

TOURISM AND TRAVEL RELATED SERVICES





Introduction

This booklet is one of a series of 20 booklets prepared by MIDA for the purpose of providing investors with relevant information on establishing projects in the identified services sub-sectors in Malaysia. The complete list of booklets is as follows:

- Booklet 1:** General Policies, Facilities and Guidelines
- Booklet 2:** Regional Operations
- Booklet 3:** Research and Development (R&D) Services
- Booklet 4:** Logistics Services
- Booklet 5:** Specialised Technical Support Services
- Booklet 6:** Information and Communication Technology Services
- Booklet 7:** Environmental Management Services
- Booklet 8:** Distributive Trade Services
- Booklet 9:** Tourism and Travel Related Services
- Booklet 10:** Education and Industrial Training Services
- Booklet 11:** Legal Services
- Booklet 12:** Accounting, Auditing and Taxation Services
- Booklet 13:** Architectural Consultancy Services
- Booklet 14:** Surveying Consultancy Services
- Booklet 15:** Medical and Healthcare Services
- Booklet 16:** Engineering and Energy Consultancy Services
- Booklet 17:** Management Consultancy Services
- Booklet 18:** Market Research Services
- Booklet 19:** Advertising Services
- Booklet 20:** Quick Reference

MIDA is the Government's principal investment promotion and development agency under the Ministry of International Trade and Industry (MITI) to oversee and drive investments into the manufacturing and services sectors in Malaysia. Headquartered in Kuala Lumpur Sentral, MIDA has 12 regional and 21 overseas offices. MIDA continues to be the strategic partner to businesses in seizing the opportunities arising from the technology revolution of this era. For more information, please visit www.mida.gov.my and follow us on Twitter, Instagram, Facebook, LinkedIn, TikTok and YouTube channel.

For the latest updates, please visit MIDA's website at www.mida.gov.my.

TOURISM AND TRAVEL RELATED SERVICES

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TOURISM AND TRAVEL RELATED SERVICES

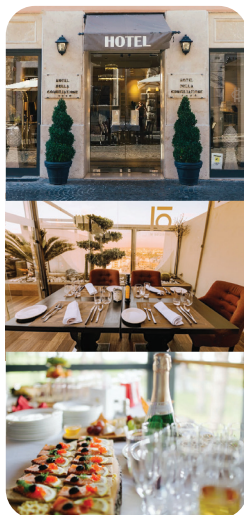
1. UNDERSTANDING THE SUB-SECTOR

Tourism activities are part of more general services activities; most notably, many transport services, certain business services, distribution services; and recreational, cultural and sporting services.

Malaysia places a lot of importance to the tourism sub-sector in view of its foreign exchange earnings potential. Overseen by the Ministry of Tourism, Arts, and Culture (MOTAC), modern tourism in Malaysia will revolve around the adoption of digitalisation, the creation of virtual experiences, as well as the promotion of gastronomy, ecotourism, and island holidays.

In particular, Malaysia champions 'smart tourism', which aims to improve resource management efficiency, enhance tourism experiences, maximise competitiveness, and enhance sustainability through technological innovation and practices. Prospective investors should consider high-value and innovative tourism products and services, as well as modern and higher standard infrastructure and facilities that build up the resilience and long-term competitiveness of the tourism sub-sector.

Tourism and Travel Related Services



Hotels and restaurants
(including catering)



Tour Operating/
Travel Agency
Business



Tourist guide
services
-Tourism Vehicle
Business



Other tourism
services

-Malaysia My
Second Home
(MM2H)

(MM2H) Agents
-Meetings, Incentives,
Conferences,
Exhibitions (MICE)

-Medical/Health
Tourism

-SPA and Wellness
Services

Tour Operating/Travel Agency Business



Includes:

- Inbound tour operating business;
- Outbound tour operating business other than umrah or ziarah;
- Outbound tour operating business for umrah or ziarah; and
- Travel agency business (Ticketing).

