



MIDA'S
**Incentives &
Facilities**
For The Services Companies

www.mida.gov.my



officialmida



MIDA TV



Malaysian Investment Development Authority



i-SERVICES PORTAL

A single market place to link investors/ companies interested to source for domestic services with local service providers.

**IT CAN BE
ACCESSED BY BOTH:**

- Registered service providers: an avenue to showcase their companies' profile and business offerings to potential clients
- Registered users/ potential clients: a focal point to obtain database on local suppliers based on category of services.

<http://iservices.mida.gov.my>

MIDA'S INCENTIVES & FACILITIES FOR THE SERVICES COMPANIES



CATEGORY OF SERVICES

IN i-SERVICES PORTAL

- Accounting, Auditing & Taxation
- Advertising & Market Research
- Architectural Consultancy
- Construction & Its Related Services
- Education & Industrial Training (Including International School)
- Engineering Consultancy
- Environmental Management & Consultancy
- Financial & Insurance/Takaful
- Green Energy Related Services
- Information & Communication Technology (Including Solution Provider For Industry 4.0)
- Integrated Engineering Services (Turnkey/EPCC)
- Legal
- Logistics
- Management & Business Consultancy
- Oil & Gas
- Real Estate & Surveying Consultancy
- Research & Development (R&D) Services
- Specialised Technical Support (Including Robotics & Automation)



GRANT

INDUSTRY4WRD INTERVENTION FUND

This is a financial support facility for Malaysian SMEs in the manufacturing and manufacturing-related services sectors to embrace Industry 4.0.

ELIGIBLE APPLICANTS

SMEs in the manufacturing and manufacturing-related services sectors which completed the Industry4WRD Readiness Assessment (RA) programme

SCOPE OF FUND

Only expenditures based on the recommendations of RA report will be considered. At least one of the shift factors of people, process and technologies must be addressed in the intervention project, subject to a maximum grant of RM50,000 on the shift factor of people

AMOUNT OF GRANT

Matching basis (70:30) based on eligible expenditures, up to a maximum grant of RM500,000

EFFECTIVE DATE

Started in 2019 until 31 December 2021
Extended from 1 January 2022 onwards

INCENTIVES

PRIVATE HIGHER EDUCATION (TVET & SCIENCE FIELDS)

For new or existing companies undertaking expansion/upgrading

TAX INCENTIVES

Investment Tax Allowance:
100% on QCE for 10 years, offset 70% of SI

PRIVATE HOSPITAL & AMBULATORY CARE CENTRE

For new or existing companies undertaking expansion/modernisation/refurbishment

TAX INCENTIVES

Investment Tax Allowance:
100% on QCE for 5 years, offset 100% of SI

Effective Date : Until 31 December 2022

DESIGN & DEVELOPMENT & SERVICES OF INTEGRATED CIRCUIT

For new or existing company undertaking expansion

TAX INCENTIVES

Pioneer Status:
70% or 100% of SI for 5 or 10 years (5+5 years)

TOURISM PROJECTS

Construction of Holiday Camp & Recreational Project including Summer Camp, Convention Centres, Theme Parks & Other Tourism Projects for new or expansion/upgrading project by existing company

TAX INCENTIVES

Pioneer Status:
70% of SI for 5 years

Investment Tax Allowance:
60% on QCE for 5 years, offset 70% of SI

LEGEND

SI - Statutory Income

QCE - Qualifying Capital Expenditure

HOTELS

For new projects

TAX INCENTIVES

Pioneer Status:
1-3 Star Hotel
70% of SI for 5 years

Investment Tax Allowance:
1-3 Star Hotel
60% on QCE for 5 years, offset 70% of SI

For new or existing companies undertaking expansion/modernisation/refurbishment

TAX INCENTIVES

Investment Tax Allowance:
1-5 Star Hotel
60% on QCE for 5 years, offset 70% of SI

GLOBAL TRADING CENTRE (GTC)

For new companies

TAX INCENTIVES

Concessionary corporate tax rate of 10% for 5 years

The period of incentive may be extended for a period of 5 years

The company may only enjoy GTC Incentive if it undertakes GTC activities and complies with the eligibility criteria

Effective Date : Until 31 December 2022

PRINCIPAL HUB 3.0

For new companies (Manufacturing & Services companies)

