

GUIDELINES AND PROCEDURES FOR APPLICATION FOR IMPORT DUTY AND/OR SALES TAX EXEMPTION ON RAW MATERIALS, COMPONENTS AND/OR SEMI-FINISHED PRODUCTS FOR OWNERS OF MALAYSIAN BRAND NAMES IN OUTSOURCING MANUFACTURING ACTIVITIES

1. **Owners of Malaysian Brand Names** are eligible for **import duty and/or sales tax exemption** on raw materials, components and/or semi-finished products used in the **manufacture of finished products by their contract manufacturers locally or abroad.**
2. Import duty and/or sales tax exemption can be considered as follows:
 - (i) **Import duty exemption** on **imported raw materials and components** which are used to manufacture finished products with **nil import duty.**
 - (ii) **Import duty and/or sales tax exemption** on **semi-finished products** which are **imported from contract manufacturers abroad** and are **used in the manufacture of finished products by local contract manufacturers.**
 - (iii) **Sales tax exemption** on **imported and locally purchased raw materials, components and/or imported semi-finished products** used to manufacture **finished products** which are subject to **sales tax.**
 - (iv) **Sales tax exemption** on **imported and locally purchased raw materials, components** and/or **imported semi-finished products** used to manufacture finished products in **the following industries/sectors which are not subject to sales tax:**
 - aerospace and aircraft
 - machinery and equipment
 - petroleum products (other than refineries)
 - research and development
 - (v) Raw materials, components and semi-finished goods are **used directly** in the manufacture of finished products.
3. Only application for accumulative total duty/tax of **RM5,000.00** and above (per submission) will be considered for exemption. Companies are advised to combine their applications so as to reduce the number of submissions made to MIDA.

4. Application must be submitted **before the raw materials/components/semi finished products are imported or purchased.**

5. A copy each of the following documents should be submitted:-

(i) **Certificate of Trade Mark Registration** issued by:

Director General
Intellectual Property Corporation of Malaysia (IPC)
32nd Floor, Menara Dayabumi
Jalan Sultan Hishamuddin
50623 Kuala Lumpur.
Tel. No: (603) 2272 8671
Fax No: (603) 2274 1332
Website: <http://www.mipc.gov.my>

or

Certificate or Registration of brand names acquired from abroad.

(ii) Outsourcing process flow chart.

(iii) Relevant contract documents on outsourcing arrangements which stipulate the imported semi-finished products applied.

(iv) Memorandum and Articles of Association or Business Registration Certificate.

6. Companies which **have not been approved the above Certificate of Trade Mark Registration** are required to **submit the following documents** issued by the **Intellectual Property Corporation of Malaysia (MyIPO)**:

(i) **Acknowledgement letter** for submission of application for Trade Mark Registration (Form TM5); **and**

(ii) **Acceptance letter for Advertisement for Trade Mark Registration** (Form TM 29).

7. Applications should be submitted using **Form PC 6** or **Form PC 6-1** (for additional quantities of raw materials, components and semi finished products) in **two (2) copies** to:

Chief Executive Officer
Malaysian Investment Development Authority (MIDA)
MIDA Sentral
No. 5, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
P.O. Box 10618
50720 Kuala Lumpur
Malaysia

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

Website : <http://www.mida.gov.my>
Tel. No. : (603) 2267 3633
Fax No. : (603) 2274 7970 / 2273 4204
E-mail : investmalaysia@mida.gov.my