

GUIDELINE AND PROCEDURES FOR WASTE ECO PARK (WEP) INCENTIVE AND/OR EXPATRIATE POSTS

Waste Eco Park (WEP) aims to promote waste recycling, recovery and treatment activities by the industries and provides a sustainable solution to waste management problem. This will encourage investments in facilities and infrastructure towards holistic waste management activities.

A. WEP DEVELOPER

WEP Developer is the party responsible for necessary infrastructure establishment of WEP. WEP Developer will be the ultimate focal party to ensure holistic waste management activities within WEP.

TAX INCENTIVE

Income Tax Exemption of 70% on statutory income derived from **rental** of building, waste receiving and separation facility and waste water treatment facility located in the WEP effective from **Year of Assessment (YA) 2016 until YA 2025**.

ELIGIBILITY CRITERIA

1. A company incorporated under the **Companies Act, 1965**.
2. The company **must develop the infrastructure** within the WEP which incorporates the following minimum elements:
 - a) Basic infrastructure such as roads, drainage system, utilities and sewerage;
 - b) Building & facility for waste receiving and separation;
 - c) Waste water treatment facility;
 - d) Building for recycling / recovery / treatment facility; **and**
 - e) Building for education & awareness centre; **and/or**
 - f) Disposal facility.
3. Investments in fixed assets (excluding land) must be a minimum of RM50 million within 3 years from the date of first capital expenditure incurred.

4. The WEP must be approved by relevant authorities as per **Appendix I**, State Governments and Local Authorities, before the implementation of the project.
5. The company shall **maintain** records of all wastes and products flowing in and out of the WEP (collecting and compiling all data on wastes received/processed/sold to local or export market from companies operating in the WEP) and **submit** periodic reports to the **relevant authorities** as per **Appendix I**.
6. Total waste tonnage received monthly needs to be processed i.e treated or recovered or recycled. A maximum of 30% from total processed waste is allowed to be disposed to the landfill.
7. The company is not allowed to import waste/scrap into Malaysia. The company is only allowed to recycle waste/scrap obtained within Malaysia including Free Zones/Licensed Manufacturing Warehouse (FZ/LMW).
8. The company is to abide by the guidelines/conditions of the relevant Acts, Rules and Regulations under the respective ministries and agencies.

EFFECTIVE DATE OF APPLICATION

Applications received by **MIDA** from **1 January 2016 to 31 December 2020** are eligible to be considered for this incentive.

B. WEP MANAGER

Dedicated WEP Manager, appointed by WEP Developer, shall ensure effective and efficient coordination, implementation and operation of WEP.

The WEP Manager's activities, approved by the Government, may include the following:

- a) Promote and advertise on the WEP.
- b) Manage facilities and infrastructure in the WEP.
- c) Ensure supply of types and amount/volume of wastes is according to the capacity of the facility.
- d) Manage segregation and separation of waste for WEP Operator's feedstock.

TAX INCENTIVE

Income Tax Exemption of 70% on statutory income derived from services activities related to management, maintenance, supervision and marketing of the WEP effective from **YA 2016 until YA 2025**.

ELIGIBILITY CRITERIA

1. A company incorporated under the **Companies Act, 1965**.
2. The company must be a separate entity, **appointed by the WEP Developer**, to provide services approved by the Government, related to the management, maintenance, supervision and marketing of the WEP.
3. The company shall **maintain** records of all wastes and products flowing in and out of the WEP (collecting and compiling all data on wastes received/ processed / sold to local or export market from companies operating in the WEP) and **submit** periodic reports to the **WEP Developer**.
4. Total waste tonnage received monthly needs to be processed i.e treated or recovered or recycled. A maximum of 30% from total processed waste is allowed to be disposed to the landfill.
5. The company is not allowed to import waste/scrap into Malaysia. The company is only allowed to recycle waste/scrap obtained within Malaysia including Free Zones/Licensed Manufacturing Warehouse (FZ/LMW).
6. The company is to abide by the guidelines/conditions of the relevant Acts, Rules and Regulations under the respective ministries and agencies.

EFFECTIVE DATE OF APPLICATION

Applications received by **MIDA** from **1 January 2016 to 31 December 2020** are eligible to be considered for this incentive.

C. WEP OPERATOR

The company operating in the WEP has to contribute to the holistic waste management practice and achieve the Government's target to reduce waste disposal, encourage waste recovery, increase waste recycling and support the ecosystem of waste management.

TAX INCENTIVE

Income Tax Exemption of **100%** on statutory income for a period of **five (5) years**, derived from the qualifying activities undertaken in the WEP;

OR

Income Tax Exemption equivalent to **100%** of qualifying capital expenditure (**Investment Tax Allowance**) incurred within a period of **five (5) years**. The allowance can be offset against **70%** of statutory income for each assessment year.

ELIGIBILITY CRITERIA

1. A company incorporated under the **Companies Act, 1965**.
2. The company located in the WEP must undertake at least **one** of the qualifying activities as follows:
 - a) Waste treatment;
 - b) Waste recovery;
 - c) Waste recycling.
3. The company shall **maintain** records of all wastes and products flowing in and out of the WEP (collecting and compiling all data on wastes received/processed/sold to local or export market) and **submit** periodic reports to the **WEP Manager**.
4. The company is not allowed to import waste/scrap into Malaysia. The company is only allowed to recycle waste/scrap obtained within Malaysia including Free Zones/Licensed Manufacturing Warehouse (FZ/LMW).
5. The company is to abide by the guidelines/conditions of the relevant Acts, Rules and Regulations under the respective ministries and agencies.

EFFECTIVE DATE OF APPLICATION

Applications received by **MIDA** from **1 January 2016 to 31 December 2020** are eligible to be considered for this incentive.

D. EXPATRIATE POST

WEP Developer/Manager/Operator which undertakes WEP activities may also apply for expatriate post(s) subject to prevailing Laws and Regulations. However, the company should undertake best endeavour to train Malaysians in the same fields.

E. PROCEDURE FOR APPLICATION

Application should be submitted in **three (3) copies** using the **following forms**:

- A. WEP-D/JA for Developer
- B. WEP-M/JA for Manager
- C. ICA/JA-1* for Operator

*Applicant (company) must indicate the **location of the WEP** in the application form under the '**proposed factory location**' field.

Application should be submitted 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, Clean Technology & Environment Management Division)

For projects 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 Floor
Bangunan Bank Negara Malaysia
No 147, Jalan Satok, PO Box 716
93714 Kuching
Sarawak, Malaysia

For enquiries and clarification, please refer to:-

Website : www.mida.gov.my
Tel : (603)2267-3633
Fax : (603) 2273-4208
Email : investmalaysia@mida.gov.my

List of Responsible Ministries / Agencies / Authorities

No	Agencies	Type of Waste
1.	National Water Services Commission (SPAN)	Sewerage
2.	Department of Agriculture	Agriculture
3.	National Solid Waste Management Department (JPSPN)	Solid
4.	National Solid Waste Management Department (JPSPN)	Construction
5.	Department of Environment (DOE)	Scheduled
6.	Atomic Energy Licencing Board (AELB)	Radioactive
7.	Minerals and Geoscience Department Malaysia (JMG)	Mining