approved Service Project (ASP)**

No.	Name	Eligibility	Type	Incentive	Submit to:
<ul style="list-style-type: none"> <li>Approved Service Projects (ASPs) or projects in the transportation, communications and utilities sub-sectors approved by the MOF qualify for the following tax incentives</li> </ul>					
1.	Exemption under Section 127 of the Income Tax 1967	<ul style="list-style-type: none"> <li>Companies undertaking ASPs</li> <li>Companies undertaking ASPs of national and strategic importance</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>Income tax exemption of 70% for 5 years</li> <li>Income tax exemption of 100% for 10 years</li> </ul>	MIDA
2.	Investment allowance under Schedule 7B of the Income Tax Act 1967	<ul style="list-style-type: none"> <li>Alternative incentive to Section 127. For companies undertaking ASPs</li> </ul>	Investment allowance	<ul style="list-style-type: none"> <li>Allowance up to 60% on QCE within 5 years from the date of capital expenditure incurred</li> <li>Offset 70% of SI</li> </ul>	MOF

No.	Name	Eligibility	Type	Incentive	Submit to:
		<ul style="list-style-type: none"> <li>Companies undertaking ASPs of national and strategic importance</li> </ul>	Investment allowance	<ul style="list-style-type: none"> <li>Allowance of 100% on QCE within 5 years</li> <li>Offset 100% of the SI</li> </ul>	
3.	Exemption from Import Duty, Sales Tax and Excise Duty on Raw Materials, Components, Machinery, Equipment, Spares and Consumables	<ul style="list-style-type: none"> <li>Imports of raw materials and components not available locally and used directly to implement ASPs</li> </ul>	Exemption from import duty, sales tax and excise duty	<ul style="list-style-type: none"> <li>Exemption from import duty and sales tax</li> </ul>	MIDA
		<ul style="list-style-type: none"> <li>Locally purchased machinery or equipment for ASPs</li> </ul>		<ul style="list-style-type: none"> <li>Exemption from sales tax and excise duty</li> </ul>	
		<ul style="list-style-type: none"> <li>Companies providing services in the transportation and telecommunications sectors, power plants and port operators</li> </ul>		<ul style="list-style-type: none"> <li>Import duty and sales tax exemption on spares and consumables that are not produced locally</li> </ul>	

**F. Film Industry**

No.	Name	Eligibility	Type	Incentive	Submit to:
1.	Film Industry	<ul style="list-style-type: none"> <li>Companies that involve in the industry of film</li> </ul>	PS	<ul style="list-style-type: none"> <li>70% (100% for promoted areas) tax exemption for 5 years</li> </ul>	
			ITA	<ul style="list-style-type: none"> <li>60% (100% for promoted areas) on QCE incurred within 5 years</li> <li>Offset against 70% (100% for promoted areas) of income</li> </ul>	MIDA

**G. Integrated Central Utility Facilities (ICUF)**

No.	Name	Eligibility	Type	Incentive	Submit to:
<ul style="list-style-type: none"> <li>Integrated central utility facility (ICUF) is defined as a facility capable of supplying utilities from a common complex at competitive prices and higher efficiency</li> <li>Core services provided by integrated CUF include supply, storage, handling and other services of energy, water and gas</li> </ul>					
1.	Incentives for Integrated Central Utility Facilities	<ul style="list-style-type: none"> <li>Companies that provide ICUF</li> </ul>	PS	<ul style="list-style-type: none"> <li>70% tax exemption for 5 years</li> </ul>	
			ITA	<ul style="list-style-type: none"> <li>60% on QCE incurred within 5 years</li> <li>Offset against 70% of SI</li> </ul>	MIDA

**H. Integrated Logistic Services (ILS)**

No.	Name	Eligibility	Type	Incentive	Submit to:
1.	Incentives for Integrated Logistic Services	<ul style="list-style-type: none"> <li>Companies providing ILS which comprise activities along the logistics supply chain such as freight forwarding, warehousing, transportation and other related value-added services such as distribution, palletising, product assembly/installation, bulk breaking, consolidation, packaging/re-packaging, procurement, quality control, labelling/relabeling, testing and supply chain management</li> </ul>	PS	<ul style="list-style-type: none"> <li>70% tax exemption for 5 years</li> </ul>	
			ITA	<ul style="list-style-type: none"> <li>60% on QCE incurred within 5 years</li> <li>Offset against 70% of SI</li> <li>The remaining 30% of the SI will be taxed at the prevailing company tax rate</li> </ul>	MIDA





**J. Industrial Design Services**

No.	Name	Eligibility	Type	Incentive	Submit to:
1.	Providers of Industrial Design Services in Malaysia	<ul style="list-style-type: none"> <li>Companies that provide industrial design services for the purpose of mass production</li> </ul>	PS	<ul style="list-style-type: none"> <li>Tax exemption of 70% of SI for 5 years</li> </ul>	MIDA by 31 Dec 2016

**K. Other Services**

No.	Name	Eligibility	Type	Incentive	Submit to:
1.	Incentives for Other Services	<ul style="list-style-type: none"> <li>Irradiation Services</li> <li>Gas Sterilization Service</li> <li>Designing and Prototyping</li> <li>Servicing and upgrading or reconditioning of machinery and equipment</li> </ul>	PS  ITA	<ul style="list-style-type: none"> <li>70% (100% for promoted areas) tax exemption for 5 years</li> <li>60% (100% for promoted areas) on QCE incurred within 5 years</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
2.	Incentives for Individual Taxi Owners	NA  (Source: Budget 2012)	Exemption from GST and excise duty	<ul style="list-style-type: none"> <li>• Offset against 70% (100% for promoted areas) of SI</li> <li>• 100% excise duty and GST exemptions on the purchase of new locally made taxis (PROTON)</li> <li>• Exemption from payment of excise duty and GST sold or transferred of ownership after 7 year</li> </ul>	MOF
3.	Incentive for last mile network facilities provider for broadband	<ul style="list-style-type: none"> <li>• Companies investing in last mile broadband infrastructure are given the following tax incentives: (Source: Budget 2011)</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>• Income tax exemption of 100% for 5 years on expenses incurred for</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
4.	Operational Headquarters (OHQ)	<ul style="list-style-type: none"> <li>OHQ refers to company that provides support services to its offices or related companies regionally and globally</li> <li>Section 127 of the Income Tax Act 1967</li> </ul>	Tax exemption	broadband infrastructure <ul style="list-style-type: none"> <li>Offset against 70% of SI</li> <li>Income tax exemption for the period of 10 years on:                             <ul style="list-style-type: none"> <li>– Business Income</li> <li>– Interest</li> <li>– Royalties</li> </ul> </li> </ul>	MIDA
5.	Establishment of Principal Hub	<ul style="list-style-type: none"> <li>This incentive will replace existing incentives given to International Procurement Centre (IPC), Regional Distribution Centre (RDC) and Operational Headquarters (OHQ) as of 1 May 2015</li> <li>Local incorporation under the Companies Act 1965</li> <li>Companies with paid-up capital exceeding RM2.5 mil</li> </ul>	Tax deduction	<ul style="list-style-type: none"> <li>3- tiered rate of tax reductions based on the level of value created</li> </ul>	MIDA by 30 Apr 2018

