

GUIDELINES
APPLICATION FOR TAX INCENTIVE FOR THE PROMOTION OF
HEALTHCARE TRAVEL
I. NEW PRIVATE HEALTHCARE FACILITY
II. EXPANSION / MODERNISATION / REFURBISHMENT OF AN EXISTING
PRIVATE HEALTHCARE FACILITY

I. INTRODUCTION

1. Companies that establish **new private healthcare facilities** or **existing private healthcare facilities undertaking expansion / modernisation / refurbishment** for purposes of promoting healthcare travel are eligible to apply for **Income Tax Exemption equivalent to Investment Tax Allowance (ITA) of 100%** on the qualifying capital expenditure incurred within **a period of 5 years**. The allowance can be used to offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until fully utilised.
2. For purposes of this incentive, private healthcare facilities means **private hospitals or ambulatory care centres**.

II. CRITERIA

1. The company must be incorporated in Malaysia under the Companies Act, **2016**.
2. The private healthcare facility must be approved and licensed by the Ministry of Health (MOH) **Malaysia**.
3. The private healthcare facility must be registered with the Malaysia Healthcare Travel Council (MHTC) as **'A Healthcare Facility for the Promotion of Healthcare Travel'**.
4. For each private healthcare facility:-
 - (i) The **qualified** healthcare travellers **shall comprise of at least 10%** of its total patients **for each year of assessment**; and
 - (ii) **At least 10%** of its gross income **for each year of assessment** is **generated from healthcare travellers**.

Note: Definition of 'healthcare traveller' –

- (i) A non-Malaysian citizen who participates in the Malaysia My Second Home Programme and his dependents;
- (ii) An expatriate who is a non-Malaysian citizen holding a Malaysian work permit and his dependents; or
- (iii) A non-Malaysian citizen who visits and receives treatment from private healthcare facilities in Malaysia.

5. For a new private healthcare facility:
 - (a) Application must be submitted to MIDA **prior to commencement of business.**
 - (b) Application must be submitted to MIDA together with the **approval to establish (Form 2) from MOH.**
6. For **expansion / modernisation / refurbishment of an existing private healthcare facility:**
 - (a) Application must be submitted to MIDA **before the first qualifying capital expenditure is incurred for the purpose of expansion / modernisation / refurbishment.**
 - (b) Application must be submitted to MIDA together with the **approval for expansion / modernisation / refurbishment (Form 6) from MOH.**
7. The incentive is applicable for applications received by MIDA **not later than 31 December 2020.**

III. QUALIFYING CAPITAL EXPENDITURE

For the purpose of ITA, qualifying capital expenditure in relation to private healthcare facilities means capital expenditure incurred in relation to building, plant and machinery, the medical devices or other facilities **in accordance with criteria as set out by the Ministry of Finance** and used for the purpose of the qualifying project and **shall be verified by the Ministry of Health.**

IV. MECHANISM

The tax incentives for private healthcare facility to be provided under P.U.(203) Income Tax (Exemption) (No. 3) Order 2017, Income Tax Act, 1967 and approved through the National Committee on Investment (NCI).

V. PROCEDURE FOR APPLICATION

1. Application should be made by using **PH-1 Form (new private healthcare facility) or PH-2 Form (expansion / modernisation / refurbishment of an existing private healthcare facility).**
2. Please refer to '**Checklist**' for supporting documents required.
3. Application should be submitted in **three (3) copies** 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
Healthcare, Education and Hospitality Division)**

4. For enquiries and clarification, please refer to:-

Tel. No. : (603) 2267 3633
Fax No. : (603) 2274 8464
MIDA's Website : <http://www.mida.gov.my>
E-mail : kph@mida.gov.my

CHECKLIST
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I. NEW PRIVATE HEALTHCARE FACILITY
II. EXPANSION / MODERNISATION / REFURBISHMENT OF AN EXISTING
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- 1. Three (3) sets of application form
- 2. A cover letter of the application and a short company profile
- 3. The company's corporate group structure (if any)
- 4. Artist impressions / pictures / drawings of the private healthcare facility (if any)
- 5. Financial institution's offer letter on financial assistance / loan (if any)
- 6. Land / building's sales and purchase agreement (if any)
- 7. Land / building's tenancy agreement (if any)
- 8. Certificate of incorporation (Section 17 or 28)
- 9. Return of allotment of shares (Section 78)
- 10. Notice of situation of registered office (Section 46)
- 11. Particulars of directors (Section 58)
- 12. The latest audited accounts report (if any)

If this is an application for a new private healthcare facility, please provide a copy of the following documents:

- 13. Approval for **establishment** of the new private healthcare facility from Ministry of Health (MOH) **(Form 2)**
- 14. Membership registration letter as **'A Healthcare Facility for the Promotion of Healthcare Travel'** from Malaysia Healthcare Travel Council (MHTC) (if any)

If this is an application for an existing private healthcare facility to undertake an expansion / modernisation / refurbishment, please provide a copy of the following documents:

15. Approval for **alteration (modernisation / refurbishment)** or **extension (expansion)** of an existing private healthcare facility from MOH **(Form 6)**
16. Latest / current **operating license** of the existing private healthcare facility from MOH **(Form 4 / 7)**
17. Membership registration letter as '**A Healthcare Facility for the Promotion of Healthcare Travel**' from MHTC (if any)
18. Latest / current business license