

e-CTIM TECH-DT 61/2020

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TO ALL MEMBERS

TECHNICAL

Direct Taxation

MDEC – GUIDELINES ON MSC MALAYSIA FINANCIAL INCENTIVES:

- [Grandfathering and Transition under Services Incentive](#)
- [Services Incentive - Income Tax Exemption](#)

Further to our [e-CTIM TECH-DT 111/2019](#), the Malaysia Digital Economy Corporation Sdn Bhd (“MDEC”) has uploaded the Guidelines on Multimedia Super Corridor (“MSC”) Malaysia Financial Incentives (Effective Date: 1 January 2019) in respect of:

1. [Grandfathering and Transition under Services Incentive](#) which sets out the guidelines on:
 - (a) Grandfathering timeline (provided under [P.U. \(A\) 332/2018](#) and [P.U. \(A\) 396/2018](#)) applicable to existing MSC Malaysia Status companies with income tax exemption on non-Intellectual Property (“non-IP”) and service income; and
 - (b) Transition of these companies from the Existing Regime to the Revised Regime in order to enjoy the income tax exemption in respect of non-IP or services income for the remaining exemption period.
2. [Services Incentive - Income Tax Exemption](#) which provides detailed guidelines on the eligibility criteria, qualifying promoted activities and conditions for application for MSC Malaysia Status Services Incentive (Non-IP). Members may refer to our [e-CTIM TECH-DT 111/2019](#) on matters pertaining to the application.

Members may view the Guidelines at the websites of the [Institute](#) and the [MDEC](#).

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