Where

‘Tour operating business’ refers to any business of providing any of the following services:

- Arranging for sale or commission any transportation, accommodation, tour services or any other incidental services for tourists within or outside Malaysia;
- Organising or conducting for sale or commission inbound or outbound tours;
- Providing conveyances for hire to tourists; or
- Any other service incidental to any of the activities enumerated above.

‘Travel agency business’ (Ticketing) refers to any business providing any of the following services:

- Selling, arranging or making available for commission tickets entitling a person to travel on any conveyance either by land, sea or air;
- Selling, arranging or making available for commission accommodation places within Malaysia or outside Malaysia; and
- any other services incidental to any of the activities enumerated above.

Applicants must be private limited companies incorporated under the Companies Act 2016.

Tourism Vehicle Business



Includes:

- The business of operating or letting out for hire a tourist vehicle

Where

‘Tourism vehicle’ means an excursion bus or hire and drive car.

Based on Section 4, Tourism Vehicles Licence Act 1999, tourism vehicles are required to be licenced.

“(a) No person shall carry on or hold himself out as carrying on tourism vehicle business except a company which is licenced under the Tourism Industry Act, 1992 and which holds a valid licence granted under this section.”

Malaysia My Second Home (MM2H) Agents



Includes

- Businesses providing any of the following services:
- Facilitation during the MM2H application process;
- Assisting participants who relocate to Malaysia; and
- Any other additional services deemed required.

MM2H Programme

The MM2H Programme is an initiative by the Government of Malaysia to attract foreigners who fulfil certain criteria to stay in Malaysia for a long period on a multiple entry Social Visit Pass.

Due to the COVID-19 pandemic and travel restrictions, the MM2H Programme has been temporary frozen for review. A new enhanced MM2H Programme is set to launch in the near future.

Eligibility

MM2H is open to all foreigners from countries that have diplomatic relations with Malaysia regardless of race, religion, gender, or age.

Facilitation during the MM2H application process

- Providing the latest information regarding the MM2H terms and conditions to foreign citizens who are interested in the Programme;
- Preparing the MM2H application together with the required documents for submission to the Immigration/MOTAC. This includes ensuring that the application form is properly filled up and all the required documents are attached and certified;
- Signing a Personal Bond with the Government of Malaysia to guarantee the good conduct of the participants throughout their stay in Malaysia under this Programme. If the licenced companies' clients are caught violating the MM2H terms and conditions of their stay in Malaysia, they are required to arrange for immediate deportation of their clients back to their home countries, including purchase of air tickets, food and lodging, etc;
- Informing clients about the status of their application until they receive the Conditional Approval letter from Immigration Department. Advise clients to come to Malaysia within 6 months from the date of approval of the Conditional Approval letter, in order to fulfil all the required terms and conditions and have the MM2H Social Visit Pass endorsed.

Assisting participants who relocate to Malaysia

- Arranging for the transportation and accommodation for successful applicants upon their arrival in Malaysia;
- Assisting successful applicants to:
 - open a fixed deposit account;
 - arrange for insurance policy and medical report (if required).
- Accompanying successful applicants to the Immigration Department (or to the MM2H Centre once the Immigration Unit (MM2H) becomes part of MM2H Centre) to pay the required visa fees and have their passports stamped with the MM2H Social Visit Pass with Multiple Entry Visit.

MALAYSIA MY SECOND HOME (MM2H) COUNTER

Immigration Department of Malaysia,
No. 15, Level 2 Blok 2G4 (Tower & Podium),
Persiaran Perdana,
Presint 2, 62550 W.P. Putrajaya,
Malaysia

- Alerting participants on the types of incentives they can apply for under this programme.

Additional Services

- House rental or house purchase*;
- Facilitating the application for Approval Permit for imported car;
- Facilitating the application for domestic housemaids;
- Arranging to bring clients' personal belongings to Malaysia;
- Facilitating the application for student passes for children of MM2H participants who wish to study in Malaysia;
- Facilitating the application to withdraw part of the fixed deposit after a period of one (1) year for the purchase of house, car education, and medical purpose;
- Facilitating the application for telecommunication and utilities services (telephone, electricity, water supply etc.);
- Any other service upon specific request.

