

**GUIDELINES FOR APPLICATION FOR TAX INCENTIVES FOR COMPANIES
PROVIDING COLD CHAIN FACILITIES**

1. Introduction

Companies providing cold chain facilities and services for perishable agricultural products i.e. fruits, vegetables, flowers, ferns, meat and aquatic products are eligible for Pioneer Status or Tax Investment Tax Allowance as follows:-

1.1 New Company

(i) Pioneer Status

- Pioneer Status with a tax exemption of 70% of the statutory income for a period of 5 years; **or**
- Pioneer Status with a tax exemption of 100% of the statutory income for a period 5 years for projects located in the Eastern Corridor of Peninsular Malaysia, Sabah and Sarawak.

(ii) Investment Tax Allowance

- Investment Tax Allowance of 60% on the qualifying capital expenditure incurred within a period of 5 years. The allowance can be offset against 70% of the statutory income in each year of assessment; **or**
- Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of 5 years for projects located in the Eastern Corridor of Peninsular Malaysia, Sabah and Sarawak. The allowance can be offset against 100% of the statutory income in each year of assessment.

1.2 Existing Company

(i) Pioneer Status

- Pioneer Status with a tax exemption of 70% on the **increased** statutory income arising from reinvestment for a period of 5 years; **or**

- Pioneer Status with a tax exemption of 100% on the **increased** statutory income arising from reinvestment for a period of 5 years for projects located in the Eastern Corridor of Peninsular Malaysia, Sabah and Sarawak

(ii) Investment Tax Allowance

- Investment Tax Allowance of 60% on the **additional** qualifying capital expenditure incurred within a period of 5 years. The allowance can be offset against 70% of the statutory income in each year of assessment; or
- Investment Tax Allowance of 100% on the **additional** qualifying capital expenditure incurred within a period of 5 years for projects located in the Eastern Corridor of Peninsular Malaysia, Sabah and Sarawak. The allowance can be offset against 100% of the statutory income in each year of assessment.

2. ELIGIBLE APPLICANT

A new company intending to provide cold chain facilities or an existing service provider intending to reinvest in cold chain facilities for perishable agricultural produce, may apply for the tax incentive.

3. QUALIFYING CRITERIA

3.1 Independent Service Provider

The applicant must be an independent service provider.

3.2 Eligible Activities

Eligible activities for the granting of incentives are:

- (i) The provision of cold room facilities or refrigerated transportation for local agricultural produce with or without other post-harvest activities including cleaning, washing, grading, freezing/chilling and packing.
- (ii) The provision of cold room facilities or refrigerated transportation for local processed food products.

3.3 Qualifying Income

At least 60% of the company's revenue must be derived from the provision of cold room facilities, refrigerated transportation and other related services for local agricultural products.

4. PROCEDURE FOR APPLICATION:

- The application should be submitted in **three (3) sets** using the ICA-1 or ICA-3 Forms to:

Chief Executive Officer
Malaysian Investment Development Authority (MIDA),
MIDA Sentral, No. 5
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur.
(Attn.: Director, Logistics and Regional Operations Division)

- For project in Sabah and Sarawak, three (3) copies of the form should also be submitted to the relevant MIDA office as follows:

Sabah

Director
MIDA Sabah Office
Lot D9.4 & 9.5
9th Floor, Block D, Bangunan KWSP
Karamuning
88100 Kota Kinabalu
Sabah, Malaysia

Sarawak

Director
MIDA Sarawak Office
Room 404, 4th Fl.
Bangunan Bank Negara Malaysia
No 147, Jalan Satok
PO Box 716
93714 Kuching
Sarawak, Malaysia

- For enquiries and clarification, please refer to:-

MIDA's website : www.mida.gov.my
Tel : (603)2267-3633
Fax : (603) 2274-7970
E-mail : investmalaysia@mida.gov.my