No.	Name	Eligibility	Type	Incentive	Submit to:
6.	Treasury Management Centre (TMC)	<ul style="list-style-type: none"> <li>• Min. annual sales of RM300 mil (additional requirement for goods-based applicant company)</li> <li>• Serves and control network companies in at least 3 countries outside Malaysia:               <ul style="list-style-type: none"> <li>- Tier 3: min 3 countries</li> <li>- Tier 2: min 4 countries</li> <li>- Tier 1: min 5 countries</li> </ul> </li> <li>• Carries out at least 3 qualifying services including at least 1 strategic service</li> <li>• Fulfill other requirements (refer <i>Guidelines for the New Tax Incentives under the Malaysian 2015 Budget - MIDA</i>)</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>• 70% of SI arising from treasury services rendered by treasury</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
				<p>centres for 5 years</p> <ul style="list-style-type: none"> <li>• Exemption from withholding tax on interest payment / profits on borrowings by TMC</li> <li>• Full exemption on stamp duty on all loan / financing agreements and service agreement</li> <li>• Expatriates working in a TMC are taxed only on the portion of their chargeable income</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
7.	Private School & International Schools	<ul style="list-style-type: none"> <li>Private Schools</li> <li>International Schools</li> </ul>	Import duty  Double deduction	attributable to the number of days that they are in Malaysia  N/A  <ul style="list-style-type: none"> <li>Double deduction for overseas promotional expenses</li> </ul>	IRB
8.	Islamic Capital Market - Company that provides Shariah-compliant fund management services	<ul style="list-style-type: none"> <li>Fund management company that is certified by SC (Source: Budget 2016)</li> </ul>	Income tax exemption	<ul style="list-style-type: none"> <li>Tax exemption to income derived from business of providing fund management services to foreign investors in Malaysia</li> </ul>	SC (YA 2007-2020)

No.	Name	Eligibility	Type	Incentive	Submit to:
				<ul style="list-style-type: none"> <li>• Tax exemption to income derived from business of providing fund management services to local investors in Malaysia</li> </ul>	<p>SC (YA 2008 - 2020)</p>
				<ul style="list-style-type: none"> <li>• Tax exemption to income derived from business of providing fund management services to business trusts or real estate investment funds in Malaysia</li> </ul>	<p>SC (YA 2004 - 2020)</p>



## Tax Incentives for Agriculture Sector

No.	Name	Eligibility	Type	Incentive	Submit to:
<p>The Promotion of Investments Act 1986 states that the term “company” in relation to agriculture includes:</p> <ul style="list-style-type: none"> <li>• Agro-based cooperative societies and associations; and</li> <li>• Sole proprietorships and partnerships engaged in agriculture.</li> </ul>					
1.	Main Incentives for Agricultural Sector	<ul style="list-style-type: none"> <li>• Company that involves in promoted activities or products in the agriculture sector (See Appendix I: List of Promoted Activities and Products - General)</li> </ul>	PS	<ul style="list-style-type: none"> <li>• 30% tax exemption for 5 years</li> <li>• Unabsorbed capital allowances as well as accumulated losses incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
2.	Incentives for Food Production (New Projects)	<ul style="list-style-type: none"> <li>Given to both companies i.e. that invest in a subsidiary company engaged in an approved food production project and its subsidiary company undertaking the food production activities.</li> <li>The company must invest at least 70% in the subsidiary company that undertakes food production activities</li> <li>The approved food production activities by the MOF are cultivation of kenaf, vegetables, fruits, herbs, spices, aquaculture, rearing of cattle, goats, sheep; deep sea fishing; coconuts, mushrooms and cash crops.</li> </ul>	ITA	<ul style="list-style-type: none"> <li>60% on QCE incurred within 5 years</li> <li>Offset against 70% of SI</li> </ul>	
			Tax exemption	<ul style="list-style-type: none"> <li>Income tax exemption of 100% for 10 years on expenses incurred</li> </ul>	MOA by 31 Dec 2015 (extended to 31 Dec 2020, Budget 2016)

No.	Name	Eligibility	Type	Incentive	Submit to:
3.	Incentives for Food Production (Existing Companies which Reinvest)	<p>rearing of deer; cultivation of seaweed, rearing of honey (bees &amp; kelulut) and planting of animal feed crops</p> <ul style="list-style-type: none"> <li>The food production project should commence within a period of 1 year from the date the incentive is approved</li> <li>An existing company that reinvests in the production of the above food products</li> <li>The food production project for both new and existing companies should commence within a year from the date the incentive is approved</li> <li>Companies which invest in halal food production and have already obtained halal certification from JAKIM</li> <li>Companies which invest in <i>halal</i> food production and have already obtained halal certification from JAKIM</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>Income tax exemption of 100% for 5 years on expenses incurred</li> </ul>	MOA by 31 Dec 2015 (extended to 31 Dec 2020, Budget 2016)
4.	Production of Halal Food	<ul style="list-style-type: none"> <li>Companies which invest in halal food production and have already obtained halal certification from JAKIM</li> <li>Companies which invest in <i>halal</i> food production and have already obtained halal certification from JAKIM</li> </ul>	ITA	<ul style="list-style-type: none"> <li>100% on QCE incurred within 5 years</li> <li>Offset against 100% of SI</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
5.	Halal Park Operator	<ul style="list-style-type: none"> <li>Companies that operate in Halal Park</li> </ul>	PS	<ul style="list-style-type: none"> <li>100% tax exemption for 10 years</li> </ul>	HDC
6.	Halal Industry Players	<ul style="list-style-type: none"> <li>Companies proposing to undertake projects in the designated Halal Parks</li> <li>The activities must be in the following four industry sectors:                             <ul style="list-style-type: none"> <li>Specialty processed food</li> <li>Pharmaceuticals, cosmetics and personal care products</li> <li>Livestock and meat products</li> <li>Halal ingredients</li> </ul> </li> </ul>	ITA	<ul style="list-style-type: none"> <li>100% on QCE incurred within 10 years</li> <li>Offset against 100% of SI</li> </ul>	HDC
			Tax exemption	<ul style="list-style-type: none"> <li>Tax exemption on export sales for 5 years</li> </ul>	HDC

