



Australian Government
Department of Industry,
Innovation and Science

Anti-Dumping Commission

GOVERNMENT QUESTIONNAIRE - MALAYSIA

PRODUCT CONCERNED: CERTAIN ALUMINIUM EXTRUSIONS

PERIOD OF REVIEW: 1 JULY 2017 TO 30 JUNE 2018

RESPONSE DUE BY: 5 November 2018

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Anti-Dumping Commission
GPO Box 2013
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Attention: Director Investigations 4

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SECTION A: BACKGROUND AND GENERAL INSTRUCTIONS

1. Background

The Anti-Dumping Commission (the Commission) has initiated a review of the variable measures applying to certain aluminium extrusions (the goods) exported to Australia from Malaysia by Alumac Industries Sdn Bhd (Alumac). The review will be limited to examining whether the variable factors relevant to the taking of the anti-dumping measures as they affect Alumac Industries Sdn Bhd (Alumac) should be varied.

The anti-dumping measures were initially imposed by public notice on 28 June 2017 following publication of Report 362.

Anti-Dumping Notice (ADN) No. 2018/132 outlines the details of this review. The procedures to be followed during reviews can be accessed on the Commission's website at www.adcommission.gov.au.

2. Product concerned

The goods under consideration (the goods) i.e. the goods exported to Australia, in receipt of subsidies, are:

"Aluminium extrusions that:

- *are produced by an extrusion process;*
- *are of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents);*
- *have finishes being:*
 - *as extruded (mill);*
 - *mechanically worked*
 - *anodized; or*
 - *painted or otherwise coated, whether or not worked;*
- *have a wall thickness or diameter greater than 0.5 mm;*
- *have a maximum weight per metre of 27 kilograms; and*
- *have a profile or cross-section fitting within a circle having a diameter of 421 mm".*

The goods under consideration include aluminium extrusion products that have been further processed or fabricated to a limited extent, after aluminium has been extruded through a die. For example, aluminium extrusion products that have been painted, anodised, or otherwise coated, or worked (e.g. precision cut, machined, punched or drilled) fall within the scope of the goods.

The goods under consideration do not extend to intermediate or finished products that are processed or fabricated to such an extent that they no longer possess the nature and physical characteristics of an aluminium extrusion, but have become a different product.

The following additional information assists in understanding the goods:

Extrusion is the process of shaping heated material by forcing it through a shaped opening in a die with the material emerging as an elongated piece with the same profile as the die cavity. For greater clarity, the goods do not include goods made by the process of impact extrusion or cold extrusion.

Alloys are metals composed of more than one metallic element. Alloys used in aluminium extrusions contain small amounts (usually less than five percent) of elements such as copper, manganese, silicon, magnesium, or zinc which enable characteristics such as corrosion resistance, increased strength or improved formability to be imparted to the major metallic element, aluminium.

Aluminium alloys are produced to specifications in "International Alloy Designations and Chemical Composition Limits for Wrought Aluminum and Wrought Aluminum Alloys" published by The Aluminum Association. It includes all alloy designations - these specifications are known in the industry as "Teal Sheets"). These specifications have equivalent designations issued by other certifying bodies such as the International Standards Organization.

Effects of Alloying Elements

The properties and characteristics of aluminium, such as density, conductivity, corrosion resistance, finish, mechanical properties, and thermal expansion, are modified by the addition of alloying elements. The resulting effect depends upon the principal alloying elements used, as detailed in the table below.

Wrought Alloy Designation	Major Alloying Elements and Typical Alloy Characteristics
1xxx Series	Minimum 99% aluminium High corrosion resistance. Excellent finishability. Easily joined by all methods. Low strength. Poor machinability. Excellent workability. High electrical and thermal conductivity.
2xxx Series	Copper High strength. Relatively low corrosion resistance. Excellent machinability. Heat treatable.
3xxx Series	Manganese Low to medium strength. Good corrosion resistance. Poor machinability. Good workability.
4xxx Series	Silicon Not available as extruded products.
5xxx Series	Magnesium Low to moderate strength. Excellent marine corrosion resistance. Very good weldability.
6xxx Series	Magnesium & Silicon Most popular extrusion alloy class. Good extrudability. Good strength. Good corrosion resistance. Good

	machinability. Good weldability. Good formability. Heat treatable.
7xxx Series	Zinc Very high strength. Good machinability. Heat treatable.

Source: The Aluminum Association (US)

Profiles and shapes - All aluminium extrusions are produced as either hollow or solid profiles. Hollow profile extrusions generally cost more to produce and obtain higher prices than solid profile extrusions. Extrusions are often produced in standard shapes such as bars, rods, pipes and tubes, angles, channels and tees but they are also produced in customised profiles.

Finishes - In addition to 'as extruded' or mill finish, extrusions can be finished mechanically by polishing, buffing or tumbling. Extrusions can have anodized finishes applied by means of an electro-chemical process that forms a durable, porous oxide film on the surface of the aluminium. Also, they can be finished by painting with liquid or powder coatings utilising an electrostatic application process.

For the purposes of this application, aluminium extrusions are further classified into four "finish" types:

- Mill Finish - Plain metal finish, uncoated (i.e. "as extruded from the die");
- Anodised - Surface converted to aluminium oxide (by electrolysis) and may be coloured by electrolytic or chemical dye means;
- Powder Coated - Charged powder particles are sprayed and adhere to electrically grounded surfaces, heated and fused into a smooth coating in a curing oven; and
- Painted or Other Finish - Painted or finished in other surface applications.

Size range - The ability to produce the full range of profiles is determined by the available extrusion and ancillary equipment.

"Working" extrusions includes any operation performed other than mechanical, anodized, painted or other finishing, prior to utilisation of the extrusion in a finished product.

Standards - Aluminium extrusions are manufactured to a variety of Australian and International standards. Products exported to Australia are often claimed to comply with one or more of the following standards:

- ASTM B221M-88 (USA);
- BS 1474:1987 (UK); and
- GB 5237.1-2000 (China).

The most common Australian / New Zealand standard is AS/NZ 1866:1997, which specifies requirements for aluminium and aluminium alloy extruded rod, bar, solid and hollow products for general engineering purposes.

The table below provides examples of the coverage of the goods and like goods (and intended end-use applications) and will be used for this investigation. Examples of the goods and like goods are outlined in columns 1-4 and non-subject goods are outlined in columns 5 to 7.

< GUC >				< Non GUC >		
1	2	3	4	5	6	7
Aluminium extrusions	Aluminium extrusions with minor working	Aluminium extrusions that are parts intended for use in intermediate or finished products	Aluminium extrusions that are themselves finished products	Unassembled products containing aluminium extrusions, e.g. 'kits' that at time of import comprise all necessary parts to assemble finished goods	Intermediate or partly assembled products containing aluminium extrusions	Fully assembled finished products containing aluminium extrusions
< Examples >						
Mill finish, painted, powder coated, anodised, or otherwise coated aluminium extrusions	Precision cut, machined, punched or drilled aluminium extrusions	Aluminium extrusions designed for use in a door or window	Carpet liner, fence posts, heat sinks	Shower frame kits, window kits, unassembled unitised curtain walls	Unglazed window or door frames	Windows, doors

The goods are normally classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*:

Tariff classification (<i>Schedule 3 of the Customs Tariff Act 1995</i>)			
Tariff code	Statistical code	Unit	Description
7604.10.00	06	Kg	Non alloyed aluminium bars, rods and profiles
7604.21.00	07	Kg	Aluminium alloy hollow angles and other shapes
7604.21.00	08	Kg	Aluminium alloy hollow profiles
7604.29.00	09	Kg	Aluminium alloy non hollow angles and other shapes
7604.29.00	10	Kg	Aluminium alloy non hollow profiles
7608.10.00	09	Kg	Non alloyed aluminium tubes and pipes
7608.20.00	10	Kg	Aluminium alloy tubes and pipes
7610.10.00	12	Kg	Doors, windows and their frames and thresholds for doors
7610.90.00	13	Kg	Other

3. Review period

The existence and amount of any subsidisation in relation to aluminium extrusions exported to Australia from Malaysia by Alumac will be determined on the basis of a review period of 1 July 2017 to 30 June 2018 (the Review period).

4. Purpose of this questionnaire

The purpose of this questionnaire is to assist the Commission to obtain information from the Government of Malaysia (GOM) it considers necessary for the review into any countervailable subsidies received by Alumac, a Malaysian aluminium extrusion exporter.

Please note that the subsidy/countervailing sections of this questionnaire focus on the 4 programs identified in the original investigation, refer REP362. The Commission may also review any additional subsidy program(s) if additional information becomes available.

Any additional questions will be posed to the GOM using supplementary questionnaires.

A separate questionnaire has been sent to Alumac, a Malaysian exporter of aluminium extrusions. The exporter questionnaire also requests information on subsidies.

5. Response to this questionnaire

The GOM may elect not to respond to and complete the questionnaire.

However, if the GOM does not respond, the Commission may be required to rely on information supplied by other parties (including information supplied by the Australian industry).

Therefore, it may be in the GOM's interests, and the interest of Alumac, a Malaysian exporter of aluminium extrusions, to provide a complete response.

If the GOM elects to respond to this questionnaire, the response is due by **5 November 2018**.

6. If you decide to respond

Should the GOM elect to provide a response to this questionnaire, please note the following:

Confidential and non-confidential versions

If the GOM elects to respond to this questionnaire, you are required to lodge a confidential and a non-confidential version of your submission by the due date.

In submitting these versions, please ensure that each page of the information you provide is clearly marked either "**IN-CONFIDENCE**" or "**NON-CONFIDENTIAL**" in the header and footer.

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the Public Record, which all interested parties can access.

Your non-confidential submission must contain sufficient detail to allow a reasonable understanding of the substance of the confidential version. If, for some reason, you cannot produce a non-confidential summary, contact the investigation case officer (see contact details on Page 1 of this questionnaire).

Declaration

You are required to make a declaration that the information contained in the GOM's response is complete and correct. You must return the signed declaration of an authorised GOM official at Section D of this questionnaire with the GOM's response.

Coordination of responses

In completing the questionnaire, if a question requires information from other authorities (e.g. provincial or local Governments, state owned entities, etc.) please forward the questions to the correct source.

However, it is the responsibility of the GOM to ensure that a full and complete response to all sections of the questionnaire is submitted, and that responses from all levels of Government, agencies and/or other applicable entities are collated and coordinated in the one response.

Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise the Commission of the relevant details.

The Commission will generally require a written authorisation from the GOM for any party acting on its behalf.

Provision of documents

Numerous documents are requested from the GOM throughout this questionnaire. In many cases, the titles or description of these documents within the questionnaire may not correlate to the official title that the GOM has granted each document, but is rather a descriptor of the document to the best of the Commission's knowledge.

If the listed title is unknown to the GOM but a document that appears to be similar to the requested document, relates to a similar topic area, or otherwise would be considered to contain useful information is identified by the GOM, please provide this document.

Further, when providing requested documents, please indicate whether the documents:

- are current/in force;
- were current/in force during the investigation period; or

- have been repealed, revised or superseded.

Where the documents have been repealed, revised or superseded, where applicable:

- indicate when this revision occurred;
- provide any notice of repeal;
- provide the revised version;
- provide the document that supersedes the requested document; and
- indicate whether the revised version was in force during the investigation period.

Lodgement

You may lodge your response by mailing it to the address for lodgement shown on the front cover of this questionnaire.

Alternatively you are welcome to lodge your response by email. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email you are still required to provide a confidential and a non-confidential version of your submission by the due date.

In completing any lists of names and addresses requested throughout this questionnaire, electronic responses in a Microsoft Excel spreadsheet would be preferred. If lodging your response in hard copy, please include these lists in electronic format.

General matters

Responses to questions should:

- be as accurate and complete as possible, and attach all relevant supporting documents,¹ even where not specifically requested in this questionnaire;
- be in English (with fully translated versions of all requested and other applicable documents submitted);
- list your source(s) of information for each question;
- identify all units of measurement used in any tables, lists and calculations;
- show any amounts in the currency in which they were originally denominated.

Please note that references throughout this questionnaire to companies benefiting from a particular program should be read as including any parent and

¹ This includes, but is not limited to, any laws, decrees, regulations, statements of policy, or other administrative guidelines. In each case, include any legislative history as well as other descriptive materials and explanations of the criteria underlying the decisions relating to each of the programmes mentioned in this questionnaire. If applicable, a sample of each of the applications that a company must complete to participate in each of the programs should also be included.

associated companies, and, if the company has been subject to merger or acquisition, any former associated companies or former parent companies.

Please note that answers such as "Not Applicable", or an answer that only refers to an exhibit or an attachment without any explanation, may be considered to be inadequate by the Commission. We therefore suggest that in answering the questions you outline the key elements of your response in the primary submission document, and not merely refer to supporting documents the relevance and reliability of which has not been explained in your answer.

7. Clarification

If you have any difficulties in completing the questionnaire, or require clarification on any questions asked, contact the case manager as soon as possible (contact details are provided on Page 1 of this questionnaire).

8. Future questions and verification

The Commission may decide to visit the GOM to examine records and to verify the information provided. It is common practice for Commission officers to visit Government officials, exporters and manufacturers of the subject goods, in order to verify the information submitted. You will be contacted in advance of such a meeting in order to make arrangements.

A complete response, including all of the documentation requested, must be submitted to the Commission before a verification meeting will be considered.

If a verification visit is undertaken the key Government officials involved in preparing the response, and those who have knowledge of the source documentation and the information contained therein, should be available to meet with Commission officers and to provide additional clarification and explanation, as required.

If verification meetings are unreasonably delayed, cancelled, or otherwise hindered by the GOM, the assessment of a particular market situation and the assessment as to the amount of countervailable subsidy may be based on the facts available to the Commission.

The purpose of the verification meeting will be to verify the information provided in your questionnaire response. It is not intended to be a second opportunity for the GOM to provide new or additional information. Accordingly, it is important that your response be as complete and accurate as possible.

- B1** Identify the administration co-ordinating the response to this questionnaire and provide the names and contact details of the official(s) (including email addresses). Please note that the Commission may have further inquiries concerning the questionnaire response and a contact must be available to respond to any further information requests.

