

**GUIDELINES AND PROCEDURES FOR APPLYING TAX INCENTIVE  
UNDER THE PROMOTION OF INVESTMENTS ACT 1986  
TO GENERATE ENERGY USING RENEWABLE ENERGY RESOURCES**

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**I. INTRODUCTION**

Companies intending to generate energy using renewable energy resources are eligible to apply for Pioneer Status of full exemption from income tax for 10 years or Investment Tax Allowance of 100% on qualifying capital expenditure incurred within a period of 5 years to be utilized against 100% of the statutory income for each year of assessment. This incentive is applicable for applications received until 31 December 2010 and the company is required to implement the project within one (1) year from the date of incentive approval.

**II. CRITERIA FOR ELIGIBILITY**

- (i) The company must be locally incorporated under the Companies Act 1965.
- (ii) Renewable energy resources that can be used and energy forms are as in Appendix I.

**III. QUALIFYING CAPITAL EXPENDITURE**

For Investment Tax Allowance Incentive, qualifying capital expenditure means capital expenditure incurred on building, plant and machinery used for generation of energy using renewable energy resources.

**IV. EXPATRIATE POSTS**

Companies intending to generate energy using renewable energy resources may also apply for expatriate post(s). However, the company should endeavour to train Malaysian in the same fields.

**V. PROCEDURE FOR APPLYING TAX INCENTIVE**

- (i) Companies intending to generate energy using renewable energy resources are required to submit their applications using Form RE/JA.
- (ii) The application should be submitted in **three (3) copies** of RE/JA Forms to :

The Director General  
Malaysian Industrial Development Authority  
10<sup>th</sup> Floor, Plaza Sentral  
Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
(For the Attention Of : Director  
Textiles and Mineral Industries Division)

## APPENDIX I

### LIST OF RENEWABLE ENERGY RESOURCES AND ENERGY FORMS

#### RENEWABLE ENERGY RESOURCES

1. Palm Oil Mill/ Estates Waste
2. Rice Mill Waste
3. Sugar Cane Mill Waste
4. Timber/Sawmill Waste
5. Paper Recycling Mill Waste
6. Municipal Waste
7. Biogas (from Landfill, Palm Oil Mill Effluent (POME), Animal Waste, Others)
8. Hydro Power (not exceeding 10 Megawatts)
9. Solar Power

#### TYPES OF ENERGY

1. Electricity
2. Steam
3. Chilled Water
4. Heat