**Note: According to the Board of Valuers, Appraisers and Estate Agents Act 1981, only registered Real Agents and/or their Authorised Negotiators are legally permitted to promote and conduct Real Estate Agency Services, which includes the buying, selling, renting, or leasing of any real estate property.*

Agents must be private limited companies incorporated under the Companies Act 1965 or Companies Act 2016.

2. HOTELS AND RESTAURANTS

2.1 Setting Up Your Business

Guidelines for licencing of Hotel and Restaurant businesses are obtainable from the Ministry of Housing and Local Government (KPKT).

Please refer to KPKT's website at www.kpkt.gov.my for more information.

2.2 Equity Policy

The Government had announced on 22 April 2009 that the following hotel and restaurant services would be among the 27 services sub-sectors that would be liberalised:

- Hotel and Restaurant Services (for 4- and 5-star hotels only) (CPC 64110 and CPC 64199);
- Food Serving Services (for services provided in 4- and 5-star hotels only) (CPC 642); and
- Beverage Serving Services for consumption on premises (for services provided in 4- and 5-star hotels only) (CPC 643).

Please refer to MITI's website at www.miti.gov.my for information on liberalisation.

For purposes of obtaining tax incentives, the following equity policy is applicable for the hotel industry:

Hotel Star Rating	Local Equity Requirements
1 – 2	100 per cent Malaysian
3	At least 30 per cent Malaysian
4 – 5	None

2.3 Obtaining Tax Incentives

2.3.1 Incentives for Undertaking New Investments in Hotels and Tourism Projects

Companies undertaking new investments in 1- to 3-star hotels and/or tourism projects are eligible for the following incentives:

- Pioneer Status (PS), with income tax exemption of 70 per cent of statutory income for a period of five (5) years. Unabsorbed pioneer losses after the end of pioneer period are allowed to be carried forward for seven (7) consecutive years of assessments;

OR

- Investment Tax Allowance (ITA) of 60 per cent on the qualifying capital expenditure incurred within a period of five (5) years. The allowance can be offset against 70 per cent of the statutory income for each year of assessment.

Applications should be submitted to MIDA online via the [InvestMalaysia Portal](#). For more information, visit the [Forms and Guidelines](#) section on [MIDA website](#).

2.3.2 Incentive for Reinvestment in Hotels and Tourism Projects

Companies that reinvest in the expansion or modernisation of 1- to 5-star hotels and/or tourism projects are eligible for additional rounds of tax incentives as follows:

- hotel projects: three rounds; and
- tourism projects: two rounds
- PS with income tax exemption of 70 per cent of the statutory income for a period of five (5) years. Unabsorbed pioneer losses after the end of pioneer period are allowed to be carried forward for seven (7) consecutive years of assessments;

OR

- ITA of 60 per cent on the qualifying capital expenditure incurred within a period of five (5) years. The allowance can be offset against 70 per cent of the statutory income for each year of assessment.

For tourism projects, companies are eligible to apply for either PS or ITA for both rounds of reinvestments. For hotel projects, companies are only eligible to apply for ITA for all the three rounds of reinvestments.

Applications should be submitted to MIDA online via the [InvestMalaysia Portal](#). For more information, visit the [Forms and Guidelines](#) section on [MIDA website](#).

3. TOUR OPERATING/TRAVEL AGENCY BUSINESS (TOBTAB)

3.1 Setting Up Your Business

A company intending to apply for the TOBTAB Licence is required to submit its application to the Tourism Licence Division through the Tourism Industry Licence System (SPIP) at www.spip.gov.my.

Further details can be obtained from the MOTAC website at www.motac.gov.my.

Applicants must submit required documents as follows:

- Purchase SSM e-Info through www.spip.gov.my;
- MyKad (Malaysians)/Passport (non-Malaysians) of the Shareholders/Directors;
- Supporting letter on cooperative relationships with overseas travel agencies (outbound tour operating other than umrah or ziarah);
- Draft proposals on tour packages (Outbound).