- B2** Describe the nature and structure of the aluminium extrusions industry and market sector in Malaysia. Also describe the nature and structure of the aluminium industry and market sector in Malaysia.

To date there are ■ Aluminium producers with and without incentives. For the period 1 July 2017 until 30 June 2018, there are ■ companies (■ existing company approved for expansion/diversified) were approved manufacturing license without the tax incentive.

In Malaysia, the aluminium extrusion products such as profiles, frames, panels and etc. are mainly used for construction and general industrial applications.

- B3** Are any of the companies listed in **Appendix A** located in an area or economic zone which entitles them to preferential tax or other preferential

policies provided by the GOM² including those provided by regional, provincial or municipal authorities?

If so identify which particular zone or area the company under investigation is located in.

NONE

- B4** Provide a list of all manufacturers/producers of aluminium³ in Malaysia that produced aluminium during the investigation period. If possible, please provide this listing in Microsoft Excel format. Please see the GOM Questionnaire spreadsheet provided with this questionnaire.

This listing will be referred to as 'your response to Question B4' throughout this questionnaire.

Within this list, indicate the following:

- the business' address (including the city/town and province);
- the function and type of business;
- the ownership structure of the business, including indirect ownership through associated companies (i.e. State Invested Enterprises (SIE)⁴, private, co-operative, Foreign Invested Enterprise (FIE)⁵ or joint venture);
- if the business is not an SIE, whether it is otherwise associated with the GOM;
- whether the business is a manufacturer of aluminium extrusions and whether it produces ingot, billet, or both;
- total production quantity of aluminium extrusions by the business during the investigation period;
- Is the GOM a shareholder in the business? If so, the percentage of GOM holdings;
- If there is GOV representation in the business; and
- The value of total benefit received annually.

For all companies that are SIEs, indicate the percentage ownership held by the GOM during the investigation period.

² Refer to this questionnaire's Glossary of Terms for a definition of the GOM.

³ Throughout this questionnaire, aluminium has been used to refer to including primary aluminium, electrolytic aluminium, secondary aluminium, scrap aluminium, and aluminium cast into billets of aluminium alloy or alone.

⁴ Refer to this questionnaire's Glossary of Terms for a definition of the SIE

⁵ Refer to this questionnaire's Glossary of Terms for a definition of the FIE

For all companies that are otherwise associated with the GOM, explain this association as it was during the investigation period.

[REDACTED]

- B5** It is the Commission's understanding that within Malaysia there are various zones, areas, or other regions that encourage the operations of industries/enterprises located within that region and/or entitle/facilitate entities to access differential treatment (this may include preferential tax programs or other preferential policies).

Provide:

- a listing of the names of all such zones, areas, or other regions in Malaysia;
- an explanation of each such type of zone, area or other region in Malaysia; and
- a listing and explanation of what location in each zone makes businesses eligible for (including any GOM assistance or differential treatment).

NOT APPLICABLE

- B6** Are any of the entities listed in **Appendix A** located in an area, zone or other region listed in your response to B5 above? If so identify which entities and which particular zone or area the entity is located in.

NOT APPLICABLE

- B7** Provide the names and addresses of all national, provincial and regional producer organisations that represent the interests of aluminium extrusions and aluminium manufacturers and traders in Malaysia.

**Federation of Malaysian Manufacturer
Aluminium Manufacturers Group Malaysia (FMM-AMGM)
Wisma FMM, No 3 Persiaran Dagang, PJU 9
Bandar Sri Damansara, 52200 Kuala Lumpur.
Tel: +603-62867200
Fax: +603-62741266/7288
E-mail: webmaster@fmm.org.my**

- B8** Specify and provide supporting documentation for the standard corporate tax rate during the investigation period for:
- (a) companies that manufacture aluminium extrusions;
 - (b) companies that trade in aluminium extrusions;
 - (c) companies that manufacture aluminium;
 - (d) companies that trade in aluminium.

Corporate Tax Rate for all companies resident in Malaysia:

- **Year of Assessment 2017 – 24%**
- **Year of Assessment 2018 – 24%**

B9 Specify and provide supporting documentation for the corporate tax rates applicable in all provincial or local jurisdictions in Malaysia for those types of companies listed in (a) to (d) of Question B8 above.

Refer to Paragraph 2 Schedule 1 Income Tax Act 1967 (Attachment B-2)

SECTION C: SUBSIDIES

INVESTIGATED PROGRAMS

The following are programs that the Commission is currently reviewing:

Program number	Program name	Program type
1	Income Tax Reductions	Tax
2	Investment Tax Allowance	Tax
3	Double Deduction for Export Credit Insurance	Tax
4	Reinvestment Allowance	Tax

Note: the above titles of programs are to the best of the Commission's knowledge and in some cases may simply be descriptions of the program. Consequently, the below titles may not exactly reflect any official titles that the GOM has in place.

ANY OTHER PROGRAM NOT PREVIOUSLY ADDRESSED

If the GOM, any of its agencies, or any other authorised non-Governmental body, provides any other assistance programs not previously addressed (including market development assistance programs or any domestic support programs related to the manufacture of subject goods) to manufacturers of aluminium extrusions in Malaysia, identify these programs.

Such assistance programs are those that constitute a subsidy as defined in the Glossary of Terms.

Please provide the information requested in the following Section C-1 for each program identified above and any additional programs you have identified. In addition, please respond to the program-specific information requested.

PART C1 - GENERAL QUESTIONS

For **each of the 4 programs** identified above, and any other additional programs the GOM identifies, answer the following questions.

Note: In responding to the questions in this part you are required to provide information on each program, regardless of the year the benefit was granted by the GOM or the year that the benefit was received by the recipient company, as well as those further identified by the GOM, where the program benefits impact on the production and sale of aluminium extrusions and aluminium during the investigation period.

PROGRAM 1: INCOME TAX REDUCTIONS

C1.1 Provide details of the program including the following.

- (a) Title of the program.
Exemptions of Income
- (b) Policy objective and/or purpose of the program.
To encourage high impact, high value-added, and strategic investments that can contribute to the future growth and development of the economy.
- (c) Legislation under which the subsidy is granted.
Please see Income Tax Exemption Order (No.11) 2006 [P.U.(A) 112/2006] (Attachment C-1).
- (d) Nature or form of the subsidy.
The assistance is an exemption of statutory income.
- (e) When the program was established.
2006
- (f) Duration of the program.
This is an on-going program.
- (g) How the program is administered and how it operates.
Companies are required to submit the applications for the program to the Malaysian Investment Development Authority (MIDA), an agency under Ministry of International Trade and Industry (MITI). This is to ensure that the company has complied with the conditions imposed. After MIDA is satisfied that the company has complied with the conditions, MIDA will determine the production date for the company and determine the start and ending date of the program. Later, companies approved with the program submit their claims to the Inland Revenue Board together with their annual tax returns containing

the calculation of claim for the tax exemptions. Please see Attachment C-2 for the application form.

- (h) To whom and how the program is provided.
This program may be granted to any company intending to participate in high impact, high value-added, and strategic investments that can contribute to the future growth and development of the economy.
- (i) The eligibility criteria in order to receive benefits under the program.

[REDACTED]

C1.2 Provide translated copies in English of the decrees, laws and regulations relating to the program and any reports pertaining to the program published during or since the investigation period. Specify the sections that govern the program.
Please see Income Tax Exemption Order (No.11) 2006 [P.U.(A) 112/2006] (Attachment C-1).

C1.3. Provide copies together with translations in English of all legislative, regulatory, administrative and public documents relating to this program.
Please see Income Tax Exemption Order (No.11) 2006 [P.U.(A) 112/2006] (Attachment C-1).

C1.4 Identify the GOM department or agency administering the program.
Granting authorities:

- 1) Secretary General of Treasury
Ministry of Finance Complex,
Precint 2, 62592 Putrajaya, Malaysia
- 2) Secretary General
Ministry of International Trade Industry
MITI Tower No.7, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur Malaysia

Administrative authority:

- 1) Chief Executive Officer
Malaysian Investment Development Authority (MIDA)
Level 30, MIDA Sentral
No. 5, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur Malaysia

**2) Chief Executive Officer
Inland Revenue Board Malaysia
Menara Hasil, Level 17
Persiaran Rimba Permai, Cyber 8
63000 Cyberjaya, Selangor, Malaysia.**

C1.5 Identify and explain the types of records maintained by the relevant Government or Agency (e.g., accounting records, company-specific files, databases, budget authorisations, etc.) regarding the program.

The Inland Revenue Board maintains a database of approved companies (based on companies' declaration) and softcopies of companies' return form as e-filing is compulsory for all companies starting from Year of Assessment 2014.

C1.6 Indicate which of the companies listed in **Appendix A** applied for, accrued, or received benefits under the program during the investigation period.

This information is available with individual companies

C1.7 Answer the following questions regarding the application process:

- (a) Describe the application process (including any application fees charged by the Government agency or authority) for the program and provide a blank copy of the application form (translated, if necessary).

Companies are required to submit the applications for the program to the Malaysian Investment Development Authority (MIDA), an agency under Ministry of International Trade and Industry (MITI). Please see Attachment C-2 for the application form.

- (b) After an application is submitted, describe the procedures by which an application is analysed and eventually approved or refused.

MIDA will evaluate the application based on information submitted by company and will ask for additional information if needed. Upon completion of the evaluation, the recommendation for approval or rejection will be deliberated at the National Committee on Investment meeting for final decision.

- (c) If the application is approved, provide the approval documents together with any conditions or criteria subject to which the approval is made.

[REDACTED]

- (d) If the application is refused, provide the refusal documents together with the reasons for refusal.

[REDACTED]

C1.8 Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

NO

- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

NO

- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

NO

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

NO

C1.9 Respond to the following questions regarding the criteria governing the eligibility for and receipt of any benefit under this program.

- (a) Describe the criteria governing the size of the benefit provided.

- (b) Provide a copy of any law, regulation or other official document detailing these criteria.

- (c) If the eligibility criteria as listed in the applicable law, regulation or other official documents are met, will the applicant always receive a

benefit or is final approval contingent upon the Government agency or authority that administers the program?

- (d) Is the amount of the benefit provided exclusively determined by established criteria found in the law, regulation or other official document or does the Government agency or authority that administers the program determine the benefit amount?
- (e) Provide any contractual agreements between the GOM and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

No contractual agreements between the GOM and the companies.

C1.10 Provide a list by industry and by region of the companies that have received benefits under this program in the year the provision of benefits was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018.

This information is available with the company

C1.11 How many applicants have received financial assistance/benefit and how many applicants have been rejected in the year the financial assistance/benefit was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018? Provide the main reasons why applicants have been rejected.

Out of ■ applications in 2017, ■ of the companies were approved with tax incentive. ■

C1.12 Describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

Changes will be made to the program as Malaysia is committed to adopt the Forum on Harmful Tax Practices program under the OECD. Please refer to Attachment C-6.

C1.13 If assistance under the program was provided by an entity other than a national, state or local Government entity, please respond to the following questions:

NONE

- (a) What is the legal status of the entity e.g. is it a separately incorporated entity and/or a Government corporation, Government lending institution, commercial entity?
- (b) Please explain how the entity was established and whether the entity operates pursuant to statutes, decrees and/or regulations. Please explain the relevant statute, decrees and regulations under which the entity was established and operates;
- (c) What is the legal basis that governs the entity's provision of assistance under the program? Please provide translated copies of the relevant legal measures.
- (d) Has the entity received any direct or indirect funding or support from a Government entity? Please specify if the Government provided any such direct or indirect funding for the purpose of providing assistance under this program.
- (e) Did the entity provide assistance under the program pursuant to specific guidelines and/or criteria under this program? Please describe those guidelines and/or criteria.
- (f) Please provide the ownership structure of each such entity and specify the amount of any direct or indirect Government ownership during the investigation period (and for each year in which the assistance was provided).
- (g) Please provide the translated annual report during the investigation period (and for each year in which the assistance was provided) for each such entity.
- (h) What are the core activities and functions of each entity that provided the assistance under the program?
- (i) Explain why the assistance under this program was provided by this entity rather than directly by the Government.

PART C2 – SPECIFIC QUESTIONS (ALL PROGRAMS)

In addition to the general questions at C1 above, please answer the following specific questions in relation to any tax programs.

If any of the companies listed in **Appendix A** used the program to take deductions from taxable income, to receive credit towards taxes payable, to take exemptions from taxes owed, to reduce the tax rate, to defer payment of taxes, to carry forward losses from previous tax years, to use accelerated depreciation, or to benefit from other tax advantages on the tax return filed during the investigation period, please respond to the following questions.

C2.1 Explain whether the assistance is a deduction from taxable income, a credit towards taxes payable, an exemption from taxes owed, a reduction in the tax rate, a deferral of taxes, a loss carry-forward from previous tax years, accelerated depreciation, or other tax benefit.

The assistance is an exemption of statutory income.

C2.2 How do companies using this program calculate the tax benefit they claim? Please be specific and provide a sample calculation using a blank tax form.

[REDACTED]

C2.3 If the company carried forward a loss from prior years and used that loss to offset taxes due on the tax return filed during the investigation period, demonstrate that this loss was not generated by use of any countervailable tax program.

The assistance is an exemption of statutory income. Therefore, if the company experience losses, no exemption is given and the losses will be carried forward until it is fully utilized from the statutory income.

C2.4 If the program involves a deferral of taxes owed, please provide the amount and length of the deferral, and the details of any interest charged on the deferral.

NOT APPLICABLE

- C2.5** If the tax assistance results in negative income for tax purposes, for example through accelerated depreciation, is the company able to carry forward this loss?

NOT APPLICABLE

- C2.6** For a program that provides a reduction in the tax rate or an exemption from taxes payable, please report the tax rate that was paid under the program and the tax rate that would have applied in absence of the program.

NOT APPLICABLE

PROGRAM 2: EXEMPTION OF INCOME EQUIVALENT TO CAPITAL EXPENDITURE INCURRED⁶

C1.1 Provide details of the program including the following.

(a) Title of the program.

