

TECHNICAL

Direct Tax

TAX INCENTIVES IN RELATION TO WASTE ECO PARK (WEP) FOR GREEN TECHNOLOGY

Waste Eco Park (WEP) aims to promote waste recycling, recovery and treatment activities by the industries and provides a sustainable solution to waste management problem. This will encourage investments in facilities and infrastructure towards holistic waste management activities. In order to promote the activities, there are incentives available for WEP Developer, WEP Manager and WEP Operator (companies operating in the WEP).

1) Subsidiary legislations

The following subsidiary legislations ("Orders") on Income Tax Exemptions in relation to WEP for Green Technology were gazetted on 15 August 2017 –

- i. [P.U. \(A\) 235/2017 – Income Tax \(Exemption\)\(No.4\) Order 2017;](#)
- ii. [P.U. \(A\) 236/2017 – Income Tax \(Exemption\)\(No.5\) Order 2017;](#)
- iii. [P.U. \(A\) 237/2017 – Income Tax \(Exemption\)\(No.6\) Order 2017;](#) and
- iv. [P.U. \(A\) 238/2017 – Income Tax \(Exemption\)\(No.7\) Order 2017.](#)

WEP is defined in the Orders as follows:

"WEP" means a place for waste recycling, recovery and treatment activities to be carried out which incorporates the following minimum elements:

- a) basic infrastructure such as roads, drainage system, utilities and sewerage;
- b) building and facility for waste receipt and separation;
- c) waste water treatment facility;
- d) building for waste recycling, recovery or treatment facility; and
- e) building for education and awareness centre.

For more details on the income tax exemptions, please refer to the above-mentioned Orders.

An application for income tax exemption shall be made to the Minister of Finance through the Malaysian Investment Development Authority (MIDA) on or after 1 January 2016 but not later than 31 December 2020.

2) Malaysian Investment Development Authority (MIDA) Guidelines and Forms

MIDA has provided the Guidelines and Application Forms on tax incentives in relation to WEP for green technology on its website as follows:

- i. [Guideline and Procedure](#)
- ii. [WEP Operators](#)
- iii. [WEP Managers](#)
- iv. [WEP Developers](#)

(Please refer to the above under the heading of “2. *Incentives for Establishment of Waste Eco Parks (WEPs)*” in the MIDA website).

Members may read the Orders in full at the official website of the [Attorney-General's Chambers](#) and the Guidelines and Forms at the [MIDA website](#).

You may write to the Institute at technical@ctim.org.my or secretariat@ctim.org.my in respect of any suggestions, concern or comments you may have on the [Orders](#).

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