Once the application is approved, the company must do the following :

- Provide business premises within 6 months from the date of the approval letter in accordance with the following criteria:
 - Meets the business premises floor space requirement;
 - The business's head office premises must be situated within a structure and shall have a permanent address;
 - The business premises are not shared with any other business;
 - The business premises must be located in a commercial area and not in a residential area.
- Submit required documents for inspection of premises as follows:
 - A copy of Office Rental Agreement (at least 1-year period)/"Sales & Purchase" (S&P) if the premise is owned by the company;
 - A sketch of the floor plan;
 - Premise photo (inside & outside of premise area).
- Submit a copy of the tourism association's membership certificate recognised by MOTAC.
- Submit a copy of the 'Travel & Tour Management Course' (TTMC) certificate:
 - At least one representative of the company holding a key post must attend a TTMC organised by a Tourism Training Institute recognised by MOTAC.
- Pay the licence fee after all requirements imposed are complied.

Renewal Conditions

- Apply for licence renewal within 60 days of the expiry date (as per Sec. 32 Act 482);
- Renewal submitted after expiry date will be compounded;
- Submit the renewal of Head Quarter and Branch Office licences for approval simultaneously;
- Board of Director/Key Personnel to attend "Travel & Tour Enhancement Course" (TTEC);

- Free from compound (AIP 1992/APKP 1999).

3.2 Equity Policy

- Foreign equity ownership is restricted to companies (not individuals);
- Companies with foreign equity ownership are only allowed to apply for Inbound & Ticketing licences;
- Foreign companies must be established tour operating companies in their respective countries (endorsed by Tourism Malaysia Office/Malaysian Embassy/Malaysian High Commission);
- 100 per cent foreign equity ownership is restricted to Inbound licences only.

GUIDELINES FOR EQUITY AND PAID-UP CAPITAL REQUIREMENTS FOR MALAYSIAN / FOREIGNER IN TOUR OPERATING AND TRAVEL AGENCY BUSINESS

Type of Licence	Equity Ownership	Maximum Foreign Shareholding	Location of Premise	Minimum Paid-up Capital
Inbound	Foreign Company (ASEAN/Non-ASEAN)	100 %	City/Rural	RM 1,500,000
Inbound & Ticketing	Foreign Company (ASEAN)	70 % - Singapore/ Cambodia only 51 % - All Others	City/Rural	RM 1,000,000
	Foreign Company (Non-ASEAN)	30 %	City/Rural	RM 500,000
Outbound	Foreign Company (ASEAN/Non-ASEAN)	Not Allowed		
Inbound	Citizen/Local Company	100 %	City Rural	RM 200,000 RM 50,000
Outbound	Citizen/Local Company	100 %	City/Rural	RM 200,000
Ticketing	Citizen/Local Company	100 %	City Rural	RM 200,000 RM 100,000
Inbound & Outbound	Citizen/Local Company	100 %	City/Rural	RM 200,000
Inbound & Ticketing	Citizen/Local Company	100 %	City Rural	RM 200,000 RM 150,000

Outbound & Ticketing	Citizen/Local Company	100 %	City/Rural	RM 200,000
Inbound, Outbound & Ticketing	Citizen/Local Company	100 %	City/Rural	RM 200,000

4. TOURISM VEHICLE BUSINESS

4.1 Setting Up Your Business

A company can apply for Tourism Vehicle Business Permit, either Excursion Bus Permit or Hire and Drive Car Permit (applicable for applicants in Sabah, Sarawak and Labuan only).

4.1.1 Application for Excursion Bus Permit

A company intending to apply for the Excursion Bus Licence must at minimum possess an inbound business licence approved by the Commissioner of Tourism under the Tourism Industry Act 1992.

Application requirements and forms can be obtained from MOTAC's website at www.motac.gov.my.

Applications should be submitted online through www.spip.gov.my.

4.1.2 Application for Hire and Drive Permit

A company intending to apply for Hire and Drive Permit must at least possess an inbound business licence approved by the Commissioner of Tourism under the Tourism Industry Act, 1992.