Exemption of Income Equivalent to Capital Expenditure Incurred

(b) Policy objective and/or purpose of the program.

To encourage high impact, high value-added, and strategic investments that can contribute to the future growth and development of the economy.

(c) Legislation under which the subsidy is granted.

Please see Income Tax Exemption Order (No.12) 2006 [P.U.(A) 113/2006] (Attachment C-1).

(d) Nature or form of the subsidy.

The exemption of income equivalent to capital expenditure incurred is an allowance deducted from statutory income.

(e) When the program was established.

2006

⁶ The alleged companies do not enjoy Investment Tax Allowance but granted Exemption of Income Equivalent to Capital Expenditure Incurred

- (f) Duration of the program.

This is an on-going programme.

- (g) How the program is administered and how it operates.

Companies are required to submit the applications for the exemption of income equivalent to capital expenditure incurred program to Malaysian Industrial Development Authority (MIDA), an agency under MITI. The company will then be required to establish the commencement of this program period which is on the incurrence of the first capital expenditure duly certified by MIDA. Later, companies approved with the program submit their claims to the Inland Revenue Board (IRB) together with their annual tax returns containing the calculation of claim for the tax allowance. Please see Attachment C-2 for the application form.

- (h) To whom and how the program is provided.

This program may be granted to any company intending to participate in high impact, high value-added, and strategic investments that can contribute to the future growth and development of the economy. The allowance is only given on capital expenditure incurred on industrial buildings, plant and machinery directly used.

- (i) The eligibility criteria in order to receive benefits under the program

[REDACTED]

- C1.2** Provide translated copies in English of the decrees, laws and regulations relating to the program and any reports pertaining to the program published during or since the investigation period. Specify the sections that govern the program.

Please see Income Tax Exemption Order (No.12) 2006 [P.U.(A) 113/2006] (Attachment C-1).

C1.3 Provide copies together with translations in English of all legislative, regulatory, administrative and public documents relating to this program.

Please see Income Tax Exemption Order (No.12) 2006 [P.U.(A) 113/2006] (Attachment C-1).

C1.4 Identify the GOM department or agency administering the program.

Granting authorities:

1) Secretary General of Treasury

**Ministry of Finance Complex,
Precint 2, 62592 Putrajaya, Malaysia**

2) Secretary General

**Ministry of International Trade Industry
MITI Tower No.7, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur Malaysia**

Administrative authority:

1) Chief Executive Officer

**Malaysian Investment Development Authority (MIDA)
Level 30, MIDA Sentral
No. 5, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur Malaysia**

2) Chief Executive Officer

**Inland Revenue Board Malaysia
Menara Hasil, Level 17
Persiaran Rimba Permai, Cyber 8**

63000 Cyberjaya, Selangor, Malaysia

- C1.5** Identify and explain the types of records maintained by the relevant Government or Agency (e.g., accounting records, company-specific files, databases, budget authorisations, etc.) regarding the program.

The Inland Revenue Board maintains a database of approved companies (based on companies' declaration) and softcopies of companies' return form as e-filing is compulsory for all companies starting from Year of Assessment 2014.

- C1.6** Indicate which of the companies listed in **Appendix A** applied for, accrued, or received benefits under the program during the investigation period.

This information is available with individual companies

- C1.7** Answer the following questions regarding the application process:

- (a) Describe the application process (including any application fees charged by the Government agency or authority) for the program and provide a blank copy of the application form (translated, if necessary).

Companies are required to submit the applications for the program to Malaysian Industrial Development Authority (MIDA), an agency under MITI. The company will then be required to establish the commencement period which is on the incurrence of the first capital expenditure duly certified by MIDA. Please see Attachment C-2 for the application form.

- (b) After an application is submitted, describe the procedures by which an application is analysed and eventually approved or refused.

MIDA will evaluate the application based on information submitted by company and will ask for additional information if needed. Upon completion of the evaluation, the recommendation for approval or rejection will be deliberated at the National Committee on Investment meeting for final decision.

- (c) If the application is approved, provide the approval documents together with any conditions or criteria subject to which the approval is made.

[REDACTED]

- (d) If the application is refused, provide the refusal documents together with the reasons for refusal.

[REDACTED]

C1.8 Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

NO

- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

NO

- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

NO

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

NO

C1.9 Respond to the following questions regarding the criteria governing the eligibility for and receipt of any benefit under this program.

- (a) Describe the criteria governing the size of the benefit provided.

- (b) Provide a copy of any law, regulation or other official document detailing these criteria.
- (c) If the eligibility criteria as listed in the applicable law, regulation or other official documents are met, will the applicant always receive a benefit or is final approval contingent upon the Government agency or authority that administers the program?
- (d) Is the amount of the benefit provided exclusively determined by established criteria found in the law, regulation or other official document or does the Government agency or authority that administers the program determine the benefit amount?
- (e) Provide any contractual agreements between the GOM and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

No contractual agreements between the GOM and the companies.

C1.10 Provide a list by industry and by region of the companies that have received benefits under this program in the year the provision of benefits was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018.

The information is available with the companies.

C1.11 How many applicants have received financial assistance/benefit and how many applicants have been rejected in the year the financial assistance/benefit was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018? Provide the main reasons why applicants have been rejected.

Out of ■ applications in 2017, ■ of the companies were approved with tax incentive. ■

C1.12 Describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

There are no anticipated changes to the program.

C1.13 If assistance under the program was provided by an entity other than a national, state or local Government entity, please respond to the following questions:

NONE

- (a) What is the legal status of the entity e.g. is it a separately incorporated entity and/or a Government corporation, Government lending institution, commercial entity?
- (b) Please explain how the entity was established and whether the entity operates pursuant to statutes, decrees and/or regulations. Please explain the relevant statute, decrees and regulations under which the entity was established and operates;
- (c) What is the legal basis that governs the entity's provision of assistance under the program? Please provide translated copies of the relevant legal measures.
- (d) Has the entity received any direct or indirect funding or support from a Government entity? Please specify if the Government provided any such direct or indirect funding for the purpose of providing assistance under this program.
- (e) Did the entity provide assistance under the program pursuant to specific guidelines and/or criteria under this program? Please describe those guidelines and/or criteria.
- (f) Please provide the ownership structure of each such entity and specify the amount of any direct or indirect Government ownership during the investigation period (and for each year in which the assistance was provided).
- (g) Please provide the translated annual report during the investigation period (and for each year in which the assistance was provided) for each such entity.
- (h) What are the core activities and functions of each entity that provided the assistance under the program?
- (i) Explain why the assistance under this program was provided by this entity rather than directly by the Government.

PART C2 – SPECIFIC QUESTIONS -

In addition to the general questions at C1 above, please answer the following specific questions in relation to any tax programs.

If any of the companies listed in **Appendix A** used the program to take deductions from taxable income, to receive credit towards taxes payable, to take exemptions from taxes owed, to reduce the tax rate, to defer payment of taxes, to carry forward losses from previous tax years, to use accelerated depreciation, or to benefit from other tax advantages on the tax return filed during the investigation period, please respond to the following questions.

C2.1 Explain whether the assistance is a deduction from taxable income, a credit towards taxes payable, an exemption from taxes owed, a reduction in the tax rate, a deferral of taxes, a loss carry-forward from previous tax years, accelerated depreciation, or other tax benefit.

The program is a deduction of statutory income. Qualifying capital expenditure incurred in the basis period for a year of assessment which is deducted from the statutory income. The amount of allowance is [REDACTED] qualifying capital expenditure incurred. The amount of allowance can be off-set either [REDACTED] of statutory income.

C2.2 How do companies using this program calculate the tax benefit they claim? Please be specific and provide a sample calculation using a blank tax form.

[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

C2.3 If the company carried forward a loss from prior years and used that loss to offset taxes due on the tax return filed during the investigation period, demonstrate that this loss was not generated by use of any countervailable tax program.

The assistance is an allowance deducted from statutory income. Therefore, if the company experience losses, no deduction is given and the allowance will be carried forward until it is fully utilised from the statutory income.

- C2.4** If the program involves a deferral of taxes owed, please provide the amount and length of the deferral, and the details of any interest charged on the deferral.

NOT APPLICABLE

- C2.5** If the tax assistance results in negative income for tax purposes, for example through accelerated depreciation, is the company able to carry forward this loss?

NOT APPLICABLE

- C2.6** For a program that provides a reduction in the tax rate or an exemption from taxes payable, please report the tax rate that was paid under the program and the tax rate that would have applied in absence of the program.

NOT APPLICABLE

PROGRAM 3: DOUBLE DEDUCTIONS FOR EXPORT CREDIT INSURANCE

C1.1 Provide details of the program including the following.

(a) Title of the program.

Double Deductions for Export Credit Insurance

(b) Policy objective and/or purpose of the program.

The double deduction of export credit insurance premiums aims to encourage Malaysia's exporters.

(c) Legislation under which the subsidy is granted.

Please see Income Tax (Deductions of Premiums for Export Credit Insurance) Rules 1985 (P.U.(A) 526/1985) made under Section 154 of the Income Tax Act 1967 (Attachment C-7).

(d) Nature or form of the subsidy.

The double deduction to arrive at adjusted income.

(e) When the program was established.

1985

(f) Duration of the program.

This is an on-going program.

- (g) How the program is administered and how it operates.

Premium paid is in respect of export credit insurance insured with a company approved by the Minister of Finance. During the period of investigation, Export Import Bank of Malaysia Berhad (EXIM) is the only approved insurance company under this program. This program is effective from year of assessment 1986 and subsequent years of assessment. Any person is eligible to this deduction.

Upon request by policyholder, EXIM will issue a certificate under Income Tax (Deduction for Export Credit Insurance) Rules 1985 for policyholders to claim for double deduction. Policyholder has to retain the above mentioned certificate along with all official receipt issued by EXIM to the Inland Revenue Board for audit purposes.

- (h) To whom and how the program is provided.

This program is available to all Malaysian incorporated companies.

- (i) The eligibility criteria in order to receive benefits under the program.

[REDACTED]

- C1.2** Provide translated copies in English of the decrees, laws and regulations relating to the program and any reports pertaining to the program published during or since the investigation period. Specify the sections that govern the program.

Please see Income Tax (Deductions of Premiums for Export Credit Insurance) Rules 1985 (P.U.(A) 526/1985) made under Section 154 of the Income Tax Act 1967 (Attachment C-7).

- C1.3** Provide copies together with translations in English of all legislative, regulatory, administrative and public documents relating to this program.

Please see Income Tax (Deductions of Premiums for Export Credit Insurance) Rules 1985 (P.U.(A) 526/1985) made under Section 154 of the Income Tax Act 1967 (Attachment C-7).

C1.4 Identify the GOM department or agency administering the program.

Granting authorities:

Secretary General of Treasury

Ministry of Finance Complex

Precint 2, 62592 Putrajaya, Malaysia

Administrative authority:

Chief Executive Officer

Inland Revenue Board Malaysia

Menara Hasil, Level 17

Persiaran Rimba Permai, Cyber 8

63000 Cyberjaya, Selangor Malaysia

C1.5 Identify and explain the types of records maintained by the relevant Government or Agency (e.g., accounting records, company-specific files, databases, budget authorisations, etc.) regarding the program.

The Inland Revenue Board maintains a database of approved companies (based on companies' declaration) and softcopies of companies' return form as e-filing is compulsory for all companies starting from Year of Assessment 2014.

C1.6 Indicate which of the companies listed in **Appendix A** applied for, accrued, or received benefits under the program during the investigation period.

This information is available with individual companies

C1.7 Answer the following questions regarding the application process:

- (a) Describe the application process (including any application fees charged by the Government agency or authority) for the program and provide a blank copy of the application form (translated, if necessary).

There is no application process for this program. The claims are made during submission of annual income tax return (self-assessment).

- (b) After an application is submitted, describe the procedures by which an application is analysed and eventually approved or refused.

NOT APPLICABLE

- (c) If the application is approved, provide the approval documents together with any conditions or criteria subject to which the approval is made.

NOT APPLICABLE

- (d) If the application is refused, provide the refusal documents together with the reasons for refusal.

NOT APPLICABLE

C1.8 Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

NO

- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

NO

- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

NO

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

NO

C1.9 Respond to the following questions regarding the criteria governing the eligibility for and receipt of any benefit under this program.

- (a) Describe the criteria governing the size of the benefit provided.

Actual amount claimed subject to the eligibility criteria.

- (b) Provide a copy of any law, regulation or other official document detailing these criteria.

Please see Income Tax (Deductions of Premiums for Export Credit Insurance) Rules 1985 (P.U.(A) 526/1985) made under Section 154 of the Income Tax Act 1967 (Attachment C-7).

- (c) If the eligibility criteria as listed in the applicable law, regulation or other official documents are met, will the applicant always receive a benefit or is final approval contingent upon the Government agency or authority that administers the program?

The applicant will claim when the eligibility criteria are met and IRBM will ensure that the claims are in order during tax audits.

- (d) Is the amount of the benefit provided exclusively determined by established criteria found in the law, regulation or other official document or does the Government agency or authority that administers the program determine the benefit amount?

The amount of the benefit provided is exclusively determined by established criteria found in the Income Tax (Deductions of Premiums for Export Credit Insurance) Rules 1985 (P.U.(A) 526/1985) made under Section 154 of the Income Tax Act 1967.

- (e) Provide any contractual agreements between the GOM and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

No contractual agreements between the GOM and the companies.

- C1.10** Provide a list by industry and by region of the companies that have received benefits under this program in the year the provision of benefits was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018.

DATA IS NOT AVAILABLE

- C1.11** How many applicants have received financial assistance/benefit and how many applicants have been rejected in the year the financial assistance/benefit was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018 Provide the main reasons why applicants have been rejected.

DATA IS NOT AVAILABLE

- C1.12** Describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

There are no anticipated changes to the program.