No.	Name	Eligibility	Type	Incentive	Submit to:
7.	Halal Logistics Operators	<ul style="list-style-type: none"> <li>Services provided by halal logistic operators must be integrated which comprises of the 3 principal activities:                             <ul style="list-style-type: none"> <li>Forwarding</li> <li>Warehousing</li> <li>Transportation</li> </ul> </li> </ul>	ITA  Tax exemption	<ul style="list-style-type: none"> <li>100% on QCE incurred within 5 years</li> <li>Offset against 100% of SI</li> <li>Tax exemption of 100% of the SI for 5 years</li> </ul>	HDC
8.	Double Deduction for Expenses to Obtain Halal Certification and Quality Systems and Standards Certification	<ul style="list-style-type: none"> <li>Companies which incur expenses in obtaining:                             <ul style="list-style-type: none"> <li>Quality system and standards certification as well as 'halal' certification from JAKIM</li> <li>International quality systems and standards certification</li> </ul> </li> </ul>	Double Deduction	<ul style="list-style-type: none"> <li>Double deduction for the expenses incurred</li> </ul>	IRB
9.	Reinvestment Allowance (RA)	<ul style="list-style-type: none"> <li>Companies engaged for at least 36 months in the production of essential food e.g. rice, maize, vegetables, tubers, livestock, aquatic products, and any other</li> </ul>	ITA	<ul style="list-style-type: none"> <li>60% on QCE incurred within 15 years beginning from the year the first</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
		<p>activities approved by the MOF</p> <ul style="list-style-type: none"> <li>• The QCE includes expenditure incurred on: <ul style="list-style-type: none"> <li>– Clearing and preparation of land</li> <li>– Planting of crops</li> <li>– Breeder stock for aquaculture</li> <li>– Breeder stock for animal farming</li> <li>– Provision of plant and machinery used in Malaysia for the purpose of crop cultivation, animal farming, aquaculture, inland fishing or deep-sea fishing, and other agricultural or pastoral pursuits; and</li> <li>– Construction of access roads including bridges, construction or purchase of buildings</li> </ul> </li> </ul>		<p>investment is made</p> <ul style="list-style-type: none"> <li>• Offset against 70% of SI</li> <li>• Special RA for reinvestments made in a period of 3 years of assessment (QCE incurred from YA 2016-2018)</li> </ul> <p>(Source: Budget 2016)</p>	



No.	Name	Eligibility	Type	Incentive	Submit to:
12.	Accelerated Capital Allowance	<ul style="list-style-type: none"> <li>Upon the expiry of the Reinvestment Allowance, companies that reinvest in promoted agricultural activities and food products which include the cultivation of rice, maize, vegetables, tubers, livestock, aquatic products and any other activities approved by MOF</li> </ul>	ACA	<ul style="list-style-type: none"> <li>Allowance to write off the capital expenditure within 2 years, i.e. an initial allowance of 20% in the first year and an annual allowance of 40%</li> </ul>	IRB
13.	Agricultural Allowance	<ul style="list-style-type: none"> <li>Capital expenditure which qualifies includes expenditure incurred on:                             <ul style="list-style-type: none"> <li>– Clearing and preparation of land</li> <li>– Planting of crops</li> <li>– Breeder stock for aquaculture</li> <li>– Breeder stock for animal farming</li> </ul> </li> </ul>	Capital allowance and IBA	<ul style="list-style-type: none"> <li>Capital Allowances and special Industrial Building Allowances under the Income Tax Act 1967 for certain capital expenditure</li> </ul>	IRB



No.	Name	Eligibility	Type	Incentive	Submit to:
14.	Allowance on Capital Expenditure for Approved Agricultural Projects	<ul style="list-style-type: none"> <li>- Provision of plant and machinery used in Malaysia for the purpose of crop cultivation, animal farming, aquaculture, inland fishing or deep-sea fishing, and other agricultural or pastoral pursuits; and</li> <li>- Construction of access roads including bridges, construction or purchase of buildings</li> <li>• Approved agricultural projects are those for the cultivation of vegetables, fruits (papaya, banana, passion fruit, star fruit, guava and mangosteen), tubers, roots, herbs, spices, crops for animal feed and hydroponic-based products; ornamental fish culture; fish and prawn rearing (pond</li> </ul>	Allowance on capital expenditure	<ul style="list-style-type: none"> <li>• 100% allowance on capital expenditure for approved agricultural projects</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
		<p>culture, tank culture, marine cage culture, and off-shore marine cage culture); cockles, oysters, mussels, and seaweed culture; shrimp, prawn and fish hatchery; and certain species of forest plantation</p> <ul style="list-style-type: none"> <li>• The approved agricultural projects must be approved by MOF</li> <li>• Capital expenditure which qualifies includes: <ul style="list-style-type: none"> <li>- Clearing and preparation of land</li> <li>- Planting of crops</li> <li>- Breeder stock for aquaculture</li> <li>- Breeder stock for animal farming</li> <li>- Provision of plant and machinery used in Malaysia for the purpose of crop cultivation, animal</li> </ul> </li> </ul>			

No.	Name	Eligibility	Type	Incentive	Submit to:
15.	Tax Exemption on the Value of Increased Exports	farming, aquaculture, inland fishing or deep-sea fishing, and other agricultural or pastoral pursuits; and - Construction of access roads including bridges, construction or purchase of buildings	Tax exemption	<ul style="list-style-type: none"> <li>• Tax exemption of the SI to 10% of the value of its increased exports</li> <li>• 70% tax exemption for 5 years</li> </ul>	IRB
16.	Incentives for Companies providing Cold Chain Facilities and Services for Food Products	• Company that exports fresh and dried fruits, fresh and dried flowers, ornamental plants and ornamental fish (i) New Companies <ul style="list-style-type: none"> <li>• Companies that provide cold room and refrigerated truck facilities and related services e.g. the collection and treatment of locally produced perishable food products</li> </ul>	PS  ITA	<ul style="list-style-type: none"> <li>• 60% on QCE incurred within 5 years</li> <li>• Offset against 70% of SI</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
		(ii) Existing Companies that Reinvest (See Appendix V: List of Promoted Activities and Products – Reinvestments)	PS	<ul style="list-style-type: none"> <li>70% tax exemption for 5 years</li> <li>60% on QCE incurred within 5 years</li> <li>Offset against 70% of SI</li> </ul>	
17.	Freight Charges for Export of Rattan and Wood-based Products	Manufacturers who export rattan and wood-based products (excluding sawn timber and veneer)	Double deduction	<ul style="list-style-type: none"> <li>Double deduction on freight charges</li> </ul>	IRB

## Other Tax Incentives

No.	Name	Eligibility	Type	Incentive	Submit to:
<ul style="list-style-type: none"> <li>Other incentives cover incentives that are not mentioned elsewhere and may be applicable to the following sectors: manufacturing, agriculture, aerospace, tourism, environmental management, research and development, training, information and communication technology, Approved Service Projects and manufacturing related services</li> </ul>					
1.	Industrial Building Allowance	<ul style="list-style-type: none"> <li>Companies incurring capital expenditure on the construction or purchase of a building that is used for specific purposes, including manufacturing, agriculture, mining, infrastructure facilities, research, Approved Service Projects and hotels that are registered with the MOTAC</li> </ul>	Double IBA	<ul style="list-style-type: none"> <li>Double initial allowance of 10% and an annual allowance of 3%. The expenditure can be written off in 30 years</li> </ul>	IRB
2.	Industrial Building Allowance for Buildings in MSC Malaysia	<ul style="list-style-type: none"> <li>Owners of new buildings occupied by MSC Malaysia status companies in Cyberjaya</li> </ul>	IBA	<ul style="list-style-type: none"> <li>IBA for 10 years</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
		<ul style="list-style-type: none"> <li>Such new buildings include completed buildings but are yet to be occupied by MSC Malaysia status companies</li> </ul>			
3.	Deduction of Audit Fees	<ul style="list-style-type: none"> <li>Expenses incurred on audit fees by companies</li> </ul>	Tax deduction	<ul style="list-style-type: none"> <li>Income tax deduction on expenses incurred on audit fees</li> </ul>	IRB
4.	Acquiring Proprietary Rights	<ul style="list-style-type: none"> <li>Capital expenditure incurred in acquiring patents, designs, models, plans, trademarks or brands and other similar rights from foreigners</li> </ul>	Tax deduction	<ul style="list-style-type: none"> <li>Deduction of income tax in the form of an annual deduction of 20% over a period of 5 years</li> </ul>	IRB
5.	Exemption from Import Duty on Raw Materials / Components	<ul style="list-style-type: none"> <li>If the finished products are for export market, the imported raw materials / components must not be produced locally or, where they are produced locally,</li> </ul>	Import duty exemption	<ul style="list-style-type: none"> <li>Full exemption from import duty can be considered for raw materials/components regardless</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
6.	Exemption from Import Duty on Imported Medical Devices for Purpose of Kitting	<p>there are not of acceptable quality and price</p> <ul style="list-style-type: none"> <li>Medical devices that are imported for the purpose of kitting or producing complete procedural sets, provided these medical devices are not manufactured locally</li> </ul>	Import duty exemption	<p>of whether the finished products are meant for the export or domestic market</p> <ul style="list-style-type: none"> <li>Full import duty exemption on medical devices</li> </ul>	MIDA
7.	Exemption from Import Duty and Sales Tax for Outsourcing Manufacturing Activities	<ul style="list-style-type: none"> <li>Owners of Malaysian brands with at least 60% Malaysian equity ownership who outsource manufacturing activities</li> </ul>	Import duty and sales tax exemption	<ul style="list-style-type: none"> <li>Import duty and sales tax exemptions on raw materials and components used in the manufacturing of finished products by their contract manufacturers locally or abroad</li> </ul>	MIDA

