

GUIDELINES AND PROCEDURE FOR APPLICATION FOR IMPORT DUTY AND/OR SALES TAX EXEMPTION ON RAW MATERIALS AND COMPONENTS FOR MANUFACTURING SECTORS

1. Companies engaged in **manufacturing activities** can be considered for **import duty exemption** on **raw materials and components** which are used directly in the production of finished products and are imported directly.
2. Companies in the following **selected industries** which manufacture **finished products not subjected to sales tax** can also apply for **sales tax exemption** on imported or locally sourced raw materials and components:
 - i. Aerospace / aircraft industry
 - ii. Machinery & equipment industry
 - iii. Petroleum products used as raw materials for industries other than oil refinery
 - iv. Motorcycle assembly industry
3. MIDA only accept application for **import duty exemption** for **iron and steel** raw materials / components under **HS Code 72 to 7316** to be used to produce finished products for **domestic market**. Meanwhile, for export and Free Zone / Licensed Manufacturing Warehouse (FZ/LMW) market, company can claim import duty exemption from Customs through duty drawback facility. Whereas, application for **sales tax exemption** for **export market** has to be submitted to MIDA.
4. Only application with total duty and/or tax exemption value of **RM5,000** and above (per submission) will be considered for exemption.
5. Application must be submitted **prior to the importation or purchase** of the raw materials and components.
6. Application should be **submitted online** via <https://investmalaysia.mida.gov.my>
7. Company should attach the following documents:
 - i. **Manufacturing License** issued under the Industrial Coordination Act 1975 or **confirmation letter for a company exempted from Manufacturing License** under the Industrial Coordination Act 1975 from MIDA;
 - ii. **Tax incentive** approval under the Promotion of Investment Act, 1986 (PIA) or Income Tax Act, 1967 (if applicable);

- iii. **Registration certificate** or the **letter of acknowledgement if the application for the registration certificate** is pending for approval from the Department of Occupational Safety and Health (DOSH);
 - iv. **Company profile** (latest printout) generated from Companies Commission of Malaysia (SSM) e-Info Services;
 - v. **Flow chart of manufacturing process**;
 - vi. **Layout plan of the machinery and equipment** in the approved manufacturer's premise and to indicate the location of the machinery and equipment.
8. For enquiries and further clarification, please contact:

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