C1.13 If assistance under the program was provided by an entity other than a national, state or local Government entity, please respond to the following questions:

NONE

- (a) What is the legal status of the entity e.g. is it a separately incorporated entity and/or a Government corporation, Government lending institution, commercial entity?
- (b) Please explain how the entity was established and whether the entity operates pursuant to statutes, decrees and/or regulations. Please explain the relevant statute, decrees and regulations under which the entity was established and operates;
- (c) What is the legal basis that governs the entity's provision of assistance under the program? Please provide translated copies of the relevant legal measures.
- (d) Has the entity received any direct or indirect funding or support from a Government entity? Please specify if the Government provided any such direct or indirect funding for the purpose of providing assistance under this program.
- (e) Did the entity provide assistance under the program pursuant to specific guidelines and/or criteria under this program? Please describe those guidelines and/or criteria.
- (f) Please provide the ownership structure of each such entity and specify the amount of any direct or indirect Government ownership during the investigation period (and for each year in which the assistance was provided).
- (g) Please provide the translated annual report during the investigation period (and for each year in which the assistance was provided) for each such entity.
- (h) What are the core activities and functions of each entity that provided the assistance under the program?
- (i) Explain why the assistance under this program was provided by this entity rather than directly by the Government.

PART C2 – SPECIFIC QUESTIONS -

In addition to the general questions at C1 above, please answer the following specific questions in relation to any tax programs.

If any of the companies listed in **Appendix A** used the program to take deductions from taxable income, to receive credit towards taxes payable, to take exemptions from taxes owed, to reduce the tax rate, to defer payment of taxes, to carry forward losses from previous tax years, to use accelerated depreciation,

or to benefit from other tax advantages on the tax return filed during the investigation period, please respond to the following questions.

C2.1 Explain whether the assistance is a deduction from taxable income, a credit towards taxes payable, an exemption from taxes owed, a reduction in the tax rate, a deferral of taxes, a loss carry-forward from previous tax years, accelerated depreciation, or other tax benefit.

A deduction to arrive at adjusted income.

C2.2 How do companies using this program calculate the tax benefit they claim? Please be specific and provide a sample calculation using a blank tax form.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- C2.3** If the company carried forward a loss from prior years and used that loss to offset taxes due on the tax return filed during the investigation period, demonstrate that this loss was not generated by use of any countervailable tax program.

The loss making company can carry forward the deduction until it is fully utilised.

- C2.4** If the program involves a deferral of taxes owed, please provide the amount and length of the deferral, and the details of any interest charged on the deferral.

NOT APPLICABLE

- C2.5** If the tax assistance results in negative income for tax purposes, for example through accelerated depreciation, is the company able to carry forward this loss?

NOT APPLICABLE

- C2.6** For a program that provides a reduction in the tax rate or an exemption from taxes payable, please report the tax rate that was paid under the program and the tax rate that would have applied in absence of the program.

NOT APPLICABLE.

PROGRAM 4: REINVESTMENT ALLOWANCE

C1.1 Provide details of the program including the following.

(a) Title of the program.

Reinvestment Allowance (RA)

(b) Policy objective and/or purpose of the program.

To encourage reinvestment by existing company which is resident in Malaysia engaged in manufacturing and selected agricultural projects.

(c) Legislation under which the subsidy is granted.

Please see Schedule 7A, Income Tax 1967. (Attachment C-8)

(d) Nature or form of the subsidy.

Where a company or a person qualifies to claim RA, RA shall be given in respect of capital expenditure incurred in the basis periods for fifteen consecutive years of assessment beginning from the year of assessment for the basis period in which a claim for that RA is made by the company or the person

(e) When the program was established.

RA was established in 1980 under Schedule 7A ITA 1967.

(f) Duration of the program.

This is an on-going program.

- (g) How the program is administered and how it operates.

The Inland Revenue Board is responsible for the administration of this programme. A company or a person are required to make the claim for the incentive by completing a form and substantiate the claims together with copies of supporting documents pertaining to the capital expenditure incurred. The original supporting documents have to be retained by the company for audit purposes by the Inland Revenue Board. The claim can be made in the annual tax returns for the basis period in which the capital expenditure is incurred.

- (h) To whom and how the program is provided.

This program is eligible to all companies or any person who fulfils the conditions as stated in paragraph (i).

- (i) The eligibility criteria in order to receive benefits under the program.

A company or a person resident in Malaysia is granted Reinvestment Allowance (RA) upon fulfilling the following conditions:

- i. the business has been in operation for not less than thirty six months;**
- ii. the company or person has incurred in the basis period for a year of assessment, capital expenditure on a factory, plant or machinery used in Malaysia for the purposes of a qualifying project.**

C1.2 Provide translated copies in English of the decrees, laws and regulations relating to the program and any reports pertaining to the program published during or since the investigation period. Specify the sections that govern the program.

Please see Schedule 7A, Income Tax 1967. (Attachment C-8)

- C1.3** Provide copies together with translations in English of all legislative, regulatory, administrative and public documents relating to this program.

Please see Schedule 7A, Income Tax 1967. (Attachment C-8)

- C1.4** Identify the GOM department or agency administering the program.

Administrative authority:

Chief Executive Officer

Inland Revenue Board Malaysia

Menara Hasil, Level 17

Persiaran Rimba Permai, Cyber 8

63000 Cyberjaya, Selangor Malaysia

- C1.5** Identify and explain the types of records maintained by the relevant Government or Agency (e.g., accounting records, company-specific files, databases, budget authorisations, etc.) regarding the program.

The Inland Revenue Board is responsible for the administration of this programme. A company or a person are required to make the claim for the incentive by completing a form and substantiate the claims together with copies of supporting documents pertaining to the capital expenditure incurred. The original supporting documents have to be retained by the company for audit purposes by the Inland Revenue Board. The claim can be made in the annual tax returns for the basis period in which the capital expenditure is incurred.

- C1.6** Indicate which of the companies listed in **Appendix A** applied for, accrued, or received benefits under the program during the investigation period.

This information is available with individual companies

C1.7 Answer the following questions regarding the application process:

- (a) Describe the application process (including any application fees charged by the Government agency or authority) for the program and provide a blank copy of the application form (translated, if necessary).

There is no application process for this program. The person claims in the Income Tax Return Form under self-assessment.

- (b) After an application is submitted, describe the procedures by which an application is analysed and eventually approved or refused.
- (c) If the application is approved, provide the approval documents together with any conditions or criteria subject to which the approval is made.
- (d) If the application is refused, provide the refusal documents together with the reasons for refusal.

C1.8 Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

NO

- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

NO

- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

NO

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

NO

C1.9 Respond to the following questions regarding the criteria governing the eligibility for and receipt of any benefit under this program.

- (a) Describe the criteria governing the size of the benefit provided.
- (b) Provide a copy of any law, regulation or other official document detailing these criteria.
- (c) If the eligibility criteria as listed in the applicable law, regulation or other official documents are met, will the applicant always receive a benefit or is final approval contingent upon the Government agency or authority that administers the program?
- (d) Is the amount of the benefit provided exclusively determined by established criteria found in the law, regulation or other official document or does the Government agency or authority that administers the program determine the benefit amount?
- (e) Provide any contractual agreements between the GOM and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

No contractual agreements between the GOM and the companies.

C1.10 Provide a list by industry and by region of the companies that have received benefits under this program in the year the provision of benefits was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018.

This information is available with the individual companies.

- C1.11** How many applicants have received financial assistance/benefit and how many applicants have been rejected in the year the financial assistance/benefit was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018 Provide the main reasons why applicants have been rejected.

This information is available with the individual companies and withdrawal of the incentives is upon audit.

- C1.12** Describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

There are no anticipated changes to the program.

- C1.13** If assistance under the program was provided by an entity other than a national, state or local Government entity, please respond to the following questions:

NONE

- (a) What is the legal status of the entity e.g. is it a separately incorporated entity and/or a Government corporation, Government lending institution, commercial entity?
- (b) Please explain how the entity was established and whether the entity operates pursuant to statutes, decrees and/or regulations. Please explain the relevant statute, decrees and regulations under which the entity was established and operates;
- (c) What is the legal basis that governs the entity's provision of assistance under the program? Please provide translated copies of the relevant legal measures.
- (d) Has the entity received any direct or indirect funding or support from a Government entity? Please specify if the Government provided any such direct or indirect funding for the purpose of providing assistance under this program.
- (e) Did the entity provide assistance under the program pursuant to specific guidelines and/or criteria under this program? Please describe those guidelines and/or criteria.
- (f) Please provide the ownership structure of each such entity and specify the amount of any direct or indirect Government ownership during the investigation period (and for each year in which the assistance was provided).

- (g) Please provide the translated annual report during the investigation period (and for each year in which the assistance was provided) for each such entity.
- (h) What are the core activities and functions of each entity that provided the assistance under the program?
- (i) Explain why the assistance under this program was provided by this entity rather than directly by the Government.

PART C2 – SPECIFIC QUESTIONS -

In addition to the general questions at C1 above, please answer the following specific questions in relation to any tax programs.

If any of the companies listed in **Appendix A** used the program to take deductions from taxable income, to receive credit towards taxes payable, to take exemptions from taxes owed, to reduce the tax rate, to defer payment of taxes, to carry forward losses from previous tax years, to use accelerated depreciation, or to benefit from other tax advantages on the tax return filed during the investigation period, please respond to the following questions.

- C2.1** Explain whether the assistance is a deduction from taxable income, a credit towards taxes payable, an exemption from taxes owed, a reduction in the tax rate, a deferral of taxes, a loss carry-forward from previous tax years, accelerated depreciation, or other tax benefit.

RA is given to a company or a person at [REDACTED] on the capital expenditure incurred in the basis period for a year of assessment which is [REDACTED] of statutory income. If a qualifying project is located within the states of Sabah, Sarawak and the Eastern Corridor of Peninsula Malaysia the allowance is [REDACTED] of statutory income. However, with effect from Year of Assessment 2012 the promoted area incentive has been deleted. Act 742, Budget 2012.

Any RA unutilised in the basis period in which the capital expenditure was incurred can be carried forward to the following years of assessment until fully absorbed.

- C2.2** How do companies using this program calculate the tax benefit they claim? Please be specific and provide a sample calculation using a blank tax form.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
	[REDACTED]
	[REDACTED]
[REDACTED]	[REDACTED]
	[REDACTED]
[REDACTED]	[REDACTED]
	[REDACTED]
[REDACTED]	[REDACTED]

C2.3 If the company carried forward a loss from prior years and used that loss to offset taxes due on the tax return filed during the investigation period, demonstrate that this loss was not generated by use of any countervailable tax program.

The assistance is an exemption of statutory income. Therefore, if the company experience losses, no exemption is given and the losses will be carried forward until it is fully utilized from the statutory income.

C2.4 If the program involves a deferral of taxes owed, please provide the amount and length of the deferral, and the details of any interest charged on the deferral.

None.

C2.5 If the tax assistance results in negative income for tax purposes, for example through accelerated depreciation, is the company able to carry forward this loss?

Yes.

C2.6 For a program that provides a reduction in the tax rate or an exemption from taxes payable, please report the tax rate that was paid under the program and the tax rate that would have applied in absence of the program.

[REDACTED]

OTHER SUBSIDY PROGRAMMES

PROGRAM 5: DOUBLE DEDUCTION FOR FREIGHT CHARGES FROM SABAH OR SARAWAK

C1.1 Provide details of the program including the following.

(a) Title of the program.

Double Deduction for Freight Charges from Sabah or Sarawak

(b) Policy objective and/or purpose of the program.

To encourage products from Sabah and Sarawak to be shipped to Peninsular Malaysia.

(c) Legislation under which the subsidy is granted.

The Income Tax (Deductions For Freight Charges From Sabah or Sarawak) Rules 2000 (P.U.(A) 50/2000) (Attachment C-9)

(d) Nature or form of the subsidy.

Deduction to ascertain adjusted income.

(e) When the program was established.

2000

(f) Duration of the program.

This is an on-going programme.

(g) How the program is administered and how it operates.

The freight charges incurred by manufacturers for the shipment of their manufactured goods from Sabah or Sarawak to any ports in Peninsular Malaysia is given double deduction.

(h) To whom and how the program is provided.

To any manufacturing companies located in Sabah or Sarawak.

(i) The eligibility criteria in order to receive benefits under the program.

[REDACTED]

C1.2 Provide translated copies in English of the decrees, laws and regulations relating to the program and any reports pertaining to the program published during or since the investigation period. Specify the sections that govern the program.

The Income Tax (Deductions For Freight Charges From Sabah or Sarawak) Rules 2000 (P.U.(A) 50/2000) (Attachment C-9)

C1.3. Provide copies together with translations in English of all legislative, regulatory, administrative and public documents relating to this program.

The Income Tax (Deductions For Freight Charges From Sabah or Sarawak) Rules 2000 (P.U.(A) 50/2000) (Attachment C-9)

C1.4 Identify the GOM department or agency administering the program.

Granting authorities:

Secretary General of Treasury

Ministry of Finance Complex

Precint 2, 62592 Putrajaya, Malaysia

Administrative authority:

Chief Executive Officer

Inland Revenue Board Malaysia

Menara Hasil, Level 17

Persiaran Rimba Permai, Cyber 8

63000 Cyberjaya, Selangor, Malaysia

- C1.5** Identify and explain the types of records maintained by the relevant Government or Agency (e.g., accounting records, company-specific files, databases, budget authorisations, etc.) regarding the program.

The Inland Revenue Board maintains a database of approved companies (based on companies' declaration) and softcopies of companies' return form as e-filing is compulsory for all companies starting from Year of Assessment 2014.

- C1.6** Indicate which of the companies listed in **Appendix A** applied for, accrued, or received benefits under the program during the investigation period.

The information is available with the companies.

- C1.7** Answer the following questions regarding the application process:

- (a) Describe the application process (including any application fees charged by the Government agency or authority) for the program and provide a blank copy of the application form (translated, if necessary).

There is no application process for this program. The claims are made during submission of annual income tax return (self-assessment).

- (b) After an application is submitted, describe the procedures by which an application is analysed and eventually approved or refused.

NOT APPLICABLE

- (c) If the application is approved, provide the approval documents together with any conditions or criteria subject to which the approval is made.

NOT APPLICABLE

- (d) If the application is refused, provide the refusal documents together with the reasons for refusal.

NOT APPLICABLE

C1.8 Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

NO

- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

NO

- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

Manufacturing companies located in Sabah or Sarawak.