No.	Name	Eligibility	Type	Incentive	Submit to:
8.	Exemption from Import Duty and Sales Tax for Maintenance, Repair and Overhaul (MRO) Activities	<ul style="list-style-type: none"> <li>• Aerospace companies undertaking maintenance, repair and overhaul activities</li> <li>• Each importation to be accompanied by certificates of parts and components issued by one of the following original equipment manufacturers (OEM):</li> </ul>	Import duty and sales tax exemption	<ul style="list-style-type: none"> <li>• Import duty and sales tax exemption on raw materials, components, machinery, and equipment, spares and consumables</li> </ul>	MOF



No.	Name	Eligibility	Type	Incentive	Submit to:
9.	Drawback on Import Duty, Sales Tax and Excise Duty	<ul style="list-style-type: none"> <li>- FAA Form 8130-3 from the U.S</li> <li>- EASA Form 1 from EU</li> <li>- Certificate of Compliance</li> <li>- Certificate of Conformance</li> <li>- Certificate from vendors</li> <li>- Distributor certificate</li> </ul> <ul style="list-style-type: none"> <li>• Parts, raw materials or packaging materials are used in the manufacture of goods for export within a year based on conditions stipulated in the Section 99 of the Customs Act 1967, Section 29 of the Sales Tax Act 1972 and Section 19 of the Excise Act 1976</li> <li>• Goods which are subject to excise duties include intoxicating liquor,</li> </ul>	Drawback on Import Duty, Sales Tax and Excise Duty	<ul style="list-style-type: none"> <li>• Drawback on import duty, sales tax and excise duty that have been paid</li> </ul>	CUSTOMS

No.	Name	Eligibility	Type	Incentive	Submit to:
10.	Single Deduction for the Promotion of Exports	<p>cigarettes containing tobacco, motor vehicles, playing cards and mahjong tiles</p> <ul style="list-style-type: none"> <li>• Expenses incurred by resident companies to export Malaysian manufactured and agricultural products and services</li> <li>• These include: <ul style="list-style-type: none"> <li>– Registration of patents, trademarks and product licensing overseas</li> <li>– Hotel accommodation for a maximum of three nights in providing hospitality to potential importers invited to Malaysia</li> </ul> </li> </ul>	Single tax deduction	<ul style="list-style-type: none"> <li>• Single deduction on expenses incurred</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
11.	Double Deduction for the Promotion of Exports	<ul style="list-style-type: none"> <li>• Expenses incurred are:               <ul style="list-style-type: none"> <li>- Overseas advertising, publicity and public relations work</li> <li>- Supplying samples abroad, including delivery costs</li> <li>- Undertaking export market research</li> <li>- Preparing tenders for supply of goods overseas</li> <li>- Supplying of technical information abroad</li> <li>- Preparing exhibits and participation costs in trade / industrial exhibitions, virtual trade shows and trade portals and fares for overseas travel by company employees for business</li> </ul> </li> </ul>	Double tax deduction	<ul style="list-style-type: none"> <li>• Double deduction on expenses incurred</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
		<ul style="list-style-type: none"> <li>- Accommodation expenses up to RM300 per day and sustenance expenses up to RM150 per day for company representatives who travel overseas for business</li> <li>- Maintaining sales offices and warehouses overseas to promote exports</li> <li>- Hiring professional to design packaging for exports, subject to the company using local professional services</li> <li>- Undertaking feasibility studies for overseas projects identified for the purpose of tenders</li> <li>- Preparing architectural and engineering</li> </ul>			

No.	Name	Eligibility	Type	Incentive	Submit to:
		<p>models, perspective drawings and 3-D animations for participating in competitions at international level.</p> <ul style="list-style-type: none"> <li>- Participating in trade or industrial exhibitions in the country or overseas</li> <li>- Participating in exhibitions held in Malaysian Permanent Trade and Exhibition Centres overseas</li> <li>• Partnerships and sole proprietorships registered with SSM that provide the following professional services: <ul style="list-style-type: none"> <li>- Legal</li> <li>- Accounting (including taxation and</li> </ul> </li> </ul>			

No.	Name	Eligibility	Type	Incentive	Submit to:
		management consultancy – Architectural (including town planning and landscaping) – Engineering and integrated engineering (including valuation and quantity surveying) – Medical and dental			
12.	Double Deduction on Export Credit Insurance Premiums	<ul style="list-style-type: none"> <li>Companies that pay premium on export credit insurance</li> </ul>	Double tax deduction	<ul style="list-style-type: none"> <li>Double Deduction on export credit insurance premiums</li> </ul>	IRB
13.	Double Deduction on Freight Charges	<ul style="list-style-type: none"> <li>Manufacturers who ship their goods from Sabah or Sarawak to any port in Peninsular Malaysia</li> </ul>	Double tax deduction	<ul style="list-style-type: none"> <li>Double deduction on freight charges</li> </ul>	IRB
14.	Double Deduction for the Promotion of Malaysian Brand Names	<ul style="list-style-type: none"> <li>Company which is a registered proprietor of a Malaysian brand, or a company within the same group</li> </ul>	Double tax deduction	<ul style="list-style-type: none"> <li>Double deduction on expenses incurred to promote</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
		<ul style="list-style-type: none"> <li>• Expenditure incurred in advertising the brand, subject to the following conditions:                             <ul style="list-style-type: none"> <li>– The company must be owned more than 50% by the registered proprietor of the Malaysian brand name</li> <li>– The deduction can only be claimed by one company in a year of assessment.</li> <li>– The products meet export quality standard</li> </ul> </li> </ul>		Malaysian brand names	
15.	Special Industrial Building Allowance for Warehouses	<ul style="list-style-type: none"> <li>• The buildings are used as warehouses for storing goods for export and re-export</li> </ul>	IBA	<ul style="list-style-type: none"> <li>• Annual allowance of 10% of QCE</li> </ul>	IRB
16.	Donations for Environmental Protection	<ul style="list-style-type: none"> <li>• Donations to an approved organisation exclusively for the protection and conservation of the environment</li> </ul>	Single tax deduction	<ul style="list-style-type: none"> <li>• Single tax deduction on the donations made</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
17.	Incentive for Employees' Accommodation	<ul style="list-style-type: none"> <li>Buildings used for employees for the purpose of living accommodation in a manufacturing operation, an Approved Service Project, hotel or tourism business</li> </ul>	IBA	<ul style="list-style-type: none"> <li>IBA of 10% of the expenditure incurred on the construction / purchase of the building for 10 years.</li> </ul>	IRB
18.	Incentives for Employees' Child Care Facilities	<ul style="list-style-type: none"> <li>Expenses on construction / purchase of buildings for the purpose of providing child care facilities for employees</li> <li>Gifts in kind and cash to provide and maintain child care centres for the benefit of employees</li> </ul> <p>(Source: Budget 2013)</p>	IBA and double tax deduction	<ul style="list-style-type: none"> <li>IBA of 10% for 10 years</li> <li>Double tax deduction</li> </ul>	IRB