TAX INCENTIVES

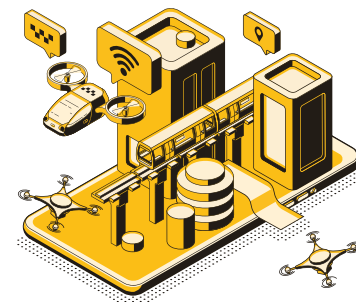
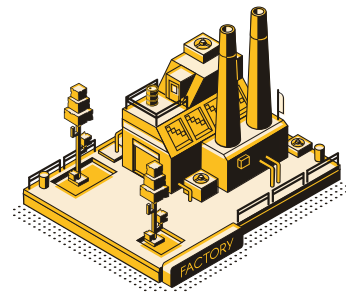
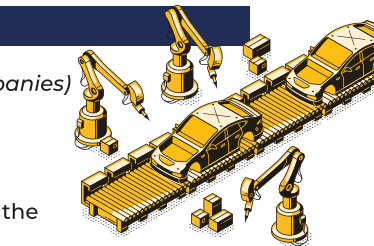
Corporate Taxation Rate
Tiered – tax exemption on statutory income based on the level of commitment of the company

2-TIER INCENTIVE	TIER 2		TIER 1	
Blocks (years)	5	+5	5	+5
Tax Rate	5%		0%	

Existing Companies
-Existing Manufacturing / Services Companies

Corporate Taxation Rate
10% concessionary rate on the total statutory income derived from qualifying Principal Hub activities for a period of 5 years of assessment

Effective Date : Until 31 December 2022



CONTRACT R&D COMPANY

For new companies

TAX INCENTIVES

Pioneer Status:

100% of SI for 5 years

Investment Tax Allowance:

100% on QCE for 10 years, offset 70% of SI

For existing companies undertaking reinvestment projects

Pioneer Status:

100% of SI for 5 years

Investment Tax Allowance:

100% on additional QCE for 10 years, offset 70% of SI

R&D COMPANY

For new companies

TAX INCENTIVES

Investment Tax Allowance:

100% on QCE for 10 years, offset 70% of SI

For existing companies undertaking reinvestment projects

Investment Tax Allowance:

100% on additional QCE for 10 years, offset 70% of SI

INTELLECTUAL PROPERTY DEVELOPMENT

TAX INCENTIVES

For new and existing companies:

100% on qualifying intellectual property income for 10 years

Effective Date : Until 31 December 2022

Note :

The tax exemption is subject to the guidelines on Modified Nexus Approach to ensure that only income derived from IP developed in Malaysia is eligible for the incentive

LEGEND

SI - Statutory Income

QCE - Qualifying Capital Expenditure

MAINTENANCE, REPAIR & OVERHAUL (MRO) AND AERO-RELATED SERVICES

For new companies

TAX INCENTIVES

Pioneer Status:

70% of SI for 5 or 10 years

Investment Tax Allowance:

60% on QCE for 5 years, offset 70% or 100% of SI

For existing companies undertaking expansion projects:

TAX INCENTIVES

Investment Tax Allowance:

60% on additional QCE for 5 years, offset 70% of SI

Effective Date : Until 31 December 2022

SHIPBUILDING & SHIP REPAIR

For new companies

TAX INCENTIVES

Pioneer Status:

70% of SI for 5 years

Investment Tax Allowance:

60% on QCE for 5 years, offset 70% of SI

For existing companies undertaking expansion projects:

TAX INCENTIVES

Investment Tax Allowance:

60% on additional QCE for 5 years, offset 70% of SI

Effective Date : Until 31 December 2022

GAS AND RADIATION STERILISATION SERVICES

For new companies

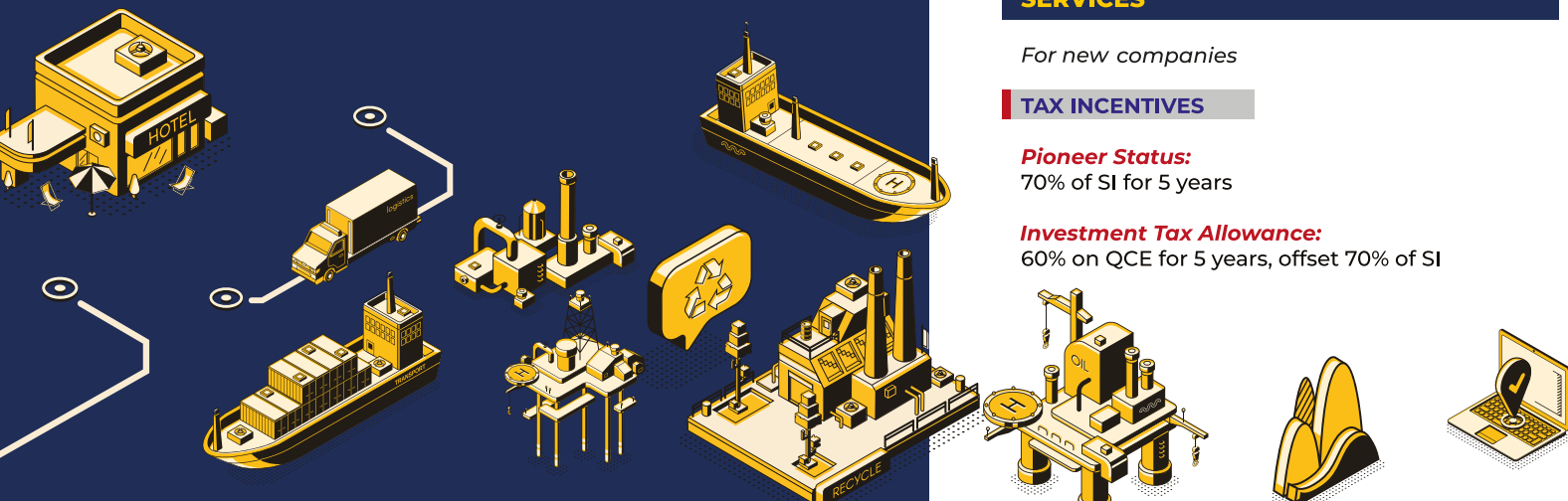
TAX INCENTIVES

Pioneer Status:

70% of SI for 5 years

Investment Tax Allowance:

60% on QCE for 5 years, offset 70% of SI



GREEN TECHNOLOGY

For new and existing companies

TAX INCENTIVES

Green Investment Tax Allowance (GITA) :

100% of QCE for 3 years from date first qualifying CAPEX, offset 70% of SI

Green Income Tax Exemption (GITE) :

Services

70% of SI for qualifying green services activities for a period of 3 years

Solar Leasing

70% of SI for solar leasing activities for a period of up to 10 years

Capacity (MW)	Incentive Period
>3MW until ≤10MW	5 years
>10MW until ≤30MW	10 years

COLD CHAIN FACILITIES AND SERVICES FOR PERISHABLE AGRICULTURAL PRODUCTS

For new or existing companies undertaking reinvestment projects

TAX INCENTIVES

Pioneer Status:

70% of SI for 5 years*

Investment Tax Allowance:

60% on QCE for 5 years, offset 70% of SI

* Note: For existing companies, the Pioneer Status is based on increased SI / additional QCE

INTEGRATED LOGISTICS SERVICES

For new or existing companies undertaking expansion / diversification projects

TAX INCENTIVES

Pioneer Status:

70% of SI for 5 years

Investment Tax Allowance:

60% on QCE for 5 years, offset 70% of SI

RELOCATION INCENTIVE

TAX INCENTIVES

New Company - Income tax rate of 0% to 10% for a period of up to 10 years

Existing Company - Income tax rate of 10% for a period of up to 10 years

A flat-rate of 15% for a period of 5 consecutive years to non-residents individuals holding key position (c-Suite) for strategic investments made by companies relocating their operations to Malaysia

DIGITAL ECOSYSTEM ACCELERATION (DESAC)

DIGITAL TECHNOLOGY PROVIDER

TAX INCENTIVES

New Company - Income tax rate of 0% to 10% for a period of up to 10 years

Existing Company - Income tax rate of 10% for a period of up to 10 years

DIGITAL INFRASTRUCTURE PROVIDER

INVESTMENT TAX ALLOWANCE

New Company and Existing Company - 100% on QCE for up to 10 years, offset 100% of SI