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

Manufacturing companies located in Sabah or Sarawak.

C1.9 Respond to the following questions regarding the criteria governing the eligibility for and receipt of any benefit under this program.

- (a) Describe the criteria governing the size of the benefit provided.

Actual amount claimed subject to the eligibility criteria.

- (b) Provide a copy of any law, regulation or other official document detailing these criteria.

The Income Tax (Deductions For Freight Charges From Sabah or Sarawak) Rules 2000 (P.U.(A) 50/2000) (Attachment C-9)

- (c) If the eligibility criteria as listed in the applicable law, regulation or other official documents are met, will the applicant always receive a benefit or is final approval contingent upon the Government agency or authority that administers the program?

The applicant will claim when the eligibility criteria are met and IRBM will ensure that the claims are in order during tax audits.

- (d) Is the amount of the benefit provided exclusively determined by established criteria found in the law, regulation or other official document or does the Government agency or authority that administers the program determine the benefit amount?

NOT APPLICABLE

- (e) Provide any contractual agreements between the GOM and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

No contractual agreements between the GOM and the companies.

- C1.10** Provide a list by industry and by region of the companies that have received benefits under this program in the year the provision of benefits was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018.

DATA NOT AVAILABLE

- C1.11** How many applicants have received financial assistance/benefit and how many applicants have been rejected in the year the financial assistance/benefit was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018? Provide the main reasons why applicants have been rejected.

DATA NOT AVAILABLE

- C1.12** Describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

There are no anticipated changes to the program.

- C1.13** If assistance under the program was provided by an entity other than a national, state or local Government entity, please respond to the following questions:

NONE

- (a) What is the legal status of the entity e.g. is it a separately incorporated entity and/or a Government corporation, Government lending institution, commercial entity?
- (b) Please explain how the entity was established and whether the entity operates pursuant to statutes, decrees and/or regulations. Please explain the relevant statute, decrees and regulations under which the entity was established and operates;
- (c) What is the legal basis that governs the entity's provision of assistance under the program? Please provide translated copies of the relevant legal measures.
- (d) Has the entity received any direct or indirect funding or support from a Government entity? Please specify if the Government provided any such direct or indirect funding for the purpose of providing assistance under this program.

- (e) Did the entity provide assistance under the program pursuant to specific guidelines and/or criteria under this program? Please describe those guidelines and/or criteria.
- (f) Please provide the ownership structure of each such entity and specify the amount of any direct or indirect Government ownership during the investigation period (and for each year in which the assistance was provided).
- (g) Please provide the translated annual report during the investigation period (and for each year in which the assistance was provided) for each such entity.
- (h) What are the core activities and functions of each entity that provided the assistance under the program?
- (i) Explain why the assistance under this program was provided by this entity rather than directly by the Government.

PART C2 – SPECIFIC QUESTIONS

In addition to the general questions at C1 above, please answer the following specific questions in relation to any tax programs.

If any of the companies listed in **Appendix A** used the program to take deductions from taxable income, to receive credit towards taxes payable, to take exemptions from taxes owed, to reduce the tax rate, to defer payment of taxes, to carry forward losses from previous tax years, to use accelerated depreciation, or to benefit from other tax advantages on the tax return filed during the investigation period, please respond to the following questions.

C2.1 Explain whether the assistance is a deduction from taxable income, a credit towards taxes payable, an exemption from taxes owed, a reduction in the tax rate, a deferral of taxes, a loss carry-forward from previous tax years, accelerated depreciation, or other tax benefit.

A deduction to arrive at adjusted income

C2.2 How do companies using this program calculate the tax benefit they claim? Please be specific and provide a sample calculation using a blank tax form.

[REDACTED]

10/10/2014

[REDACTED]



The loss making company can carry forward the deduction until it is fully utilized.

C2.4 If the program involves a deferral of taxes owed, please provide the amount and length of the deferral, and the details of any interest charged on the deferral.

C2.5 If the tax assistance results in negative income for tax purposes, for example through accelerated depreciation, is the company able to carry forward this loss?

NOT APPLICABLE

C2.6 For a program that provides a reduction in the tax rate or an exemption from taxes payable, please report the tax rate that was paid under the program and the tax rate that would have applied in absence of the program.

NOT APPLICABLE

PROGRAM 6: DOUBLE DEDUCTIONS FOR INSURANCE PREMIUMS FOR EXPORTERS AND IMPORTERS

C1.1 Provide details of the program including the following.

(a) Title of the program.

Double Deductions for Insurance Premiums for Exporters and Importers

(b) Policy objective and/or purpose of the program.

The double deduction of this program aims to encourage companies to take insurance in order to secure the risks of doing business.

(c) Legislation under which the subsidy is granted.

- 1) The Income Tax (Deductions of Insurance Premiums for Exporters) Rules 1995/[P.U(A) 79/1995] (Attachment C-10)**
- 2) Income Tax (Deductions of Insurance Premiums for Exporters) (Revocation) Rules 2012 - Revoke from Year of Assessment 2016 (Attachment C-11)**
- 3) The Income Tax (Deductions of Insurance Premiums for Importers) Rules 1982/[P.U(A) 72/1982] (Attachment C-12)**
- 4) Income Tax (Deductions Of Insurance Premiums For Importers)(Revocation) Rules 2012 - Revoke from Year of Assessment 2016 (Attachment C-13)**

(d) Nature or form of the subsidy.

Deduction to ascertain adjusted income.

(d) When the program was established.

1) Double deduction of Insurance Premiums for exporters - 1995

2) Double deduction of Insurance Premiums for importers - 1982

(e) Duration of the program.

Double deduction of insurance premiums for exporters and importers were revoked in 2012 effective for the year of Assessment 2016 onwards.

(f) How the program is administered and how it operates.

Insurance premium paid in respect of cargo exported by a person, provided the risks are insured with any insurance company incorporated in Malaysia. Any person is eligible for this deduction. The company makes the claim in the annual tax return for the respective fiscal year (basis period). The company has to retain all supporting receipts and documents for audit purposes by the Inland Revenue Board.

(g) To whom and how the program is provided.

Any person is eligible for this deduction.

(h) The eligibility criteria in order to receive benefits under the program.



C1.2 Provide translated copies in English of the decrees, laws and regulations relating to the program and any reports pertaining to the program published during or since the investigation period. Specify the sections that govern the program.

- (1) The Income Tax (Deductions of Insurance Premiums for Exporters) Rules 1995/[P.U(A) 79/1995] (Attachment C-10)**
- (2) Income Tax (Deductions of Insurance Premiums for Exporters) (Revocation) Rules 2012 - Revoke from Year of Assessment 2016 (Attachment C-11)**
- (3) The Income Tax (Deductions of Insurance Premiums for Importers) Rules 1982/[P.U(A) 72/1982] (Attachment C-12)**
- (4) Income Tax (Deductions Of Insurance Premiums For Importers)(Revocation) Rules 2012 - Revoke from Year of Assessment 2016 (Attachment C-13)**

C1.3 Provide copies together with translations in English of all legislative, regulatory, administrative and public documents relating to this program.

- (1) The Income Tax (Deductions of Insurance Premiums for Exporters) Rules 1995/[P.U(A) 79/1995] (Attachment C-10)**
- (2) Income Tax (Deductions of Insurance Premiums for Exporters) (Revocation) Rules 2012 - Revoke from Year of Assessment 2016 (Attachment C-11)**
- (3) The Income Tax (Deductions of Insurance Premiums for Importers) Rules 1982/[P.U(A) 72/1982] (Attachment C-12)**
- (4) Income Tax (Deductions Of Insurance Premiums For Importers)(Revocation) Rules 2012 - Revoke from Year of Assessment 2016 (Attachment C-13)**

C1.4 Identify the GOM department or agency administering the program.

Granting authorities:

Secretary General of Treasury

Ministry of Finance Complex

Precint 2, 62592 Putrajaya, Malaysia

Administrative authority:

Chief Executive Officer

Inland Revenue Board Malaysia

Menara Hasil, Level 17

Persiaran Rimba Permai, Cyber 8

63000 Cyberjaya, Selangor, Malaysia

C1.5 Identify and explain the types of records maintained by the relevant Government or Agency (e.g., accounting records, company-specific files, databases, budget authorisations, etc.) regarding the program.

The Inland Revenue Board maintains a database of approved companies (based on companies' declaration) and softcopies of companies' return form as e-filing is compulsory for all companies starting from Year of Assessment 2014.

C1.6 Indicate which of the companies listed in **Appendix A** applied for, accrued, or received benefits under the program during the investigation period.

This information is available with individual companies.

C1.7 Answer the following questions regarding the application process:

- (a) Describe the application process (including any application fees charged by the Government agency or authority) for the program and provide a blank copy of the application form (translated, if necessary).

There is no application process for this program. The claims are made during submission of annual income tax return (self-assessment).

- (b) After an application is submitted, describe the procedures by which an application is analysed and eventually approved or refused.

NOT APPLICABLE

- (c) If the application is approved, provide the approval documents together with any conditions or criteria subject to which the approval is made.

NOT APPLICABLE

- (d) If the application is refused, provide the refusal documents together with the reasons for refusal.

NOT APPLICABLE

C1.8 Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.

- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.

NO

- (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

NO

- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.

NO

- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.

NO

C1.9 Respond to the following questions regarding the criteria governing the eligibility for and receipt of any benefit under this program.

- (a) Describe the criteria governing the size of the benefit provided.

Actual amount claimed subject to the eligibility criteria.

- (b) Provide a copy of any law, regulation or other official document detailing these criteria.

- 1) The Income Tax (Deductions of Insurance Premiums for Exporters) Rules 1995/[P.U(A) 79/1995] (Attachment C-10)**
- 2) Income Tax (Deductions of Insurance Premiums for Exporters) (Revocation) Rules 2012 - Revoke from Year of Assessment 2016 (Attachment C-11)**
- 3) The Income Tax (Deductions of Insurance Premiums for Importers) Rules 1982/[P.U(A) 72/1982] (Attachment C-12)**
- 4) Income Tax (Deductions Of Insurance Premiums For Importers)(Revocation) Rules 2012 - Revoke from Year of Assessment 2016 (Attachment C-13)**

- (c) If the eligibility criteria as listed in the applicable law, regulation or other official documents are met, will the applicant always receive a benefit or is final approval contingent upon the Government agency or authority that administers the program?

The applicant will claim when the eligibility criteria are met and IRBM will ensure that the claims are in order during tax audits.

- (d) Is the amount of the benefit provided exclusively determined by established criteria found in the law, regulation or other official document or does the Government agency or authority that administers the program determine the benefit amount?

NOT APPLICABLE

- (e) Provide any contractual agreements between the GOM and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

No contractual agreements between the GOM and the companies.

- C1.10** Provide a list by industry and by region of the companies that have received benefits under this program in the year the provision of benefits was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018.

DATA IS NOT AVAILABLE

- C1.11** How many applicants have received financial assistance/benefit and how many applicants have been rejected in the year the financial assistance/benefit was approved and in each of the years 2015, 2016, 2017 and for the first half of 2018? Provide the main reasons why applicants have been rejected.

DATA IS NOT AVAILABLE

- C1.12** Describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the

program. When is the last date that a company could receive benefits under the program?

Double deduction of insurance premiums for exporters and importers were revoked in 2012 effective for the year of Assessment 2016 onwards.

C1.13 If assistance under the program was provided by an entity other than a national, state or local Government entity, please respond to the following questions:

NONE

- (a) What is the legal status of the entity e.g. is it a separately incorporated entity and/or a Government corporation, Government lending institution, commercial entity?
- (b) Please explain how the entity was established and whether the entity operates pursuant to statutes, decrees and/or regulations. Please explain the relevant statute, decrees and regulations under which the entity was established and operates;
- (c) What is the legal basis that governs the entity's provision of assistance under the program? Please provide translated copies of the relevant legal measures.
- (d) Has the entity received any direct or indirect funding or support from a Government entity? Please specify if the Government provided any such direct or indirect funding for the purpose of providing assistance under this program.
- (e) Did the entity provide assistance under the program pursuant to specific guidelines and/or criteria under this program? Please describe those guidelines and/or criteria.
- (f) Please provide the ownership structure of each such entity and specify the amount of any direct or indirect Government ownership during the investigation period (and for each year in which the assistance was provided).
- (g) Please provide the translated annual report during the investigation period (and for each year in which the assistance was provided) for each such entity.
- (h) What are the core activities and functions of each entity that provided the assistance under the program?
- (i) Explain why the assistance under this program was provided by this entity rather than directly by the Government.

PART C2 – SPECIFIC QUESTIONS -

In addition to the general questions at C1 above, please answer the following specific questions in relation to any tax programs.

If any of the companies listed in **Appendix A** used the program to take deductions from taxable income, to receive credit towards taxes payable, to take exemptions from taxes owed, to reduce the tax rate, to defer payment of taxes, to carry forward losses from previous tax years, to use accelerated depreciation, or to benefit from other tax advantages on the tax return filed during the investigation period, please respond to the following questions.

C2.1 Explain whether the assistance is a deduction from taxable income, a credit towards taxes payable, an exemption from taxes owed, a reduction in the tax rate, a deferral of taxes, a loss carry-forward from previous tax years, accelerated depreciation, or other tax benefit.

A deduction to arrive at adjusted income.

C2.2 How do companies using this program calculate the tax benefit they claim? Please be specific and provide a sample calculation using a blank tax form.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- C2.3** If the company carried forward a loss from prior years and used that loss to offset taxes due on the tax return filed during the investigation period, demonstrate that this loss was not generated by use of any countervailable tax program.

The loss making company can carry forward the deduction until it is fully utilised.

- C2.4** If the program involves a deferral of taxes owed, please provide the amount and length of the deferral, and the details of any interest charged on the deferral.

NOT APPLICABLE

- C2.5** If the tax assistance results in negative income for tax purposes, for example through accelerated depreciation, is the company able to carry forward this loss?

NOT APPLICABLE

- C2.6** For a program that provides a reduction in the tax rate or an exemption from taxes payable, please report the tax rate that was paid under the program and the tax rate that would have applied in absence of the program.