Application requirements and forms can be obtained from MOTAC's website at www.motac.gov.my.

Application shall be submitted online through www.spip.gov.my.

4.1.3 Other Approvals

4.1.3.1 Amendments on Terms and Conditions of Excursion Bus/Hire and Drive Cars Permit

Amendment types that can be considered include:

- Company name;
- Company address;
- Changes to vehicle engine/chassis numbers
(based on changes recorded in vehicles registration card);
- Replacement of vehicles
(Replacement of old vehicles by new vehicles or replacing vehicles that have exceeded the age permitted);
- Modification to number of seats.

For Buses:

- 8 – 16 passengers;
- 17 – 26 passengers;
- 27 – 40 passengers;
- 44 passengers (leg room must be at least 15.6');
- 45 passengers – will be considered on a case by case-by-case basis.

For Hire and Drive Cars:

- Not more than 10 passengers including driver;
- Change of Road Transport Department (JPJ) code
(Changing of State's code number to facilitate vehicles' registration);

A company intending to amend the Terms and Conditions of its Excursion Bus/Hire and Drive Car Permit is required to submit its application to MOTAC.

Application requirements and forms can be obtained from MOTAC's website at www.motac.gov.my.

4.1.3.2 Application for Foreign Excursion Bus Permit

A company intending to apply for a Foreign Excursion Bus Licence to enter Malaysia is required to fulfil the following conditions:

- Company must be registered and licenced as a tour agency by the relevant authorities in its home country;
- Excursion bus to be licenced must be registered as a commercial vehicle in accordance with any land transportation law enforced by the respective country's transport authority;
- Application must be submitted at least 5 days before the date of entry;
- Excursion bus shall be used exclusively for the conveyance of tourists, and in consideration of payment which has no fare stages.

Application forms can be downloaded from MOTAC's website at www.motac.gov.my.

4.1.3.3 Exemption of Tourist Guide in Excursion Bus

Exemption of Tourist Guide in Excursion Bus can be considered for the following purposes:-

- Point-to-point transfer which does not involve tourist attractions, e.g. sending tourist to jetty to go to island resort;
- Transfer service, e.g. conference, crew transfer, exhibition;
- Religious ceremony;
- Wedding;
- Sports;
- Any reasonable purposes determined by the Ministry such as death, visits, and festivals.

Application for exemption of tourist guide can be made through any tour agency registered under MOTAC. Exemption of tourist guide is permitted only for Excursion Buses that carry domestic tourists. No exemption of tourist guide is permitted for Excursion Buses that carry foreign tourists except for crew transfer purpose. Application is to be made through a formal letter by the tour agency.

Further details can be obtained from MOTAC's website at www.motac.gov.my.

4.2 Equity Policy

The Government had announced on 22 April 2009 that the following tourism services would be among the 27 services sub-sectors that would be liberalised:

- Theme Park (CPC 96194);
- Convention and Exhibition Centre (seating capacity of above 3,000) (CPC 87909).

Please refer to MITI's website at www.miti.gov.my for information on liberalisation.

4.3 Obtaining Tax Incentives

Tax Incentive for Car Rental Operators

Operators of car rental services for tourists are eligible for full excise duty exemption on the purchase of national cars.

To enable tourists to explore challenging destinations, tour operators are also eligible for a 50 per cent excise duty exemption on locally-assembled 4WD vehicles.

Applications should be submitted to the Ministry of Finance.

5. MALAYSIA MY SECOND HOME (MM2H) AGENT LICENCE

5.1 Setting Up Your Business

- A company intending to apply for the inbound (MM2H) licence is required to submit its application online via www.spip.gov.my.
- Further details can be obtained from MOTAC's website at www.motac.gov.my.
- Applicant must be a private limited company incorporated under the Companies Act 2016;
- Applicant must include (MM2H) as part of the company's name; and
- Applicant must be free from any compounds under AIP 1992.