AUTOMATION CAPITAL ALLOWANCE FOR SERVICES SECTOR

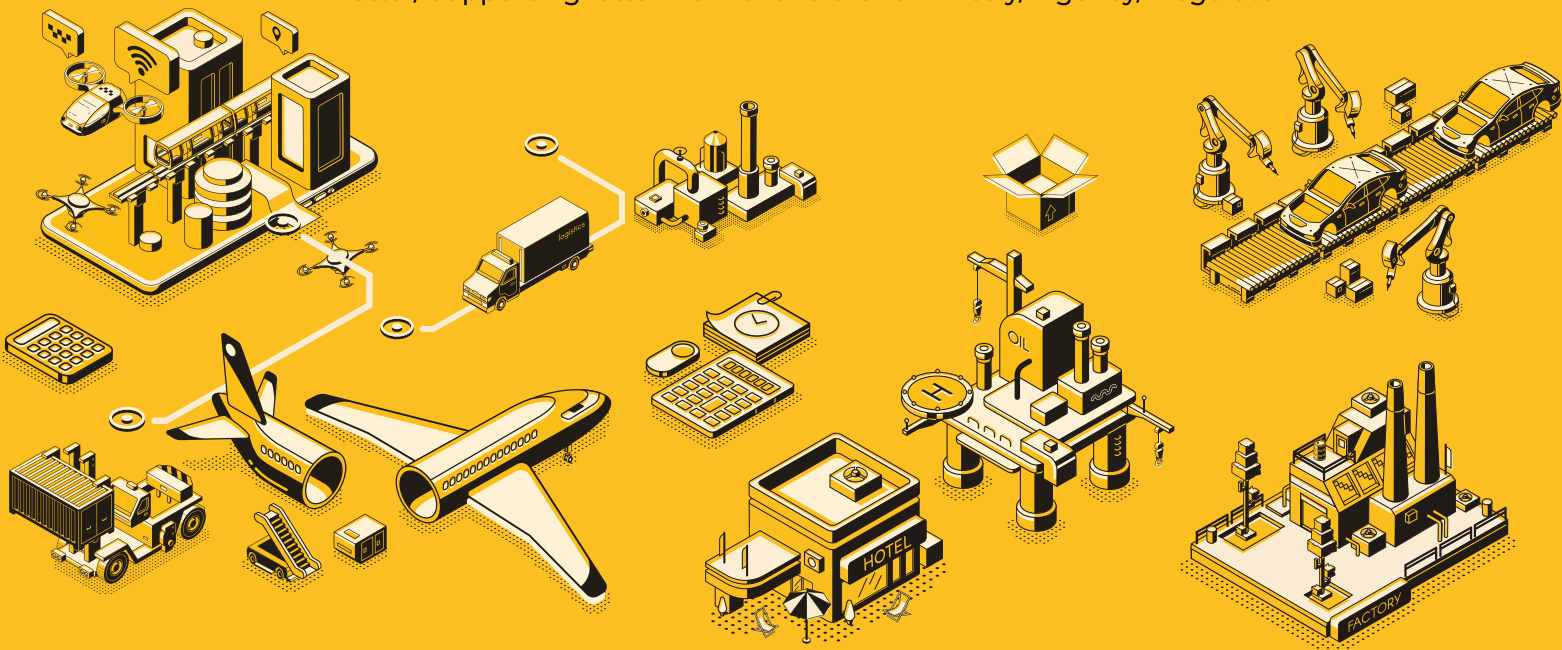
BUDGET 2020 NATIONAL BUDGET 2020

The existing ACA for Category 2 of the manufacturing sector has been expanded to the services sector in order to drive the services sector towards automation.”

TYPE OF INCENTIVE ➤

Automation Capital Allowance of **200%** on the **first RM2 million** expenditures incurred for the **year of assessment 2020 until the year of assessment 2023**

- Incorporated under the Companies Act, 2016 and resident in Malaysia
- Engaged in services activities and incurred expenditures on machinery / equipment / software that fulfill eligibility criteria
- Has been in operation for at least 36 months
- Possesses a valid Business License from Local Authority
- Possesses a permit/ licence/ registration/ accreditation/ certificate/ approval letter/ supporting letter from the relevant Ministry/ Agency/ Regulator



ABOUT MIDA

The Malaysian Investment Development Authority (MIDA) is the government's principal agency for the promotion of the manufacturing and services sectors in Malaysia. MIDA assists companies which intend to invest in the manufacturing and services sectors, as well as facilitates the implementation of their projects.

MIDA also evaluates the following applications for projects in the manufacturing and its related services sectors:

- Manufacturing licenses
- Tax incentives
- Expatriate posts
- Duty exemptions on raw materials and components
- Duty exemptions on machinery and equipment for agricultural sector and selected services sector

Investors are encouraged to discuss their project interests with MIDA officers at MIDA's headquarters in Kuala Lumpur or at its overseas or state offices closest to them. Investors are also invited to visit MIDA's Business Information Centre (BIC) where published information on investment, trade, financing, productivity pertaining to the manufacturing and services sectors are available.

20 Overseas Centres around the world



US

New York
San Jose
Chicago

ASIA PACIFIC

Tokyo
Osaka
Beijing
Guangzhou
Shanghai
Seoul
Mumbai
Singapore
Taiwan
Sydney
Dubai

EUROPE

London
Stockholm
Munich
Frankfurt
Milan
Paris

12 State Offices



MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

Malaysian Investment Development Authority

MIDA Sentral, No. 5, Jalan Stesen Sentral 5,
Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia

Tel : 03 – 2267 3633 Fax : 03 – 2274 7970

Email : investmalaysia@mida.gov.my