NOT APPLICABLE

SECTION D - DECLARATION**DECLARATION**

The undersigned certifies that all information supplied herein in response to the questionnaire (including any data supplied in an electronic format) is complete and correct to the best of his/her knowledge and belief.

2/11/2018

Date



A handwritten signature in black ink, consisting of a stylized 'R' followed by a horizontal line and a small flourish.

Signature of authorised
officialRASHIDI SAIDName of authorised official
Director
Trade Practices Section
Ministry of International Trade & Industry
Malaysia

Title of authorised official

GLOSSARY OF TERMS

Throughout this questionnaire certain words and terminology have been used and they have the following meanings:

Associated Persons and/or Companies

Persons shall be deemed to be associates of each other if:

(a) both being natural persons:

- (i) they are connected by a blood relationship or by marriage or adoption; or
- (ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;

(b) both being bodies corporate:

- (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
- (ii) both of them together control, directly or indirectly, a third body corporate; or
- (iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or

(c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or

(d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or

(e) they are members of the same partnership.

Enterprise

"Enterprise" includes a group of enterprises, an industry and a group of industries.

Foreign Invested Enterprise (FIE)

An FIE may be:

1. Malaysian-foreign equity joint venture:

Joint venture between a Malaysian company, enterprise, or other business organisation and a foreign company, enterprise, business organisation or individual set up in the form of a Malaysian limited liability company.

The characteristics of a Malaysian-foreign equity joint venture are joint investment, joint operation, and the participants share profits, risks and losses in proportion to their respective contributions to the registered capital of the joint venture.

The proportion of the investment by the foreign party is no less than 25% in the registered capital of equity joint venture.

2. Malaysian-foreign contractual joint venture:

A joint venture established between foreign enterprises and other economic organisations or individuals, and Malaysian enterprises or other economic organisations within the territory of Malaysia. The rights and obligations of each party are determined in accordance with the agreement specified in the contractual joint venture contract. The investment or conditions for cooperation contributed by the Malaysian and foreign parties may be provided in cash or in kind, or may include the right to the use of land, industrial property rights, non-patent technology or other property rights.

3. Wholly foreign owned enterprises:

A wholly foreign owned enterprise is established by foreign enterprises and other economic organisations or by individuals pursuant to the Malaysian laws within the territory of Malaysia. All of the wholly foreign owned enterprise's capital is invested by foreign investors. It may also be referred to as a Foreign Enterprise (FE).

Government of Malaysia (GOM)

For the purposes of this questionnaire, GOM refers to all levels of Government, i.e., central, provincial, regional, city, special economic zone, municipal, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed.

It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by, the Government of that country or that provincial, state or municipal or other local or regional Government.

Program(s)

The term "program", as used throughout this questionnaire in reference to alleged subsidies, refers to broad categories of subsidies that the Commission has reason to believe may be available to exporters of the goods.

In this regard, the term "program" as used in this questionnaire should not be taken to necessarily refer to formal programs maintained by the GOM,

nor should it be taken to refer to one specific subsidy. Rather, "program" as used in this questionnaire can refer to informal subsidies provided by the GOM, and can also refer to multiple individual, albeit similar, subsidies.

Economic Zone

Refers to a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the GOM (including central, provincial, municipal or county Government) accrue to a company because of being located in such an area.

State Invested Enterprises (SIE)

For the purposes of this questionnaire, SIE refers to any company or enterprise that is wholly or partially owned by the GOM as defined above (either through direct ownership or through association).

Subsidy

Subsidy, in respect of goods exported to Australia, means:

(a) a financial contribution:

(i) by a Government of the country of export or country of origin of the goods; or

(ii) by a public body of that country or a public body of which that Government is a member; or

(iii) by a private body entrusted or directed by that Government or public body to carry out a Governmental function;

that involves:

(iv) a direct transfer of funds from that Government or body; or

(v) the acceptance of liabilities, whether actual or potential, by that Government or body; or

(vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that Government or body; or

(vii) the provision by that Government or body of goods or services otherwise than in the course of providing normal infrastructure; or

(viii) the purchase by that Government or body of goods or services; or

(b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a Government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia

APPENDIX A

COMPANY
ALUMAC INDUSTRIES SDN BHD
BIG DUTCHMAN INTERNATIONAL GMBH
BREEZWAY (MALAYSIA) SDN BHD
CLASSIC EMAS (SARAWAK) SDN BHD
CRYTAL GROUP ALUMINIUM EXTRUSION (M) SDN.BHD
EVERLAST ACCESS TECHNOLOGY SDN BHD
EVERPRESS ALUMINIUM INDUSTRIES SDN BHD
FOCUS MERCHANT MANAGEMENT SDN BHD
FRIGOTEC ENGINEERING & REFRIGERATION SDN BHD
GENESIS ALUMINIUM INDUSTRIES SDN BHD
KAMCO ALUMINIUM SDN.BHD.
LB ALUMINIUM BERHAD
LEADER UNIVERSAL ALUMINIUM SDN BHD
LTA MANUFACTURE AND TRADING
MILLEON EXTRUDER SDN BHD
NEW AGE ALUMINIUM INDUSTRIES SDN BHD
OPAL MACAO COMMERCIAL OFFSHORE LIMITED
PRESS METAL BERHAD
SAPA BUILDING SYSTEMS SOUTH EAST ASIA
SAPA SINGAPORE HOLDING PTE LTD
SELACO ALUMINIUM BERHAD
STARKEMP TRADING SDN BHD
SUPERB ALUMINIUM INDUSTRIES SDN. BHD.
TONG HEER ALUMINIUM INDUSTRIES SDN BHD

MASTERLIST OF ATTACHMENTS

No.	Attachment	Description
1	B-1	List of Malaysian producers/manufacturers of Aluminium Extrusion
2	B-2	Schedule 1 Income Tax Act 1967
4	B-3	Aluminium Extrusion GOM Questionnaire Spreadsheet
5	C-1	1. Income Tax Exemption Order (No.11) 2006 [P.U.(A) 112/2006] 2. Income Tax Exemption Order (No.12) 2006 [P.U.(A) 113/2006]
6	C-2	Application form for pre-package incentive: 1. ICAJA1 - Application For Manufacturing Licence And/Or Incentive And/Or Expatriate Posts For A New Manufacturing Project 2. ICAJA2 - Application For Manufacturing Licence And/Or Incentive And/Or Expatriate Posts: For An Expansion And/Or Diversification Project By A Licensed Manufacturer Or By An Existing Non-Licensed Manufacturer 3. ICAJA3 - Application For New Manufacturing Licence And/Or Incentive And/Or Expatriate Posts (High Technology / Strategic Project) 4. ICAJA4 - Application For Manufacturing Licence And/Or Incentive For Expansion And/Or Diversification And/Or Expatriate Posts (High Technology / Strategic Project)
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15	C-11	Income Tax (Deductions of Insurance Premiums for Exporters) (Revocation) Rules 2012 - Revoke from Year of Assessment 2016
16	C-12	Income Tax (Deductions of Insurance Premiums for Importers) Rules 1982/[P.U(A) 72/1982]
17	C-13	Income Tax (Deductions Of Insurance Premiums For Importers)(Revocation) Rules 2012 - Revoke from Year of Assessment 2016

List of Malaysian Producers / Manufacturers of Aluminium Extrusion

NO	NAME	YEAR OF APPROVAL	STATE	PRODUCT
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				

Attachment B-1

NO	NAME	YEAR OF APPROVAL	STATE	PRODUCT
19	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
20	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
22	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
23	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
24	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
25	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
26	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
27	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
28	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
29	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
30	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Akta Cukai Pendapatan 1967
(Akta 53)
Pindaan Sehingga Akta 761 Tahun 2014

Tarikh Keluaran :

Title : Income Tax Act
Part : PART X - SUPPLEMENTAL
Chapter : Chapter 3 - Miscellaneous
Section : Schedule 1. Rates of Tax

SCHEDULE
(Section 6)

Rates Of Tax

PART I

1. Except where paragraphs 1A, 2, 2A and 3 provide otherwise, income tax shall be charged for a year of assessment upon the chargeable income of every person at the following rates:

Chargeable Income	RM	Rate of Income Tax
For every ringgit of the first	5,000	0 per cent
For every ringgit of the next	15,000	2 per cent
For every ringgit of the next	15,000	6 per cent
For every ringgit of the next	15,000	11 per cent
For every ringgit of the next	20,000	19 per cent
For every ringgit of the next	30,000	24 per cent
For every ringgit of the next	100,000	26 per cent

History

Paragraph 1 is substituted by Act 755 of 2013 s33(a), has effect for the year of assessment 2013 and subsequent years of assessment. The paragraph previously read:

1 [Am. Act 264;
Act 293;
Act 309;
Act 323;
Act 328;
Act 337;
Act 364;
Act 420;
Act 451;
Act 476;
Act 497;
Act 683;
Act 693;
Act 702; Act 755]

Chargeable Income	RM	Rate of Income Tax
For every ringgit of the first	2,500	0 per cent
For every ringgit of the next	2,500	1 per cent
For every ringgit of the next	15,000	3 per cent
For every ringgit of the next	15,000	7 per cent
For every ringgit of the next	15,000	12 per cent
For every ringgit of the next	20,000	19 per cent
For every ringgit of the next	30,000	24 per cent
For every ringgit exceeding	100,000	27 per cent";

Paragraph 1 is substituted by Act 693 of 2009, s42, shall effect for the year of assessment 2009 and subsequent years of assessment. The paragraph previously read:

1. Except where paragraphs 1A, 2, 2A and 3 provides otherwise, income tax shall be charged for a year of assessment upon the chargeable income of every person at the following rates:

Chargeable Income	RM	Rate of Income Tax
For every ringgit of the first	2,500	0 per cent
For every ringgit of the next	2,500	1 per cent
For every ringgit of the next	15,000	3 per cent
For every ringgit of the next	15,000	7 per cent
For every ringgit of the next	15,000	13 per cent
For every ringgit of the next	20,000	19 per cent
For every ringgit of the next	30,000	24 per cent
For every ringgit of the next	150,000	27 per cent

For every ringgit exceeding 250,000. 28 per cent";

Part I paragraph 1 is amended by Act 661 of 2006 s30(a)(i), by inserting after the words "1

"1. Except where paragraphs 1A, 2 and 3 provides otherwise, income tax shall be charged for a year of assessment upon the chargeable income of every person at the following rate:".

Part I paragraph 1 amended by Act 578 of 1998 s19(a)(i), by inserting after the words "where paragraphs" the words "1A," shall have effect for the year of assessment 1998 and subsequent years of assessment.

Table in paragraph 1 of Part I substituted by Act A 619 of 2002 s7(a)), shall have effect for the year of assessment 2002 and subsequent years of assessment.

Table in paragraph 1 of Part I formerly read:

" Chargeable Income	RM	Rate of Income Tax
For every ringgit of the first	2,500	0 per cent
For every ringgit of the next	2,500	1 per cent
For every ringgit of the next	5,000	3 per cent
For every ringgit of the next	10,000	5 per cent
For every ringgit of the next	15,000	9 per cent
For every ringgit of the next	15,000	15 per cent
For every ringgit of the next	20,000	20 per cent
For every ringgit of the next	30,000	25 per cent
For every ringgit of the next	50,000	28 per cent
For every ringgit exceeding	150,000	29 per cent "

Table in paragraph 1 of Part I substituted by Act A 600 of 2000 s12(a)(i), shall have effect for the year of assessment 2000 in respect of the basis period ending in the year 2000 (current year basis) and subsequent years of assessment.

Table in paragraph 1 of Part I formerly read:

" Chargeable Income	RM	Rate of Income Tax
For every ringgit of the first	2,500	0 per cent
For every ringgit of the next	2,500	2 per cent
For every ringgit of the next	5,000	4 per cent
For every ringgit of the next	10,000	6 per cent

For every ringgit of the next	15,000	10 per cent
For every ringgit of the next	15,000	16 per cent
For every ringgit of the next	20,000	21 per cent
For every ringgit of the next	30,000	26 per cent
For every ringgit of the next	50,000	29 per cent
For every ringgit exceeding	150,000	30 per cent "

Table to Schedule 1 Part I paragraph 1 substituted by Act 544 of 1996 s14(a), shall have effect for the year of assessment 1996 and subsequent years of assessment.
Table to Schedule 1 Part I paragraph 1 formerly read:

" Chargeable Income	RM	Rate of Income Tax
For every ringgit of the first	2,500	0 per cent
For every ringgit of the next	2,500	3 per cent
For every ringgit of the next	5,000	6 per cent
For every ringgit of the next	10,000	7 per cent
For every ringgit of the next	15,000	12 per cent
For every ringgit of the next	15,000	18 per cent
For every ringgit of the next	20,000	23 per cent
For every ringgit of the next	30,000	28 per cent
For every ringgit of the next	50,000	31 per cent
For every ringgit exceeding	150,000	32 per cent "

Table to Schedule 1 Part I paragraph 1 substituted by Act 531 of 1995 s19(a), shall have effect for the year of assessment 1995 and subsequent years of assessment.
Table to Schedule 1 Part I paragraph 1 formerly read:

" Chargeable Income	RM	Rate of Income Tax
For every ringgit of the first	2,500	2 per cent
For every ringgit of the next	2,500	5 per cent
For every ringgit of the next	5,000	8 per cent
For every ringgit of the next	10,000	10 per cent
For every ringgit of the next	15,000	15 per cent
For every ringgit of the next	15,000	21 per cent
For every ringgit of the next	20,000	26 per cent
For every ringgit of the next	30,000	31 per cent
For every ringgit of the next	100,000	34 per cent "

Table to Schedule 1 Part I paragraph 1 substituted by Act 497 of 1993 s9(a), shall have effect for the year of assessment 1993 and subsequent years of assessment.

Table to Schedule 1 Part I paragraph 1 formerly read:

"Chargeable Income	Rate of Income Tax
For every ringgit of the first \$2,500	4 per cent
For every ringgit of the next \$2,500	7 per cent
For every ringgit of the next \$5,000	10 per cent
For every ringgit of the next \$10,000	12 per cent
For every ringgit of the next \$15,000	17 per cent
For every ringgit of the next \$15,000	22 per cent
For every ringgit of the next \$20,000	27 per cent
For every ringgit of the next \$30,000	32 per cent
For every ringgit exceeding \$100,000	35 per cent".