No.	Name	Eligibility	Type	Incentive	Submit to:
19.	Incentives for Operators of New and existing Private Childcare Centre	<ul style="list-style-type: none"> <li>New and existing private childcare centres must be registered with the Social Welfare Department (Source: Budget 2013)</li> </ul>	Tax exemption	<ul style="list-style-type: none"> <li>Tax exemption on all income for a period of 5 years; and</li> <li>IBA of 10% for buildings used as childcare centres</li> </ul>	IRB
20.	Incentive for Angel Investor	<p>(i) Angel Investor</p> <ul style="list-style-type: none"> <li>An individual is not associated to the venture company prior to investing;</li> <li>A tax resident with an annual income not less than RM180,000;</li> <li>Holds at least 30% of the shares in the venture company for a period of at least 2 years; and</li> <li>All his shares in the venture company must be paid in cash.</li> </ul>	Tax deduction	<ul style="list-style-type: none"> <li>Tax deduction on the total value of investment</li> </ul>	MOF by 31 Dec 2017

No.	Name	Eligibility	Type	Incentive	Submit to:
21.	Incentives for Flexible Work Arrangements (FWA)	(ii) Venture Company <ul style="list-style-type: none"> <li>• 51% shares in the company is owned by Malaysians;</li> <li>• Qualifying activities of venture company are approved by the MOF; and</li> <li>• Accumulated profit is not more than RM5 million and has a track record of less than 3 years</li> </ul> (Source: Budget 2013)	Single tax deduction	<ul style="list-style-type: none"> <li>• Single tax deduction on expenses incurred in the training of employees, consultancy fees to design the FWA</li> </ul>	Talent Corp. from 1 Jan - 31 Dec 2016

No.	Name	Eligibility	Type	Incentive	Submit to:
22.	Incentive for Anchor Companies under Vendor Development Programme (VDP)	<ul style="list-style-type: none"> <li>Anchor companies are required to sign a MOU with MITI under VDP;</li> <li>Qualifying operating expenses must be certified by MITI before the anchor companies can claim the deduction;</li> <li>Qualifying operating expenses are capped at RM300,000 per year.</li> </ul> (Source: Budget 2014)	Double tax deduction	<ul style="list-style-type: none"> <li>Double tax deduction on the operating expenses incurred by anchor companies in implementing VDP</li> <li>Deduction is given for 3 years of assessment.</li> </ul>	MITI by 31 Dec 2016
23.	Incentive for Less Developed Areas (LDA)	<ul style="list-style-type: none"> <li>Company has to be either:                             <ul style="list-style-type: none"> <li>An existing company expanding its operations (either in manufacturing or the provision of services) in LDA; or</li> <li>A newly established company.</li> </ul> </li> </ul>	Income tax exemption or ITA, stamp duty, withholding tax and import duty exemption	<ul style="list-style-type: none"> <li>Income tax exemption of 100% up to 15 years of assessment (5+5+5) or                             <ul style="list-style-type: none"> <li>ITA 100% on capital expenditure incurred</li> </ul> </li> </ul>	MIDA by 31 Dec 2020

No.	Name	Eligibility	Type	Incentive	Submit to:
		<ul style="list-style-type: none"> <li>• Undertaking manufacturing activities in LDA that will lead to substantial creation of employment and rural development; and</li> <li>• Complies with other conditions specified by MOF including value added activities and local employment at the managerial, technical and supervisory level (MTS index).</li> </ul> <p>(Source: Budget 2015)</p>		<p>within 10 years</p> <ul style="list-style-type: none"> <li>• Stamp duty exemption on transfer or lease of land or building used for development in relation to manufacturing and services activities</li> <li>• Withholding tax exemption on fees for technical advice, assistance or services or royalty in relation to manufacturing &amp; services activities</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
				<ul style="list-style-type: none"> <li>• Import duty exemption on raw materials and components that are not produced locally and used directly in the manufacture of finished products subject to the prevailing policy, guidelines and procedures</li> <li>• Import duty exemption on machinery and equipment that are not produced locally and used directly in the activity for selected services sector</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
24.	Incentives for Industrial Area Management (IAM)	<ul style="list-style-type: none"> <li>• Industrial Estates (IE) must be gazetted by the State Authority as an industrial land</li> <li>• Applicant company appointed by a Local Authority to undertake the management of specified IE</li> <li>• At least 70% of the annual income derives from mandatory activities e.g. upgrading and maintenance of roads, street lightings, common facilities, landscaping, etc.</li> </ul> <p>(Source: Budget 2015)</p>	Tax exemption	<p>subject to the prevailing policy, guidelines and procedures</p> <ul style="list-style-type: none"> <li>• 100% tax exemption on statutory 5 years commencing from the date the company commence its activities</li> </ul>	MIDA by 31 Dec 2020

No.	Name	Eligibility	Type	Incentive	Submit to:
25.	Incentive for Technical and Vocational Education	N/A  (Source: Budget 2015)	Double tax deduction	<ul style="list-style-type: none"> <li>• Double deduction for scholarships awarded to students in vocational and technical courses at the certificate level</li> <li>• Double deduction on expenses incurred by a company to implement a structured internship programme for students at diploma and vocational level; and</li> <li>• Further deduction on</li> </ul>	IRB

No.	Name	Eligibility	Type	Incentive	Submit to:
				training expenses incurred by an employer for employees to obtain certificate qualifications from accredited vocational and professional bodies.	