Once the application is approved, the company must take the following actions:

- **Provide business premises within 6 months** from the date of the approval letter in accordance with the following criteria:
 - Meets the business premises floor space requirement;
 - The business's head office premises must be situated within a structure and shall have a permanent address;

- The business premises are not shared with any other business;
- The business premises must be located in a commercial area and not in a residential area.
- **Submit required documents for inspection of premises** as follows:
 - A copy of Office Rental Agreement (at least 1-year period)/“Sales & Purchase” (S&P) if the premise is owned by the company;
 - A sketch of the floor plan;
 - Premise photo (inside & outside of premise area).
- Submit a copy of the **tourism association’s membership certificate** recognised by MOTAC
- Submit a copy of the TTMC certificate:
 - At least one representative of the company holding a key post must attend a TTMC organised by a Tourism Training Institute recognised by MOTAC
- Pay the **licence fee** after all requirements imposed are complied.

5.2 Equity Policy

Paid up capital requirement (for all locations)

- 100 per cent local ownership: RM 50,000

6. Employing Expatriate Professionals

Letter of Support for Expatriates for the Tourism Services Sector

6.1 General Requirements

- Applications must be made through the company or an appointed legal representative.
- Applicant companies must be registered with the Companies Commission of Malaysia (SSM).
- The company must have a valid business licence from the Local Authority (PBT).
- The company must comply with the minimum paid-up capital as follows:-

No.	Equity	Paid-Up Capital
1	100 % Locally owned	RM 250,000
2	Jointly Owned By Foreign & Local	RM 350,000
3	100 % Foreign owned	RM 500,000

- Categories of expatriates set by the Malaysian Immigration Department effective 1 September 2017:-

Category	Minimum Monthly Basic Salary	Period of Employment
Category 1	RM 10,000	Up to 5 years
Category 2	RM 5,000 – RM 9,999	Up to 2 years
*However, the maximum support period provided is only 2 years		

- Requirement of Degree/Diploma/Certificate or professional qualification and equivalent in the field related to the position offered.
- Work experience in a related field based on academic qualifications:-
 - Degree : 3 years
 - Diploma : 5 years
 - Certificate : 7 years
 - No qualifications : 10 years
- Expatriate must be at least 25 years of age.

6.2 Expatriate Recruitment Conditions

A. Hotel Sector

A company operating 4- and/or 5-star hotels and/or tourism projects rated by MOTAC that requires expatriate posts should submit the applications to MIDA.

However, a company which operates hotels rated as 3-star and below that require expatriate posts should submit the applications for Employment Passes to the Immigration Department.

- Hotel premises need to be registered as tourist accommodation premises and have obtained a minimum of 3-star rating from MOTAC. The star rating certificate must still be valid for a period of at least 3 months upon application submission.
- Only Top Management and Executive levels positions are eligible.
 - i) Top Management
 - Top Management positions include Chief Executive Officer, General Manager, Managing Director, and other Directors.
 - ii) Executive Position
 - Professional field positions that require qualifications, experience, and practical skills in related fields such as Chef (Executive Chef, Executive Pastry Chef, Sous Chef), Engineer (Landscape), and others.
 - Preference is given to candidates with specific language proficiencies besides Bahasa Malaysia, Mandarin, and Tamil, such as Arabic, Japanese, Korean, French, and other languages.
 - Expatriates are not allowed to serve in the frontline (frontliners) such as Guest Service, Front Office, Front Desk, and others.
 - Expatriates are also not allowed to hold Administration, Finance, and Human Resource positions.

B. Spa Services Sector

- Spa premises must have at least 3-star rating from MOTAC. The star rating certificate must still be valid for a period of at least 3 months upon application submission.
- Only the Spa Therapist position is eligible for Employment Passes.

