

## GUIDELINES FOR APPLICATION FOR TAX INCENTIVE FOR THE PROMOTION OF HEALTHCARE TRAVEL

### 1. INTRODUCTION

- 1.1 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. Unutilised allowance can be carried forward to subsequent years until fully utilised.
- 1.2 For purposes of this incentive, private healthcare facilities means **private hospitals** or **ambulatory care centres**.

### 2. QUALIFYING CRITERIA

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

Note: Definition of 'healthcare traveller' –

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

2.5 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.**

2.6 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.**

2.7 The incentive is applicable for applications received by MIDA **not later than 31 December 2020.**

**3. 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.**

**4. MECHANISM**

The tax incentives for private healthcare facility to be provided under \*P.U.(A) 22, Income Tax (Exemption) Order 2012, Income Tax Act, 1967 and approved through the National Committee on Investment (NCI).

**\*Note:**

**The P.U.(A) 22 Income Tax (Exemption) Order 2012, Income Tax Act 1967 is used until the new GO for the private healthcare is gazetted.**

**5. PROCEDURE FOR APPLICATION**

5.1 Applications should be made using the relevant form as follows:

- a. **New private healthcare facility**  
PHF-1
- b. **Expansion / modernisation / refurbishment of an existing private healthcare facility**  
PHF-2

5.2 Please refer to '**Checklist**' for supporting documents required.

5.3 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

Malaysia

**(Attn.: Director, Healthcare, Education & Hospitality Division)**

5.4 Application with incomplete information will not be accepted and will be returned to the company.

5.5 For enquiries and clarification, please refer to:-

Website	:	<a href="http://www.mida.gov.my">www.mida.gov.my</a>
Tel	:	(603) 2267 3633
Fax	:	(603) 2274 7970
E-mail	:	<a href="mailto:investmalaysia@mida.gov.my">investmalaysia@mida.gov.my</a>