Table to Schedule 1 Part I paragraph 1 substituted by Act 451 of 1991 s24(a), shall have effect for the year of assessment 1991 and subsequent years of assessment.
Table to Schedule 1 Part I paragraph 1 formerly read:

" Chargeable Income	Rate of Income Tax
For every ringgit of the first \$2,500 ...	5 per cent
For every ringgit of the next \$2,500 ...	8 per cent
For every ringgit of the next \$5,000 ...	12 per cent
For every ringgit of the next \$10,000 ...	15 per cent
For every ringgit of the next \$15,000 ...	20 per cent
For every ringgit of the next \$15,000 ...	25 per cent
For every ringgit of the next \$20,000 ...	30 per cent
For every ringgit of the next \$30,000 ...	35 per cent
For every ringgit exceeding \$100,000 ...	40 percent".

1A. Except where paragraph 2 provides otherwise, income tax shall be charged for a year of assessment on the chargeable income of a person (other than a company) not resident for the basis year for that year of assessment of the rate of 27 percent on every ringgit of the chargeable income.

History

Paragraph in Part I is amended by Act 693 of 2009, s42(a) by substituting for the words "28 per cent" the words "27 per cent", shall have effect for the year of assessment 2009 and subsequent years of assessment.

Paragraph 1A in Part I amended by Act A 619 of 2002 s7(b), by substituting for the words "29" the words "28", shall have effect for the year of assessment 2002 and subsequent years of assessment.

Paragraph 1A in Part I amended by Act A 600 of 2000 s12(a) (ii), by substituting for the words "30 per cent" the words "29 per cent", shall have effect for the year of assessment 2000 in respect of the basis period ending in the year 2000 (current year basis) and subsequent years of assessment.

Part I paragraph 1A inserted by Act 578 of 1998 s19(a)(ii), shall have effect for the year of assessment 1998 and subsequent years of assessment.

2. Subject to paragraph 3, income tax shall be charged for a year of assessment on the chargeable income of-

History

Subparagraph 2(a) is amended by Act 624 of 2002 s23(a)(i), by inserting after the word "company" the words "other than a company to which paragraph 2A applies", shall have effect for the year of assessment 2003 and subsequent years of assessment.

- (a) a company other than a company to which paragraph 2A applies;
- (b) *(Repealed by Act 578).*

History

Part I subparagraph 2(b) deleted by Act 578 of 1998 s19(a)(iii)(aa), shall have effect for the year of assessment 1998 and subsequent years of assessment.

Part I subparagraph 2(b) formerly read:

"(b) a person (other than a company) not resident for the basis year for that year of assessment; "

- (c) a trust body;

(d) an executor of an estate of a deceased individual who was domiciled outside Malaysia at the time of his death;

(e) a receiver with respect to whom section 68 (4) applies, at the rate of 26 per cent for the year of assessment 2008 and 25 per cent for the subsequent years of assessment on every ringgit of the chargeable income;

(f) a limited liability partnership other than a limited liability partnership to which paragraph 2D applies

History

Paragraph 2 is amended by Act 755 of 2013 subpara 33(a)(ii), wef 26 December 2013

Paragraph 2 is amended by Act 755 of 2013 subpara 33(a)(i), by substituting for the comma at the end of subparagraph (e) a semicolon, wef 26 December 2013

Schedule 1 Part I paragraph 2 is amended by Act 683 of 2007, s33(a)(i) by substituting for the word "27 per cent" the words " 26 per cent for the year of assessment 2008 and 25 per cent for the subsequent years of assessment, shall have effect for the year of assessment 2008 and subsequent years of assessment.

Schedule 1 Part I paragraph 2 is amended by Act 661 of 2006 s30(a) (ii), by substituting for the word "28" the word "27", shall have effect for the year of assessment 2007 and subsequent years of assessment.

Schedule 1 Part I paragraph 2 amended by Act 578 of 1998 s19(a)(iii)(bb), by substituting for the figures "30" the figures "28", shall have effect for the year of assessment 1998 and subsequent years of assessment.

Schedule 1 Part I paragraph 2 amended by Act 531 of 1995 s19(b), by substituting for the words "32 percent" the words "30 percent", shall have effect for the year of assessment 1995 and subsequent years of assessment.

Schedule 1 Part I paragraph 2 amended by Act 513 of 1994 s26, by substituting for the figures "34" the figures "32", shall have effect for the year of assessment 1994 and subsequent years of assessment.

Schedule 1 Part I paragraph 2 amended by Act 497 of 1993 s9(b), by substituting for the figures "35" the figures "34", shall have effect for the year of assessment 1993 and subsequent years of assessment.

2A. Subject to paragraph paragraphs 2B, 2C and 3, income tax shall be charged for a year of assessment on the chargeable income of a company resident in Malaysia which has a paid-up capital in respect of ordinary shares of two million five hundred thousand ringgit and less at the beginning of the basis period for a year of assessment at the following rates:

<i>Chargeable income</i>	<i>RM</i>	<i>Rate of income tax</i>
For every ringgit of the first	500,000	20 per cent
For every ringgit exceeding	500,000	26 per cent for the year of assessment 2008 and 25 per cent for the subsequent years of assessment

History

Schedule 1 Part I paragraph 2A is amended by Act 693 of 2009, s42(a)(iii) by substituting for the words "paragraph 3" the words "paragraphs 2B, 2C and 3", shall have effect for the year of assessment 2009 and subsequent years of assessment.

Schedule 1 Part I paragraph 2A is amended by Act 683 of 2007, s33(a)(i) by substituting for the word "27 per cent" the words " 26 per cent for the year of assessment 2008 and 25 per cent for the subsequent years of assessment, shall have effect for the year of assessment 2008 and subsequent years of assessment.

Schedule 1 Part I paragraph 2 is amended by Act 661 of 2006 s30(a)(ii), by substituting for the word "28" the word "27", shall have effect for the year of assessment 2007 and subsequent years of assessment

Part 1 of Schedule 1 to the principal Act is amended in paragraph 2A, by Act 631 of 2003 s18, by substituting for the word "100,000" wherever appearing the word "500,000", with effect for the year of assessment 2004 and subsequent years of assessment.

Part 1 of Schedule 1 to the principal Act formerly read as: (paragraph 1 maintained)

<i>Chargeable income</i>	<i>RM</i>	<i>Rate of income tax</i>
For every ringgit of the first	100,000	20 per cent
For every ringgit exceeding	100,000	28 per cent

History

Paragraph 2A is inserted by Act 624 of 2002 s23(a)(ii), shall have effect for the year of assessment 2003 and subsequent years of assessment.

2B. The provisions of paragraph 2A shall not apply to a company referred to in that paragraph if more than—

(a) fifty per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by a related company;

(b) fifty per cent of the paid up capital in respect of ordinary shares of the related company is directly or indirectly owned by the first mentioned company; or

(c) fifty per cent of the paid up capital in respect of ordinary shares of the first mentioned company and the related company is directly or indirectly owned by another company.

2C. For the purpose of paragraph 2B, "related company" means a company which has a paid up capital in respect of ordinary shares of more than two million and five hundred thousand ringgit at the beginning of the basis period for a year of assessment.

History

Paragraph 2B and 2C are inserted by Act 693 of 2009, s42(a)(iv), shall have effect for the year of assessment 2009 and subsequent years of assessment.

2D. Subject to paragraphs 2E, 2F and 3, income tax shall be charged for a year of assessment on the chargeable income of a limited liability partnership resident in Malaysia which has a total contribution of capital (whether in cash or in kind) of two million five hundred thousand ringgit and less at the beginning of the basis period for a year of assessment at the following rates:

<i>Chargeable income</i>	<i>RM</i>	<i>Rate of income tax</i>
For every ringgit of the first	500,000	20 per cent
For every ringgit exceeding	500,000	25 per cent

2E. The provisions of paragraph 2D shall not apply to a limited liability partnership referred to in that paragraph if more than—

(a) fifty per cent of the capital contribution (whether in cash or in kind) of the limited liability partnership is directly or indirectly contributed by a company;

(b) fifty per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by the limited liability partnership; or

(c) fifty per cent of the capital contribution (whether in cash or in kind) of the limited liability partnership and fifty per cent of the paid up capital in respect of ordinary shares of the company is directly or indirectly owned by another company.

2F. The company referred to in paragraph 2E, other than another company referred to in subparagraph 2E(c), shall have a paid up capital in respect of ordinary shares of more than two million and five hundred thousand ringgit at the beginning of the basis period for a year of assessment.

History

Paragraphs 2D, 2E and 2F are inserted by Act 755 of 2013 s 33(c) wef 26 December 2012.

3. Income tax shall be charged for a year of assessment on the chargeable income of an insurer from inward re-insurance business or offshore insurance business at the rate of 5 per cent on every ringgit of the chargeable income.

4. Income tax shall be charged for a year of assessment on the chargeable income of an operator from inward re-takaful business or offshore takaful business at the rate of 5 per cent on every ringgit of the chargeable income.

History

Paragraph 4 is inserted by Act 683 of 2007, s33(a)(ii), shall have effect for the year of assessment 2008 and subsequent years of assessment.

PART II

Notwithstanding Part I, income tax shall be charged on the following income at the following rates-

income	Type of income	Rate of tax
--------	----------------	-------------

1. Income of a non-resident person consisting of interest (other than interest on an approved loan or interest of the kind referred to in paragraph 33 of Part I, Schedule 6) derived from Malaysia ... 15% of gross
History.

Schedule 1 Part II paragraph 1 amended by Act 531 of 1995 s19(c), by substituting for the words "20% of gross" appearing under the column "Rate of income tax" the word "15% of gross", shall come into force on 28th October 1994.

2. Income of a non-resident person consisting of royalty derived from Malaysia 10% of gross
History.

Schedule 1 Part II paragraph 2 amended by Act 531 of 1995 s19(c), by substituting for the words "15% of gross" appearing under the column "Rate of income tax" the word "10% of gross", shall come into force on 28th October 1994.

3. Income of a non-resident person (other than a company) consisting of remuneration or other income in respect of services performed or rendered in Malaysia by a public entertainer 15 % of

gross

PART III

(Repealed by Act 451)

History.

Schedule 1 Part III deleted by Act 451 of 1991 s24(b), shall have effect for the year of assessment 1991 and subsequent years of assessment. Schedule 1 Part III formerly read:
" Part III

Excess profit tax shall be charged for each year of assessment at the rate of 5 per cent".

PART IV

Notwithstanding Part I, income tax shall be charged for a year of assessment upon the chargeable income of every co-operative society at the following rates-

<i>Chargeable Income</i>	<i>RM</i>	<i>Rate of Income tax</i>
For every ringgit of the first	30,000	0 per cent
For every ringgit of the next	30,000	5 per cent
For every ringgit of the next	40,000	10 per cent
For every ringgit of the next	50,000	15 per cent
For every ringgit of the next	100,000	20 per cent
For every ringgit of the next	250,000	22 per cent
For every ringgit of the next	250,000	24 per cent
For every ringgit exceeding	750,000	25 per cent

History.

Part IV is substituted by Act 755 of 2013 s33(d) has effect for the year of assessment 2013 and subsequent years of assessment. The Part previously read:

Notwithstanding Part I, income tax shall be charged for a year of

assessment upon the chargeable income of every co-operative society at the following rates-

<i>Chargeable Income tax</i>	<i>RM</i>	<i>Rate of Income</i>
For every ringgit of the first	20,000	0 per cent
For every ringgit of the next	10,000	2 per cent
For every ringgit of the next	10,000	6 per cent
For every ringgit of the next	10,000	9 per cent
For every ringgit of the next	25,000	12 per cent
For every ringgit of the next	25,000	13 per cent
For every ringgit of the next	25,000	16 per cent
For every ringgit of the next	50,000	20 per cent
For every ringgit of the next	100,000	23 per cent
For every ringgit of the next	250,000	26 per cent
For every ringgit exceeding	500,000	27 per cent

Part IV, in column of "Rate of income tax" is amended by Act 693 of 2009, by substituting for the words "3 per cent" the words "2 per cent" and by substituting for the words "28 per cent" the words "27 per cent", shall have effect for the year of assessment 2009 and subsequent years of assessment.

Table in Part IV substituted by Act A 619 of 2002 s7(b), shall have effect for the year of assessment 2002 and subsequent years of assessment. Table in Part IV formerly read:

<i>" Chargeable Income</i>	<i>RM</i>	<i>Rate of Income Tax</i>
For every ringgit of the first	10,000	0 per cent
For every ringgit of the next	10,000	1 per cent
For every ringgit of the next	10,000	4 per cent
For every ringgit of the next	10,000	7 per cent
For every ringgit of the next	10,000	10 per cent
For every ringgit of the next	25,000	13 per cent
For every ringgit of the next	25,000	17 per cent
For every ringgit of the next	50,000	21 per cent
For every ringgit of the next	100,000	24 per cent
For every ringgit of the next	250,000	27 per cent
For every ringgit exceeding	500,000	29 per cent "

Table in Part IV substituted by Act A 600 of 2000 s12(b), shall have effect for the year of assessment 2000 in respect of the basis period

ending in the year 2000 (current year basis) and subsequent years of assessment.

Table in Part IV formerly read:

" Chargeable Income	RM	Rate of Income Tax
For every ringgit of the first	10,000	0 per cent
For every ringgit of the next	10,000	2 per cent
For every ringgit of the next	10,000	5 per cent
For every ringgit of the next	10,000	8 per cent
For every ringgit of the next	10,000	11 per cent
For every ringgit of the next	25,000	14 per cent
For every ringgit of the next	25,000	18 per cent
For every ringgit of the next	50,000	22 per cent
For every ringgit of the next	100,000	25 per cent
For every ringgit of the next	250,000	28 per cent
For every ringgit exceeding 500,000		30 per cent".

Table to Schedule 1 Part IV substituted by Act 544 of 1996 s14(b), shall have effect for the year of assessment 1996 and subsequent years of assessment.

