

**INCENTIVES FOR HIGH TECHNOLOGY PROJECTS****A. PROMOTED ACTIVITIES AND PRODUCTS**

<b>NO.</b>	<b>PROMOTED PRODUCTS / ACTIVITIES</b>
<b>I.</b>	<b>Design, development and manufacture of advanced electronics and computing</b>
1.	Design, development and manufacture of:
	a) High-density modules or systems
	b) Advanced display
	c) Advanced semiconductor devices
	d) Advanced connectors
	e) Data storage devices or systems
	f) Advanced substrates
	g) Information and telecommunication products, systems or devices
	h) Digital entertainment or infotainment products
	i) Optoelectronic equipment, systems or devices
	j) Electronic security and surveillance systems or devices
	k) Electronic machines, equipment, system or devices
	l) Advanced electronic components
<b>II.</b>	<b>Professional, medical, scientific and measuring devices or parts</b>
1.	Design, development and manufacture of:
	a) Medical equipment, parts or components
	b) Medical implant, medical devices, parts or components
	c) Testing, measuring or laboratory equipment or apparatus
<b>III.</b>	<b>Biotechnology</b>
1.	Development, testing and manufacture of:
	a) pharmaceuticals
	b) fine chemicals
	c) biodiagnostics
<b>IV.</b>	<b>Advanced materials</b>
1.	Development and manufacture of:
	a) polymers or biopolymers
	b) fine ceramics or advanced ceramics
	c) high strength composites
2.	Nano particles and their formulations thereof
<b>V.</b>	<b>Alternative energy technology</b>
1.	Design, development and manufacture of products, equipment, systems, devices or components for use in alternative energy sectors
<b>VI.</b>	<b>Iron and Steel</b>
1.	Super fine wire of diameter 2.0 mm and below

**B. TYPE OF INCENTIVES**

- (i) **Pioneer Status (PS)**  
Income tax exemption of **100% of statutory income** for a period of **5 years**. Unabsorbed capital allowances and accumulated losses incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company; **or**
- (ii) **Investment Tax Allowance (ITA)**  
An allowance of **60% of qualifying capital expenditure** incurred within a period of **5 years** from the date the first capital expenditure is incurred. The allowance can be **offset against 100% of statutory income** for each assessment year. Unutilise allowances can be carried forward until fully absorbed.

**C. ELIGIBILITY CRITERIA**

- (i) Company has not commenced production\*.
- (ii) Local research and development (**R&D**) **expenditure to gross sales should be at least 1%** on an **annual basis**. However, companies are allowed a period of 3 years from the date of operation / commencement of business to comply with this requirement;
- (iii) The **percentage of science and technical staff** having degrees or diplomas with a minimum **5 years' experience** in related fields should be at least **15% of total workforce**; and
- (iv) **Value added** must be at least **40%**.

*Note : \* For a new company with Malaysian equity ownership of at least 60%, which are already in production not more than one year from the date of application received by MIDA, can be considered for incentive.*

**D. APPLICATION FORMS**

- ICA / JA-3 for High Technology/Strategic Project for New Manufacturing Activities.
- ICA / JA-4 for High Technology/Strategic Project for Expansion and/or Diversification.

Form can be downloaded from [www.mida.gov.my](http://www.mida.gov.my)