

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 purpose of this incentive, private healthcare facilities refers to **private hospitals** or **ambulatory care centres** as defined under the Private Healthcare Facilities and Services Act 1998 [Act 586].

2. QUALIFYING CRITERIA

- 2.1 The company must be incorporated in Malaysia under the Companies Act 2016 and resident in Malaysia.
- 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 assessment¹**.
 - b. **At least 10% of its gross income for each year of assessment is generated from healthcare travelers¹**.

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.**

¹ The Company shall comply with this condition no later than the third Year of Assessment (YA) commencing from the date the company starts its operation.

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 the 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 the MOH.**

2. 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 MOH.**

3. EFFECTIVE DATE OF APPLICATION

Application received by MIDA from **1 January 2021 until 31 December 2022** is eligible to be considered for this incentive.

4. MECHANISM

The tax incentives for private healthcare facility to be provided under the relevant exemption orders* under the Income Tax Act 1967 Tax Act, 1967 and to be approved by the National Committee on Investment (NCI).

*Note:

- i. P.U.(A) 22/2012 : Income Tax (Exemption) Order 2012, Income Tax Act 1967
- ii. P.U.(A) 141/2020 : Income Tax (Exemption) (No.2) Order 2020, Income Tax Act 1967 with effect from year of assessment 2018.

Both exemption orders are to be used until the new GO for the private healthcare is gazetted.

5. **PROCEDURE FOR APPLICATION**

- 5.1 Applications should be made online through MIDA e-TRANS portal at URL <https://investmalaysia.mida.gov.my>.
- 5.2 Applications with incomplete information will not be accepted and will be returned to the company.
- 5.3 For enquiries and clarification please refer to:-

Website: www.mida.gov.my

Tel : (603) 2267 3633

Fax : (603) 2274 7970

E-mail : investmalaysia@mida.gov.my