No.	Name	Eligibility	Type	Incentive	Submit to:
26.	Incentive for the Establishment of Independent Conformity Assessment Bodies (ICAB)	<p>a) New ICAB</p> <ul style="list-style-type: none"> <li>• ICAB is a company which offers independent conformity assessment services in testing products, materials, systems or services for conformance to international specifications, safety or other standards</li> <li>• ICAB must obtain accreditation by the following bodies: <ul style="list-style-type: none"> <li>– Department of Standards Malaysia;</li> <li>– Accrediting bodies recognised by the International Laboratory Cooperation (ILAC)</li> </ul> </li> </ul>	Income tax exemption or ITA	<ul style="list-style-type: none"> <li>• Income tax exemption of 100% up to 5 years of assessment; or</li> <li>• ITA of 60% on QCE incurred within 5 years to be offset against 100% of SI</li> </ul>	MIDA from 1 Jan 2016- 31 Dec 2018

No.	Name	Eligibility	Type	Incentive	Submit to:
		under Mutual Recognition Arrangement; International Accreditation Forum (IAF) under Multi-Lateral Agreement; or OECD Good Laboratory Practice Mutual Acceptance Data		<ul style="list-style-type: none"> <li>ITA of 60% on QCE incurred within 5 years to be offset against 100% of SI</li> </ul>	
		b) Existing ICAB (Source: Budget 2016)	ITA		

No.	Name	Eligibility	Type	Incentive	Submit to:
27.	Tax Incentives on Costs of Dismantling & Removing Assets	<ul style="list-style-type: none"> <li>• A special provision is introduced in Schedule 3, Income Tax Act 1967 to provide for balancing allowance</li> <li>• Total balancing allowance is determined by adding the cost of dismantling and removing the plant and machinery as well as restoring the site to the balance of expenditure on plant and machinery at the time of the disposal of the asset</li> </ul>			IRB (effective from YA 2009)

No.	Name	Eligibility	Type	Incentive	Submit to:
28.	Incentives for the Biotechnology Industry	<ul style="list-style-type: none"> <li>For company undertaking biotechnology activity and has been approved with BioNexus Status by the Biotech Corp. Sdn. Bhd.</li> </ul>	Income tax exemption or ITA	<ul style="list-style-type: none"> <li>Income tax exemption of 100% for 10 years (for new business) or for 5 years (for existing business and expansion project)</li> <li>Allowance of 100% on QCE incurred within 5 years</li> <li>Concessional tax rate of 20% on income from qualifying activities for 10 years upon the expiry of the tax exemption period.</li> <li>Tax exemptions on dividends</li> </ul>	Biotech Corp. Sdn. Bhd. from 1 Jan 2014 – 31 Dec 2018

No.	Name	Eligibility	Type	Incentive	Submit to:
				<p>distributed by a BioNexus Status Company</p> <ul style="list-style-type: none"> <li>• Double deduction on expenditure incurred for R&amp;D and promotion of exports.</li> <li>• IBA (for 10 years) for buildings used solely for the purpose of biotechnology activities</li> <li>• Tax deduction for company or an individual investing in a BioNexus Status company</li> </ul>	

No.	Name	Eligibility	Type	Incentive	Submit to:
29.	Incentives for R&D in Biotechnology Industry	<ul style="list-style-type: none"> <li>For companies that invest to acquire technology platform in bio-based industry</li> </ul>	Tax deduction	<ul style="list-style-type: none"> <li>Tax deduction</li> </ul>	Biotech Corp. Sdn. Bhd. from 1 Jan 2014 – 31 Dec 2018
		<ul style="list-style-type: none"> <li>For companies investing in pilot plants for the purpose of pre-commercialisation activities in Malaysia</li> </ul>	Import duty exemption	<ul style="list-style-type: none"> <li>Import duty exemption on R&amp;D equipment</li> </ul>	
			Special incentive	<ul style="list-style-type: none"> <li>Special incentive to partially cover the operational expenses for human capital development for Centre of Excellence for R&amp;D</li> </ul>	

## Glossary of Abbreviations

Acronym	Name
4WD	Four-wheel Drive
ACA	Accelerated Capital Allowance
ASPs	Approved Service Projects
CA	Capital Allowance
CUSTOMS	Royal Malaysian Customs Department
EU	European Union
FDIs	Foreign Direct Investments
FWA	Flexible Work Arrangements
GLCs	Government-linked Companies
GST	Goods and Services Tax
HDC	Halal Industry Development Corporation
HRDF	Human Resources Development Fund
IAF	Industrial Adjustment Fund
IAM	Industrial Area Management
IBA	Industrial Building Allowance
ICA	Industrial Coordination Act
ICAB	Independent Conformity Assessment Bodies
ICT	Information and Communications Technology
ICUF	Integrated Central Utility Facility
IE	Industrial Estates
ILAC	International Laboratory Cooperation
ILS	Integrated Logistic Services
IPC	International Procurement Centre
IRB	Inland Revenue Board
ITA	Investment Tax Allowance
JAKIM	Jabatan Kemajuan Islam Malaysia
JCI	Joint Commission International

<b>Acronym</b>	<b>Name</b>
LDA	Less Developed Areas
M&E	Machinery and Equipment
MATRADE	Malaysia External Trade Development Corporation
MEGTW	Ministry of Energy, Green Technology and Water
MIDA	Malaysian Investment Development Authority
MITI	Ministry of International Trade and Industry
MKD	Syarikat Menteri Kewangan Diperbadankan
MNCs	Multinational Corporations
MOA	Ministry of Agriculture and Agro-based Industry
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MOSTI	Ministry of Science, Technology and Innovation
MOTAC	Ministry of Tourism and Culture
MOU	Memorandum of Understanding
MPIC	Ministry of Plantation Industries and Commodities
MRO	Maintenance, Repair and Overhaul
MSQH	Malaysian Society for Quality in Health
MTS	Managerial, Technical and Supervisory
NAP	National Automotive Policy
NSDC	National SME Development Council
OECD	Organisation for Economic Co-operation and Development
OEM	Original Equipment Manufacturer
OHQ	Operational Headquarters
PHEIs	Private Higher Education Institutions
PIA	Promotion of Investment Act
POME	Palm Oil Mill Effluent
PROTON	PROTON Holdings Berhad
PS	Pioneer Status



Acronym	Name
QCE	Qualifying Capital Expenditure
R&D	Research and Development
RA	Reinvestment Allowance
RDC	Regional Distribution Centre
SC	Securities Commission Malaysia
SI	Statutory Income
SIRIM	SIRIM Berhad
SMC	Small and Medium Companies
SMEs	Small and Medium Enterprises
SOE	State-owned Enterprises
SSM	Companies Commission of Malaysia
TMC	Treasury Management Centre
US	United States of America
VDP	Vendor Development Programme
w.e.f	with effect from
WEP	Waste Eco Park
YA	Year of Assessment



**I. AGRICULTURAL PRODUCTION**

1. Floriculture

**II. PROCESSING OF AGRICULTURAL PRODUCE**

1. Chocolate and chocolate confectionery
2. Vegetables, tubers or roots & fruits
3. Livestock products
4. Agricultural waste or agricultural by products
5. Aquatic products
6. Aquaculture feed
7. Plant extracts for pharmaceutical, perfumery, cosmetic or food industries and essentials oils
8. Food Supplements
9. Additives, flavours, colouring and functional ingredients

**III. MANUFACTURE OF RUBBER PRODUCTS**

1. Tyres for earthmover, agricultural vehicles, industries vehicles, commercial vehicles, motorcycle and aircraft.
2. Latex products:
  - a) Safety or special function gloves
3. Dry rubber products
  - a) Beltings
  - b) Hoses, pipes and tubings
  - c) Rubber profiles
  - d) Seals, gaskets, washers, packings, rings and rubber linings, anti-vibration, damping and sound insulation products

