

**TECHNICAL**

**Direct Taxation**

**MIDA GUIDELINES ON APPLICATION FOR INCENTIVES AND/OR EXPATRIATE POSTS FOR GREEN TECHNOLOGY**

The Malaysian Investment Development Authority (MIDA) has recently issued Guidelines entitled “**Application For Incentive And / Or Expatriate Posts For Green Technology (GT)**”

The contents are summarized below:

**1. Introduction**

The provision of incentives [investment tax allowance (ITA) for the purchase of GT assets and income tax exemption on the use of GT services and system] to strengthen the development of GT was first announced in the Budget 2014. The incentives are aimed at (among other objectives) encouraging investments in GT industries on a project basis, as well as encouraging companies to acquire assets which have been verified as GT assets by the Malaysian Green Technology Corporation (MGTC). It widens the coverage across various priority green technology industries and facilitates the expiring incentives relating to renewable energy (RE) and energy efficiency (EE) projects.

**2. Qualifying activities**

GT project or services activities relate to renewable energy, energy efficiency, green building 'data centre, waste management, electric vehicle and other supporting services. The lists of qualifying activities are found in [Appendix I](#) of the Guidelines.

**3. Incentives**

Information relating to the incentives and application procedure are summarized below:

<b>Applicant</b>	<b>Incentive</b>	<b>Procedures</b>
A company incorporated under the Companies Act 1965 and resident in Malaysia and which undertakes a GT project or services activity as prescribed for business purposes or own consumption/use.	<p><b>1. <u>Investment Tax Allowance (ITA) (Project)</u></b> ITA of 100% of qualifying capital expenditure (QCE) incurred on a GT project from 25/10/2013 until YA 2020. The ITA can be offset against 70% of statutory income (SI) for the YA and unutilized ITA may be carried forward till fully absorbed.</p> <p><b>2. <u>Income Tax Exemption (Services)</u></b> IT exemption of 100% of SI, from YA 2013 till YA 2020. Conditions as stated in the approval letter must be complied with.</p>	Application should be submitted in 3 sets of <a href="#">GT/JA Forms</a> to MIDA* and received by MIDA by 31/12/2020)
A company incorporated under the Companies Act 1965 and resident in	<p><b><u>ITA (Asset)</u></b> ITA of 100% of QCE incurred on GT asset from 25/10/2013 until YA 2020. The ITA can</p>	Application should be submitted to MGTC* and

Malaysia and which purchases GT assets listed in MyHijau Directory#	be offset against 70% of SI for the YA and unutilized ITA may be carried forward till fully absorbed.	received by MGTC by 31/12/2020)
<b>*Addresses of Application Processing Agencies</b>		
<p>Chief Executive Officer, Malaysian Investment Development Authority MIDA Sentral, No.5 Jalan Stesen Sentral 5. Kuala Lumpur Sentral 50470 Kuala Lumpur</p> <p>(Attn. Director, Clean Technology and Environment Management Division)</p> <p>Tel: 03-2267 3633</p>	<p>Chief Executive Officer , Malaysian Green Technology Corporation No. 2, Jalan 9/10 Persiaran Usahawan Seksyen 9 43650 Bandar Baru Bangi Selangor Darul Ehsan</p> <p>Tel: 03-8921 0800</p> <p>Click on the <a href="#">hyperlink</a> for related information.</p> <p>#MyHijau Directory can be accessed at <a href="http://www.greendirectory.my">www.greendirectory.my</a>.</p>	

4. Eligibility and Criteria/Conditions

- The company comply with the conditions stated in the approval letter.
- Must achieve the “green results” or meet other criteria as specified below:

Company undertaking GT project or acquiring GT assets (as listed in MyHijau Directory)	Company undertaking GT services
<p>Must achieve the following “green results” -</p> <ol style="list-style-type: none"> <li>Minimizes the degradation of the environment or reduces greenhouse emission;</li> <li>Promotes health and improvement of environment;</li> <li>Conserves the use of energy and/or other forms of natural resources or promotes the use of renewable energy or is able to recycle waste material resources.</li> </ol>	<p>Must meet the criteria of “green services”, viz.:</p> <ol style="list-style-type: none"> <li>At least 1 <i>competent / qualified personnel*</i> in GT;</li> <li>Must have a <i>green policy*</i> related to environmental / sustainability;</li> <li>100% of income must be derived from GT services.</li> </ol> <p>* These terms are defined in the Guidelines.</p>

Members may view the Guidelines at the [Institute website](#) and the [MIDA website](#).

You may write to the Institute at [technical@ctim.org.my](mailto:technical@ctim.org.my) or [secretariat@ctim.org.my](mailto:secretariat@ctim.org.my) in respect of any suggestions, concern or comments you may have on the [Guidelines](#) so that we may raise them to MIDA.

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