

TECHNICAL

Direct Taxation

Guideline on Claiming Accelerated Capital Allowance (ACA) for a Company in Post Reinvestment Allowance (RA) period

MIDA has recently issued the [Guideline and Procedures on Application for Confirmation Letter by a Company Which Manufacturers Promoted Products under the Promotion of Investments Act, 1968 to Claim for Accelerated Capital Allowance \(ACA\) Under the Income Tax Act, 1967.](#)

The following are some salient points found in the guidelines:

- After the 15-year period of eligibility for reinvestment allowance (RA), a company that reinvests in the manufacture of promoted products is eligible to apply for Accelerated Capital Allowance (ACA).
- The ACA allows the capital expenditure to be recouped within three years; i.e. an initial allowance (IA) of 40% plus annual allowance (AA) of 20% for the first year and AA of 20% for each the following two years.

Application procedure

- Applications should be submitted to the Inland Revenue Board (IRB), accompanied by a letter from MIDA certifying that the company is manufacturing promoted products under the Promotion of Investments Act, 1986.

To apply for the letter of confirmation from MIDA, 2 sets of the application forms, [ACA-Application for Confirmation Letter for a Company which Manufactures Promoted Products under the Promotion of Investments Act, 1986 to claim the Accelerated Capital Allowance \(ACA\) under the Income Tax Act, 1967](#) should be submitted together with a copy each of the following documents:

- (i) Memorandum and Articles of Association;
 - (ii) Certificate of Incorporation (Form 9); and
 - (iii) Registered Address (Form 44).
- The application should be submitted to:
Chief Executive Officer
Malaysian Investment Development Authority (MIDA)
MIDA Sentral
No. 5, Jalan Sentral 5
50470 Kuala Lumpur
P.O. Box 10618
50720 Kuala Lumpur

Members can read the full text of the [guideline](#) and download the [form](#) from the MIDA website.

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