**IV. MANUFACTURE OF PALM OIL PRODUCTS AND THEIR DERIVATIVES**

1. Oleochemicals or oleochemical derivatives or preparations
2. Palm based nutraceuticals, constituents of palm oil or palm kernel oil
3. Palm-based food products and ingredients
  - a. Specialty animal fat replacer
  - b. Palm-based mayonnaise and salad dressing
  - c. Milk or coconut powder substitute
  - d. Red palm oil and related products
  - e. Palm-based food ingredient
  - f. Modified palm oil and palm kernel oil products
  - g. Margarine, vanaspati, shortening or other manufactured fat products
  - h. Cocoa butter replacers, cocoa butter substitutes, cocoa butter equivalent, palm mid fraction or special olein
4. Processed products from:
  - a. Palm kernel cake
  - b. Palm oil mill effluent
  - c. Palm biomass

**V. MANUFACTURE OF CHEMICALS AND PETROCHEMICALS**

1. Chemical derivatives or preparations from organic or inorganic sources
2. Petrochemical products

**VI. MANUFACTURE OF PHARMACEUTICAL AND RELATED PRODUCTS**

1. Pharmaceuticals or Biopharmaceuticals
2. Nutraceuticals
3. Microbials and probiotics

**VII. MANUFACTURE OF WOOD-BASED PRODUCTS**

1. Design, development and production of wooden furniture
2. Engineered wood products excluding plywood

**VIII. MANUFACTURE OF PULP, PAPER AND PAPERBOARD**

1. Corrugated medium paper, testliner or kraftliner or kraft paper and paperboard

**IX. MANUFACTURE OF KENAF-BASED PRODUCTS**

1. Kenaf-based products such as animal, feed, kenaf particle or fibre, reconstituted panel board or products (such as particleboard, Medium Density Fibreboard) and moulded products

**X. MANUFACTURE OF TEXTILES AND TEXTILE PRODUCTS**

1. Natural or man-made fibres
2. Yarn of natural or man-made fibres
3. Woven fabrics
4. Knitted fabrics
5. Non-woven fabrics
6. Finishing of fabrics such as bleaching, dyeing and printing
7. Specialised apparel
8. Technical or functional textiles and textile products

**XI. MANUFACTURE OF CLAY-BASED, SAND-BASED AND OTHER NON-METALLIC MINERAL PRODUCTS**

1. High alumina or basic refractories
2. Laboratory, chemical or industrial wares
3. Synthetic diamonds
4. Crystallised or moulded glass such as bricks, tiles, slabs, pellets, paving blocks and squares
5. Absorbent mineral clay
6. Marble and granite products
7. Panels, boards, tiles, blocks or similar articles of natural and synthetic fiber agglomerated with cement, plaster or other mineral binding substance

**XII. MANUFACTURE OF IRON AND STEEL**

1. Blooms or slabs of steel
2. Shapes or sections of steel of height more than 200 mm
3. Plates, sheets, coils, hoops or strips of steel:
  - a) Hot rolled
  - b) Cold rolled or cold reduced
4. Seamless steel pipes
5. Ferromanganese, silicon manganese or ferrosilicon
6. Electrolytic galvanised steel sheet in coil

**XIII. MANUFACTURE OF NON-FERROUS METAL AND THEIR PRODUCTS**

1. Primary ingots, billets or slabs of non-ferrous metals other than tin metals
2. Bars, rods, shapes or sections of non-ferrous metals except EC copper rods
3. Plates, sheets, coils, hoops or strips of non-ferrous metals
4. Pipes or tubes of non-ferrous metals
5. Aluminium composite panel

**XIV. MANUFACTURE OF MACHINERY AND MACHINERY COMPONENTS**

1. Specialised machinery or equipment for specific industry
2. Power generating machinery or equipment
3. General industrial machinery or equipment
4. Modules for machinery or equipment and industrial parts or components
5. Metalworking machinery or equipment
6. Upgrading or reconditioning of machinery or equipment including heavy machinery

**XV. SUPPORTING PRODUCTS OR SERVICES**

1. Metal castings
2. Metal forgings
3. Surface engineering
4. Machining, jigs and fixtures
5. Moulds, tools and dies
6. Heat treatment

**XVI. MANUFACTURE OF ELECTRICAL AND ELECTRONICS PRODUCTS AND COMPONENT AND PARTS THEREOF AND RELATED SERVICES**

1. Semiconductor:
  - a) Wafer fabrication
  - b) Semiconductor assembly
  - c) Semiconductor components and parts:
    - i) advanced substrates
    - ii) solder materials
    - iii) bond pads

- d) Semiconductor tools
  - i) wafer carriers
  - ii) integrated circuit (IC) carriers
  - iii) photomask and mask blank
- e) Semiconductor related services
  - i) Dies or wafer level preparation
  - ii) Integrated circuit (IC) testing
  - iii) wafer probing or sorting
  - iv) wafer bumping
- 2. Advanced display products and parts
  - a) advanced display products
  - b) advanced display modules
  - c) backlighting systems
- 3. Information and Communication Technology (ICT) products, systems or devices
  - a) digital convergence products or devices
  - b) data storage systems or devices
- 4. Digital entertainment or Infotainment products
  - a) Digital TV
  - b) Digital home theatre system or products thereof
  - c) Digital audio or video or image recorders or players
- 5. Optoelectronic equipment, systems, devices or components
  - a) Photonics devices or components
  - b) Optoelectronics equipment or systems, devices or components
  - c) Optical fibres or optical fibre products
- 6. Electronic tracking or security systems or devices
  - a) Voice or pattern or vision recognition or synthesis equipments or systems or devices
  - b) Electronic navigational and tracking equipment or systems or devices
  - c) Radio frequency identification (RFID) systems or devices
- 7. Electronic components
  - a) Multilayer or flexible printed circuit boards
  - b) Advanced connectors
- 8. Alternative energy equipment, products, systems , devices or components
  - a) Solar cells or panels or module or systems
  - b) Rechargeable batteries or storage systems
  - c) Fuel cells
- 9. Energy saving lighting
- 10. Electrical products:
  - a) Uninterruptible power supplies
  - b) Inverters or converters

**XVII. MANUFACTURE OF PROFESSIONAL, MEDICAL, SCIENTIFIC AND MEASURING DEVICES OR PARTS**

1. Medical, surgical, dental or veterinary devices or equipment and parts or components or accessories thereof
2. Testing, measuring or laboratory equipment or apparatus

**XVIII. MANUFACTURE OF PLASTIC PRODUCTS**

1. Specialised plastic films or sheets
2. Geosystems products
3. Engineering plastic products
4. Products moulded under clean room conditions
5. Biopolymers or products thereof

**XIX. PROTECTIVE EQUIPMENT AND DEVICES**

1. Coated or knitted safety gloves
2. Advance ballistic protection glass
3. Fall protection equipment

**XX. MANUFACTURING RELATED SERVICES**

1. Integrated logistics services
2. Cold chain facilities and service for food products
3. Gas and radiation sterilisation services
4. Environmental management:
  - a) Recycling of waste such as:
    - i) toxic and non-toxic waste
    - ii) chemicals
    - iii) reclaimed rubber
5. Industrial design services

