

TECHNICAL

**Promotion of Investments (Amendment) Bill 2014 (D.R. 5/2014)**

Please be informed that the **Promotion of Investments (Amendment) Bill 2014 (D.R. 5/2014)** (“the Bill”) has recently been tabled in Parliament. .

The highlights of the Bill are as follows:-

| Highlights of the Bill   | Effective date                          | Amended sections of the Act  |
|--|---|--|
| 1. Cessation of incentives for promoted areas.   | 1 January 2011                          | 2, 4C, 5(1B), 5(1D)(b), 5(1DD)(a), 5(1E), 6(1), 21D, 21DA, 22A, 24(1)(c), 25(1), 26B, 26F(2), 26K(1)(b), 27B, 28(1), 29C, 30A, 43A |
| 2. Deletion of sections 19 and 30 of the Act in relation to hotel buildings deemed to be industrial buildings as the same has been provided for in paragraph 37F of Schedule 3 to the Income Tax Act 1967. | No effective date is stated in the Bill | 19, 30   |
| 3. Discontinuation of the incentive for strategic knowledge-intensive activities in accordance with Budget 2010.   | 1 January 2012                          | 4B, 5(1DA), 5(1E), 6(1AD), 6(3)(a), 21G, 22A, 24(1)(c), 25(1), 26H, 27H, 28(1), 29I, 30A, 43A                                      |
| 4. Cessation of incentives for companies relocating existing promoted activities or promoted products from outside a promoted area to a promoted area.   | 1 January 2011                          | 5(1DD)(a), 5(1DE), 5(1E), 6(1AH), 6(3)(a), 21K, 22A, 24(1)(c), 25(1), 26K(1)(b), 26L, 27L, 28(1), 29M, 30A, 43A                    |
| 5. Cessation of the incentive of infrastructure allowance.   | 1 January 2011                          | Chapter 7<br>41A, 41B  |
| 6. Amendment of the definition of “company” to ensure that only companies incorporated in Malaysia under the Companies Act 1965 [Act 125] are eligible for the incentives under the Act.                   | No effective date is stated in the Bill | 2  |

| Highlights of the Bill  | Effective date   | Amended sections of the Act                              |
|---|--|--|
| 7. Discontinuation of the incentive for industrial linkage programme in accordance with Budget 2008.  | 1 January 2011   | 2, 5(1D)(a), 21F(1), 26F(1), 29G                         |
| 8. The period to receive applications for incentives offered to companies participating or intending to participate in the generation of renewable energy or providing energy conservation services in Malaysia other than for its own consumption is extended until 31 December 2015 in accordance with Budget 2011. | 1 January 2011   | 5(1DB),  |
| The period to receive applications for incentives offered to companies participating or intending to participate in Malaysia in the generation of renewable energy is extended until 31 December 2015 in accordance with Budget 2011.   | 1 January 2011   | 26I(1A)(c),  |
| The period to receive applications for incentives for conserving energy for own consumption is extended until 31 December 2015 in accordance with Budget 2011.  | 1 January 2011   | 26N(1), 27(N)(1)(aa), 29(O)(2A)                          |
| Exemptions to a company engaging in the generation of renewable energy for own consumption from the requirement to have a separate account under section 43A.   | 8 September 2007   | 26I(1B), 27I(1A), 29J(2A), 29J(3A), 43A                  |
| 9. Amendment of section 7 of the Act by providing a time frame for any company that has been granted pioneer status to apply for a pioneer certificate before the expiry of the period of twenty-four months or such extended period as the Minister may allow.   | 1 January 2011   | 7  |
| 10. Tax exemption for the value-added income for companies which upgrade their existing medical devices testing laboratories in Malaysia.   | 8 September 2007   | 21F, 29G   |
| The period to receive applications for the incentives for companies establishing medical devices testing laboratories or upgrading existing medical devices testing laboratories in Malaysia is extended until 31 December 2012.  | 8 September 2007   | 26F(2A)  |
| 11. Amendment of sections 22A, 23, 24, 29, 29A, 29AA, 29B, 29D, 29E, 29F, 29G and 29H of the Act in line with the Self-Assessment System introduced under the Income Tax Act 1967.  | 20 August 2011 for the substitution of the words "section 22" with the words | 22A, 23, 24, 29, 29A, 29AA, 29B, 29D, 29E, 29F, 29G, 29H |

| Highlights of the Bill   | Effective date                          | Amended sections of the Act |
|--|---|-----------------------------|
|  | "section 22A" in the amendment          |                             |
| 12. Amendment of paragraph 29(7)(iii) of the Act to include the purchase of a building as part of the definition of capital expenditure related to a hotel business.   | 31 March 2011                           | 29(7)(iii)                  |
| 13. Introduction of a new section 27P into the Act to provide a time frame for a company that has been granted investment tax allowance to apply for the determination of its effective date or an extension of time for such application before the expiry of the period of twenty-four months or such extended period as the Minister may allow. | No effective date is stated in the Bill | 27P                         |

Clause 51 of the Bill sets out the saving and transitional provision whereby the provisions which were deleted shall remain in operation and continue to apply in relation to any application approved under those provisions before the coming into operation of the Promotion of Investments (Amendment) Act 2014.

Members may view the Promotion of Investments (Amendment) Bill 2014 at the [official portal of Parliament of Malaysia](#) or at the [Institute's 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 concern or comments you may have on the above proposed amendments.

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