C. Travel Agency Sector

- Company must be licenced with MOTAC and have a licence that is still valid for at least 3 months upon application submission.
- Only Top Management and Executive levels positions are eligible.
 - i) Top Management
 - Top Management Positions include Managing Director, Director, Executive Director and others.
 - ii) Executive Position
 - Professional field positions that require qualifications, experience, and practical skills in related fields such as Inbound Manager, Sales & Marketing Manager (Country/Region Specific) and others.
 - Preference is given to candidates with specific language proficiencies besides Bahasa Malaysia, Mandarin, and Tamil, such as Persian, Japanese, Korean, Bengali, and other languages.
- The company has not made any changes to the current status of the company (i.e. name of company, share capital, shareholders/directors) without the permission of the Ministry, and there are no compound arrears (unpaid compounds).
- The company's equity balance is unaffected and the following conditions are required:-

Company Ownership	Equity Balance
100% Local	RM 200,000
70% Local 30% Foreign - Non-ASEAN	RM 500,000
70% Foreign - ASEAN 30% Local	RM 1,000,000
100% Foreign	RM 1,500,000

Applications should be submitted to MOTAC.

7. APPLYING FOR FINANCIAL ASSISTANCE

7.1 Tourism Infrastructure Fund (TIF)

The purpose of the TIF is to provide financial assistance to existing and new companies dealing with or engaging in tourism-related activities and services.

Application period	Until 31st December 2023
Financing offered	<ul style="list-style-type: none">• Term Financing• Revolving Financing• Syndication/Club deal
Amount of financing	Up to RM100,000,000
Financing rate	Government Project: <ul style="list-style-type: none">• Cost of Fund + Margin – Profit Rate Subsidy Commercial Project: <ul style="list-style-type: none">• BFR + Margin – Profit Rate Subsidy
Financing period	CAPEX - 20 years OPEX - 5 years

8. OBTAINING OTHER INCENTIVES

8.1 Double Deduction on Overseas Promotion

Hotels and tour operators qualify for a double deduction on the expenditure incurred for promotional activities overseas as follow:

- expenditure on publicity and advertisements in any mass media outside Malaysia;
- expenditure on publication of brochures, magazines, and guide books, including delivery costs that are not charged to the overseas customers;
- expenditure on market research into new markets overseas, subject to the prior approval of MOTAC;
- expenditure including fares to any country outside Malaysia to negotiate or secure a contract for advertising or participating in trade fairs, conferences or forums approved by MOTAC. Such expenses are subject to a maximum of RM300 per day for lodging and RM150 per day for food for the duration of the stay overseas;
- expenditure in organising trade fairs, conferences, or forums approved by MOTAC;
- expenditure on the maintenance of sales offices overseas for purposes of promoting tourism to Malaysia.

Claims should be submitted to IRB online at <https://www.hasil.gov.my/en/forms/download-forms/>.

8.2 Double Deduction on Approved Trade Fairs

Companies are eligible for a double deduction on expenditure incurred in participating in an approved international trade fair in Malaysia.

Claims should be submitted to IRB online at <https://www.hasil.gov.my/en/forms/download-forms/>.

8.3 Tax Exemption for Promoting International Conferences and Trade Exhibitions

- Local companies which promote international conferences in Malaysia qualify for tax exemption on the income earned by bringing at least 500 foreign participants into the country.
- Income earned from organising international trade exhibitions in Malaysia qualifies for tax exemption, as long as the exhibitions are approved by the Malaysia External Trade Development Corporation (MATRADE) and the organisers bring in at least 500 foreign visitors per year.

Claims should be submitted to IRB online at <https://www.hasil.gov.my/en/forms/download-forms/>.

8.4 Deduction on Cultural Performances

Expenditure incurred by companies promoting and managing musical or cultural groups, and sponsoring local and/or foreign cultural performances as approved by MOTAC, qualifies for a single deduction.

To further encourage the private sector to sponsor local arts, cultural, and heritage performances and shows, the ceiling for deductions in expenditure incurred by sponsoring such performances and shows has been increased from RM300,000 to RM500,000. However, the ceiling for deductions allowed for foreign performances and shows remains at RM200,000 per year.

Claims should be submitted to IRB online at <https://www.hasil.gov.my/en/forms/download-forms/>.