**XXI. HOTEL BUSINESS AND TOURISM INDUSTRY**

1. Establishment of medium and low-cost hotels (up to a 3-star hotel)
2. Establishment of 4 and 5-stars hotel
3. Expansion or modernisation of existing hotels
4. Establishment of tourism projects
5. Expansion or modernisation of tourism projects
6. Establishment of recreational camps
7. Establishment of convention centres

**XXI. MISCELLANEOUS**

1. Sports goods or equipment
2. Jewellery of precious metal
3. Costume jewellery
4. Biodegradable disposable packaging products and household wares





## **DESIGN, DEVELOPMENT AND MANUFACTURE OF ADVANCED ELECTRONICS AND COMPUTING**

### **I. DESIGN, DEVELOPMENT AND MANUFACTURE OF:**

- a) High-density modules or systems
- b) Advanced display
- c) Advanced semiconductor devices
- d) Advanced connectors
- e) Data storage devices or systems
- f) Advanced substrates
- g) Information and telecommunication products, systems or devices
- h) Digital entertainment or infotainment products
- i) Optoelectronic equipment, systems or devices
- j) Electronic security and surveillance systems or devices
- k) Electronic machines and equipment system or devices
- l) Advanced electronic components

### **II. PROFESSIONAL, MEDICAL, SCIENTIFIC AND MEASURING DEVICES OR PARTS**

1. Design, development and manufacture of:
  - a) Medical equipment, parts or components
  - b) Medical implant, medical devices, parts or components
  - c) Testing, measuring or laboratory equipment or apparatus

### **III. BIOTECHNOLOGY**

1. Development, testing and manufacture of:
  - a) pharmaceuticals
  - b) fine chemicals
  - c) biodiagnostics

### **IV. ADVANCED MATERIALS**

1. Development and manufacture of:
  - a) polymers or biopolymers
  - b) fine ceramics or advanced ceramics
  - c) high strength composites
2. Nano particles and their formulations

### **V. ALTERNATIVE ENERGY TECHNOLOGY**

1. Design, development and manufacture of products, equipments, systems , devices or components for use in alternative energy sectors

### **VI. IRON AND STEEL**

1. Super fine wire of diameter 2.0 mm and below



**I. AGRICULTURAL ACTIVITIES**

1. Aquaculture
2. Apiculture

**II. PROCESSING OF AGRICULTURAL PRODUCE**

1. Coffee
2. Tea
3. Fruits
4. Vegetables
5. Herbs or spices
6. Cocoa and cocoa products
7. Coconut products except copra and crude coconut oil
8. Starch and starch products
9. Cereal products
10. Sugar and confectionary products
11. Plant extracts
12. Apiculture products
13. Animal feed ingredients
14. Agricultural waste and by-products

**III. FORESTRY PRODUCTS**

1. Rattan products (excluding pole, peel and split)
2. Bamboo products
3. Other forestry products

**IV. MANUFACTURE OF RUBBER PRODUCTS**

1. Moulded rubber products
2. Extruded rubber products
3. General rubber goods

**V. MANUFACTURE OF OIL PALM PRODUCTS AND THEIR DERIVATIVES**

1. Processed products from palm oil
2. Processed products from palm biomass / waste / by-products

**VI. MANUFACTURE OF CHEMICALS AND PHARMACEUTICALS**

1. Pigment preparation, dispersions and specialty coatings
2. Desiccant
3. Bio-resin (biopolymer)
4. Inkjet inks

**VII. MANUFACTURE OF WOOD AND WOOD PRODUCTS**

1. Decorative panel boards (excluding plain plywood)
2. Timber mouldings
3. Builders' carpentry and joinery
4. Products derived from utilisation of wood waste (e.g. activated charcoal, wooden briquettes, wood wool)
5. Wooden household and office articles

- VIII. MANUFACTURE OF PAPER AND PAPERBOARD PRODUCTS**
  - 1. Moulded paper products
  
- IX. MANUFACTURE OF TEXTILES AND TEXTILE PRODUCTS**
  - 1. Batik or songket or pua
  - 2. Accessories for the textile industry
  
- X. MANUFACTURE OF CLAY-BASED AND SAND-BASED PRODUCTS AND OTHER NON-METALLIC MINERAL PRODUCTS**
  - 1. Artware, ornaments and articles of ceramic or glass
  - 2. Abrasive products for grinding, polishing and sharpening
  
- XI. MANUFACTURE OF IRON AND STEEL PRODUCTS, NON-FERROUS METALS AND THEIR PRODUCTS**
  - 1. Wire and wire products
  - 2. Fabricated products
  
- XII. SUPPORTING PRODUCTS AND SERVICES**
  - 1. Metal Stamping
  - 2. Industrial seals or seal materials
  
- XIII. MANUFACTURE OF TRANSPORT COMPONENTS PARTS AND ACCESSORIES**
  - 1. Transport components, parts and accessories
  
- XIV. MANUFACTURE OF PARTS AND COMPONENTS FOR MACHINERY AND EQUIPMENT**
  - 1. Parts and components for machinery and equipment
  
- XV. MANUFACTURE OF ELECTRICAL AND ELECTRONIC PRODUCTS, COMPONENTS AND PARTS THEREOF**
  - 1. Consumer electrical products, parts and components
  - 2. Consumer electronic products, parts and components
  - 3. Industrial electrical products, parts and components
  - 4. Industrial electronic products, parts and components
  
- XVI. MANUFACTURE OF FURNITURE, PARTS AND COMPONENTS**
  - 1. Furniture, parts and components
  
- XVII. MANUFACTURE OF GAMES AND ACCESSORIES**
  - 1. Games and accessories
  
- XVIII. MANUFACTURE OF SOUVENIRS**
  - 1. Souvenirs, giftwares and decorative wares
  
- XIV. MANUFACTURE OF PLASTIC PRODUCTS**
  - 1. Decorative panels and ornaments
  - 2. Epoxy encapsulation moulding compound





**I. MACHINERY AND EQUIPMENT**

1. Machine tools
2. Material handling equipment
3. Robotic and factory automation equipment
4. Modules and components for machine tools, material handling equipment and robotic and factory automation equipment

**II. SPECIALISED MACHINERY AND EQUIPMENT**

1. Specialised process machinery or equipment for specific industry
2. Packaging machinery
3. Modules and components for specialised process machinery or equipment for specific industry and packaging machinery

**III. OIL PALM BIOMASS**

1. Utilisation of oil palm biomass to produce value-added products

**IV. RENEWABLE ENERGY**

1. Generation of renewable energy

**V. CONSERVATION OF ENERGY**

1. Conservation of energy





**I. RESOURCE-BASED**

1. Rubber
2. Oil palm
3. Wood

**II. FOOD PROCESSING**

1. Food processing activity

**III. RESEARCH AND DEVELOPMENT**

1. Research and development Activity

**IV. HOTEL BUSINESS AND TOURISM INDUSTRY**

1. Hotel business and tourism activity

**V. OIL PALM BIOMASS**

1. Utilisation of oil palm biomass to produce value-added products

**VI. COLD-CHAIN FACILITIES AND SERVICES**

1. Provision of cold-chain facilities and services for perishable agriculture produce (fruits, vegetables, flowers, ferns, meat and aquatic products)



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TAXE  
TI  
JO  
FEDERAL  
MONEY  
CAPI  
SYSTEM  
FISCAL  
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FORM  
TRADE