

**GUIDELINE ON APPLICATION FOR TAX INCENTIVES FOR  
COMPANIES PROVIDING COLD CHAIN FACILITIES  
(31.03.2021)**

**1. Introduction**

Companies providing cold chain facilities and services for perishable agricultural products i.e. fruits, vegetables, flowers, ferns, meat and aquatic products are eligible for Pioneer Status or Investment Tax Allowance as follows:-

**1.1 New Company**

**(i) Pioneer Status**

- Pioneer Status with tax exemption of 70% of statutory income for a period of 5 years. Unabsorbed pioneer losses after the end of pioneer period are allowed to be carried forward for 7 consecutive year of assessments; or

**(ii) Investment Tax Allowance**

- Investment Tax Allowance of 60% on the qualifying capital expenditure incurred within a period of 5 years. The allowance can be offset against 70% of the statutory income in each year of assessment. Unutilised allowances can be carried forward until fully absorbed.

**1.2 Existing Company**

**(i) Pioneer Status**

- Pioneer Status with a tax exemption of 70% on the increased statutory income arising from reinvestment for a period of 5 years. Unabsorbed pioneer losses after the end of pioneer period are allowed to be carried forward for 7 consecutive year of assessments; or

**(ii) Investment Tax Allowance**

- Investment Tax Allowance of 60% on the additional qualifying capital expenditure incurred within a period of 5 years. The allowance can be offset against 70% of the statutory income in each year of assessment. Unutilised allowances can be carried forward until fully absorbed.

**2. ELIGIBLE APPLICANT**

A new company intending to provide cold chain facilities or an existing service provider intending to reinvest in cold chain facilities for perishable agricultural produce, may apply for the tax incentive.

**3. QUALIFYING CRITERIA**

**3.1 Independent Service Provider**

The applicant must be an independent service provider.

**3.2 Eligible Activities**

Eligible activities for the granting of incentives are:

- (i) The provision of cold room facilities or refrigerated transportation for local agricultural produce with or without other post-harvest activities including cleaning, washing, grading, freezing/chilling and packing.
- (ii) The provision of cold room facilities or refrigerated transportation for local processed food products.

**3.3 Qualifying Income**

At least 60% of the company's revenue must be derived from the provision of cold room facilities, refrigerated transportation and other related services for local agricultural products.

#### **4. PROCEDURE FOR APPLICATION**

- 4.1 Applications should be made online at <https://investmalaysia.mida.gov.my>
- 4.2 Applications with incomplete information will not be accepted and will be returned to the company.
- 4.3 For enquiries and clarification, please refer to:

Website	:	www.mida.gov.my
Tel	:	(603) 2267 3633
Fax	:	(603) 2274 7970
E-mail	:	investment@mida.gov.my