8.5 Incentives for Luxury Yacht Industry

- Companies that carry out repair and maintenance activities for luxury yachts in the island of Langkawi are eligible for an income tax exemption of 100 per cent for five (5) years. Applications should be submitted to the Ministry of Finance.
- Companies that provide chartering services of luxury yachts in the country are eligible for income tax exemption of 100 per cent for a period of five (5) years. Claims should be submitted to IRB online at <https://www.hasil.gov.my/en/forms/download-forms/>.

8.6 Incentives for the Promotion of Healthcare Travel

8.6.1 Incentive for Private Healthcare Facilities

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 an income tax exemption equivalent to ITA of 100% on the qualifying capital expenditure incurred within a period of five (5) years. The allowance can be used to offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until fully utilised.

Eligibility Criteria

- The company must be incorporated in Malaysia under the Companies Act 1965 or Companies Act 2016
- The private healthcare facility must be approved and licenced by the Ministry of Health (MOH) Malaysia
- The private healthcare facility must be registered with the Malaysia Healthcare Travel Council (MHTC) as 'A Healthcare Facility for the Promotion of Healthcare Travel'.
- For each private healthcare facility:-
 - Healthcare travellers shall form no less than 10% of its total patients for each year of assessment; and
 - At least 10% of its gross income from that qualifying project for each year of assessment is generated from healthcare travellers.

Where

- 'Private healthcare facilities' refers to private hospitals or ambulatory care centres
- 'Qualifying capital expenditure' refers to capital expenditure incurred in relation to buildings, plant and machinery, 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, which shall be verified by the Ministry of Health.
- 'Healthcare traveller' refers to
 - o A non-Malaysian citizen who participates in the Malaysia My Second Home (MM2H) programme and his dependents;
 - o An expatriate who is non-Malaysian citizen holding a Malaysian work permit and his dependents; ; or
 - o A non-Malaysian citizen who visits and receives treatment from private healthcare facilities in Malaysia.

Applications for new private healthcare facility projects must be submitted to MIDA online via the [InvestMalaysia Portal](#) prior to commencement of business, together with the approval for establishment (Form 2) from MOH.

For expansion/modernisation/refurbishment projects of existing private healthcare facilities, applications must be submitted to MIDA before the first qualifying capital expenditure is incurred, together with the approval for expansion / modernisation / refurbishment (Form 6) from MOH.

This incentive expires on 31 December 2022, and applications should be submitted to (and received by) MIDA on or before this date.

8.6.2 Additional Incentives for Healthcare Travel

Private healthcare facilities registered as members of the Malaysia Healthcare Travel Council (MHTC) are entitled to enjoy a double deduction incentive on expenditures incurred for the purpose of obtaining quality accreditation from the following quality accreditation bodies/organisations:-

Accreditation Bodies / Organisations	Country of Origin
Joint Commission International Accreditation (JCIA)	United States of America
Malaysian Society for Quality in Health (MSQH)	Malaysia
CHKS Accreditation Unit (CHKS)	United Kingdom
The Australian Council on Healthcare Standards Australia (ACHS)	Australia
Accreditation Canada	Canada

The double deduction incentive is given under the provision of Section 34(6)(ma), Income Tax Act 1967.

The double deduction incentive is subject to the following conditions:-

- Applicant is responsible to ensure that the International Society for Quality in Health Care (ISQua)'s recognition awarded to the above accreditation bodies/organisations is legitimate and valid during the year of assessment;
- Applicant must obtain full accreditation from the above accreditation bodies/organisations and ensure the full accreditation awarded is legitimate and valid during the year of assessment and recognised by ISQua;
- Applicant must comply with the rules and regulations determined by MHTC; and
- Applicant must comply with the guidelines and regulations determined by IRB.

Claims should be submitted to IRB online at <https://www.hasil.gov.my/en/forms/download-forms/>.

9. GENERAL AGREEMENT ON TRADE IN SERVICES (GATS), ASEAN FRAMEWORK AGREEMENT ON SERVICES (AFAS) AND FREE TRADE AGREEMENTS (FTAs)

Updates and information regarding the Schedule of Specific Commitments of GATS, AFAS, and FTAs are available from MITI's website at www.miti.gov.my.



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