Table to Schedule 1 Part IV formerly read:

" Chargeable Income	RM	Rate of Income Tax
For every ringgit of the first	10,000	1 per cent
For every ringgit of the next	10,000	3 per cent
For every ringgit of the next	10,000	6 per cent
For every ringgit of the next	10,000	9 per cent
For every ringgit of the next	10,000	12 per cent
For every ringgit of the next	25,000	16 per cent
For every ringgit of the next	25,000	20 per cent
For every ringgit of the next	50,000	24 per cent
For every ringgit of the next	100,000	27 per cent
For every ringgit of the next	250,000	30 per cent
For every ringgit exceeding 500,000		32 per cent".

Table to Schedule 1 Part IV substituted by Act 531 of 1995 s19(d), shall have effect for the year of assessment 1995 and subsequent years of assessment.

Table to Schedule 1 Part IV formerly read:

" Chargeable Income	RM	Rate of Income Tax
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For every ringgit of the first	10,000	2 per cent
For every ringgit of the next	10,000	4 per cent
For every ringgit of the next	10,000	7 per cent
For every ringgit of the next	10,000	10 per cent
For every ringgit of the next	10,000	13 per cent
For every ringgit of the next	25,000	17 per cent
For every ringgit of the next	25,000	22 per cent
For every ringgit of the next	50,000	26 per cent
For every ringgit of the next	100,000	29 per cent
For every ringgit of the next	250,000	32 per cent
For every ringgit exceeding	500,000	34 per cent".

Table to Schedule 1 Part IV substituted by Act 497 of 1993 s9(c), shall have effect for the year of assessment 1993 and subsequent years of assessment.

Schedule 1 Part IV formerly read:

" Chargeable Income	Rate of Income Tax
For every ringgit of the first	\$10,000 4 per cent
For every ringgit of the next	\$10,000 6 per cent
For every ringgit of the next	\$10,000 9 per cent
For every ringgit of the next	\$10,000 12 per cent
For every ringgit of the next	\$10,000 15 per cent
For every ringgit of the next	\$25,000 19 per cent
For every ringgit of the next	\$25,000 23 per cent
For every ringgit of the next	\$50,000 27 per cent
For every ringgit of the next	\$100,000 30 per cent
For every ringgit of the next	\$250,000 33 per cent
For every ringgit exceeding	\$500,000 35 per cent".

Table to Schedule 1 Part IV substituted by Act 476 of 1992 s17, shall have effect for the year of assessment 1992 and subsequent years of assessment.

Table to Schedule 1 Part IV formerly read:

"Chargeable Income	Rate of income tax
For every ringgit of the first	\$10,000 5 per cent
For every ringgit of the next	\$10,000 7 per cent
For every ringgit of the next	\$10,000 10 per cent
For every ringgit of the next	\$10,000 14 per cent
For every ringgit of the next	\$10,000 20 per cent
For every ringgit of the next	\$25,000 23 per cent
For every ringgit of the next	\$25,000 27 per cent
For every ringgit of the next	\$50,000 30 per cent

For every ringgit of the next \$100,000	34 per cent
For every ringgit of the next \$250,000	37 per cent
For every ringgit exceeding \$500,000	40 per cent".

PART V

Notwithstanding Part I and Part II, income tax shall be charged on the income of a non-resident person consisting of-

- (i) amounts paid in consideration of services rendered by the person or his employee in connection with the use of property or rights belonging to, or the installation or operation of any plant, machinery or other apparatus purchased from, such person;
- (ii) amounts paid in consideration of technical advice, assistance or services rendered in connection with technical management or administration of any scientific, industrial or commercial undertaking, venture, project or scheme; or
- (iii) rent or other payments made under any agreement or arrangement for the use of any moveable property,

History

Paragraph (iii) in Part V of Schedule 1 amended by Act 557 of 1997 s21, by deleting the words ", not being payment of film rentals, where the duty is leviable under the Cinematograph Film-Hire Duty Act 1965", in force from 1 January 1997.

Paragraph (iii) in Part V of Schedule 1 formerly read:

"(iii) rent or other payments, not being payment of film rentals, where the duty is leviable under the Cinematograph Film-Hire Duty Act 1965 made under any agreement or arrangement for the use of any moveable property,".

which is derived from Malaysia at the rate of ... 10% of gross.

History.

Schedule 1 Part V amended by Act 531 of 1995 s19(e), by substituting for the words "15% of gross" the words "10% of gross", shall come into force on 28th October 1994.

PART VI

Notwithstanding Part I, income tax shall be charged on the income of an individual resident in Malaysia consisting of interest (other than interest exempt under this Act or any order made thereto) accruing in or derived from Malaysia and received from a person referred to in section 109c at the rate of 5% of gross.

PART VII [deleted by Act 624]

History

Part VII is deleted by Act 624 of 2002 s23(b), shall have effect for the year of assessment 2003 and subsequent years of assessment. Part VII formerly read:

"Notwithstanding Part I, income tax shall be charged upon the chargeable income of an approved operational headquarters company in relation to the source consisting of the provision of qualifying services as defined under section 60E (7) at the rate of 10 per cent."

PART VIII

Notwithstanding Part I and Part II, income tax shall be charged on the chargeable income of a life fund other than income arising from life re-insurance business and inward life re-insurance business of a resident or non-resident insurer at the rate of 8 percent.

History

Part VIII amended by Act 578 of 1998 s19(b), by inserting after the words "life fund" the words ", other than income arising from life re-insurance business and inward life re-insurance business,", shall have effect for the year of assessment 1998 and subsequent years of assessment.

Schedule 1 Part VIII inserted by Act 531 of 1995 s19(f), shall

have effect for the year of assessment 1995 and subsequent years of assessment.

PART IX

Notwithstanding Part I, income tax shall be charged on the chargeable income of a foreign fund management company in relation to the source consisting of the provision of fund management services to foreign investors as referred to in section 60G at the rate of ... 10 percent.

History.

Schedule 1 Part IX inserted by Act 544 of 1996 s14(c), shall have effect for the year of assessment 1996 and subsequent years of assessment.

Part X

1. Notwithstanding Part I —

(a) and subject to paragraphs (b) and (c), income tax shall be charged for a year of assessment on the income of a unit holder other than a unit holder which is a resident company consisting of income distributed to the unit holder referred to in section 109D which is derived from Malaysia at the rate of 10% of gross;

(b) and subject to paragraph (c), income tax shall be charged for a year of assessment on the income of a unit holder which is a non-resident company consisting of income distributed to the unit holder referred to in section 109D which is derived from Malaysia at the rate of 26% of gross for the year of assessment 2008 and 25% of gross for the subsequent years of assessment; and

(c) and income tax shall be charged for a year of assessment on the income of a unit holder which is a foreign institutional investor consisting of income distributed to the unit holder referred to in section 109D which is derived from Malaysia at the rate of 10% of gross.

2. In this Part, "institutional investor" means a pension fund, collective investment scheme or such other person approved by the Minister."

History.

Part X, in column "Rate of income tax" is amended by Act 693 of 2009, s42(c)-

(i) in subparagraph 1(a), by substituting for the words "15%" the words "10%"; and

(ii) in subparagraph 1(c), by substituting for the words "20%" the words "10%",

shall have effect from 1 January 2009 to 31 December 2011.

Part X in subparagraph 1(b) is amended by Act 683 Of 2007, s33(b), by substituting for the words "27% of gross" the words "26% of gross for the year of assessment 2008 and 25% of gross for the subsequent years of assessment", shall have effect for the year of assessment 2008 and subsequent years of assessment.

Schedule 1 Part X is amended by substituting a new Part X by Act 661 of 2006 s30(b), shall be deemed into operation on 1 January 2007. Schedule 1 of Part X formerly read:

PART X

Notwithstanding Part I, income tax shall be charged on the income of a non-resident unit holder consisting of income distributed to that unit holder referred to in section 109D which is derived from Malaysia at the rate of 28% of gross.

Part XI

Notwithstanding Part I, income tax shall be charged on the income of-

(a) a participant other than a participant which is a resident company consisting of income distributed to that participant referred to in section 109E which is derived from Malaysia at the rate of ...8% of gross; and

(b) a participant which is a non-resident company consisting of income distributed to that participant referred to in section 109e which is derived from Malaysia at the rate of ...26% of gross for the year of

assessment 2008 and 25% of gross for the subsequent years of assessment.

Part XII

Notwithstanding Part I and Part II, income tax shall be charged on the chargeable income of a family fund referred to in section 60AA, other than income arising from family solidarity re-takaful business and inward family solidarity re-takaful business, of a resident or non-resident operator at the rate of8 per cent."

History

Part XI and Part XII of Schedule 1 are inserted by Act 683 of 2007, s33(c), shall have effect for the year of assessment 2008 and subsequent years of assessment.

PART XIII

Notwithstanding Part I and Part II but subject to Parts X, XI and XII, income tax shall be charged on the income of a non-resident person consisting of gains or profits falling under paragraph 4(f) which is derived from Malaysia at the rate of 10% of gross.

History

Part XIII of Schedule 1 is inserted by Act 693 of 2009, 42(d), shall have effect from 1 January 2009.

PART XIV

1. Notwithstanding Part I, income tax shall be charged for a year of assessment on the chargeable income of an individual who is a knowledge worker and residing in a specified region in respect of having or exercising employment with a person who is carrying on a qualified activity in a specified region at the rate of 15 per cent on every ringgit of that chargeable income.

2. In this Part—

(a) the knowledge worker, qualified activity and specified region referred to in paragraph 1; and

(b) where the individual has income from a source other than the employment referred to in paragraph 1 or where subsection 45(2) applies, the chargeable income of the individual referred to in that paragraph,

shall be as determined by the Minister by rules made under this Act.

History

Part XIV of Schedule 1 is inserted by Act 702 of 2010, s14(c), shall have effect for the year of assessment 2010 and subsequent years of assessment.

History

Schedule 1 of the principal Act is amended by Act 639 of 2004 s27, by inserting after Part IX the following Part X as above, with effect from year of assessment 2004 and subsequent years of assessment.

Part XVI

Notwithstanding Part I, income tax shall be charged for a year of assessment on the total amount received by an individual in respect of withdrawal from a deferred annuity or a private retirement scheme where such withdrawal is made before that individual reaches the age of 55 (other than by reason of permanent total disablement, serious disease, mental disability, death or permanently leaving Malaysia) at the rate of 8 per cent on every ringgit of that contribution withdrawn.

History

Part XVI is substituted by Act 761 of 2014 s31, comes into force on 24 January 2014. This part previously read:

"Notwithstanding Part I, income tax shall be charged for a year of assessment on any amount of contribution withdrawn by an individual from a private retirement scheme before that individual reaches the age of 55 (other than by reason of death or

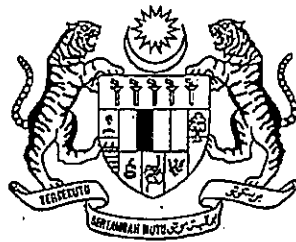
permanently leaving Malaysia): at the rate of 8 per cent on every ringgit of that contribution withdrawn.”.

History

Part XVI is inserted by Act 755 of 2013 s33(e) wef 1 January 2013.

Attachment B-3

[illegible]



MALAYSIA

Warta Kerajaan
SERI PADUKA BAGINDA
DITERBITKAN DENGAN KUASA

HIS MAJESTY'S GOVERNMENT GAZETTE
PUBLISHED BY AUTHORITY

Jil. 50
No. 6

23hb Mac 2006

TAMBAHAN No. 32
PERUNDANGAN (A)

P.U. (A) 111.

PERLEMBAGAAN PERSEKUTUAN

**PERATURAN-PERATURAN PEGAWAI AWAM (KELAKUAN DAN TATATERTIB)
(PINDAAN) 2006**

PADA menjalankan kuasa yang diberikan oleh Fasal (2) Perkara 132 Perlembagaan Persekutuan, Yang di-Pertuan Agong membuat peraturan-peraturan yang berikut:

Nama dan permulaan kuat kuasa

1. (1) Peraturan-Peraturan ini bolehlah dinamakan Peraturan-Peraturan Pegawai Awam (Kelakuan dan Tatatertib) (Pindaan) 2006.

(2) Peraturan-Peraturan ini disifatkan telah mula berkuat kuasa pada 20 Jun 2002.

Pindaan peraturan 53

2. Peraturan-Peraturan Pegawai Awam (Kelakuan dan Tatatertib) 1993 [P.U. (A) 395/1993] dipinda dengan menggantikan peraturan 53 dengan peraturan yang berikut:

"53. (1) Apa-apa surat-menyurat antara pihak Berkuasa Tatatertib yang berkenaan dengan pegawai yang tertakluk kepada tindakan tatatertib hendaklah ditandatangani oleh Pengerusi Pihak Berkuasa Tatatertib yang berkenaan atau oleh mana-mana anggota Pihak Berkuasa Tatatertib bagi pihak Pengerusi.

(2) Walau apa pun peruntukan subperaturan (1), jika Pihak Berkuasa Tatatertib itu ialah Suruhanjaya Perkhidmatan yang ditubuhkan di bawah Bahagian X Perlembagaan Persekutuan, apa-apa surat-menyurat yang dikehendaki ditandatangani boleh ditandatangani oleh Setiausaha Suruhanjaya Perkhidmatan yang berkenaan.”.

Dibuat 20 Februari 2006
[JPA(S)TT. 8006/1 Jld. 2; PN(PU²)171B/IV]

Dengan Titah Perintah

TAN SRI SAMSUDIN BIN OSMAN
Setiausaha Jemaah Menteri

FEDERAL CONSTITUTION

PUBLIC OFFICERS (CONDUCT AND DISCIPLINE) (AMENDMENT) REGULATIONS 2006

In exercise of the powers conferred by Clause (2) of Article 132 of the Federal Constitution, the Yang di-Pertuan Agong makes the following regulations:

Citation and commencement

1. (1) These regulations may be cited as the Public Officers (Conduct and Discipline) (Amendment) Regulations 2006.

(2) These Regulations are deemed to have come into operation on 20 June 2002.

Amendment of regulation 53

2. The Public Officers (Conduct and Discipline) Regulations 1993 [P.U. (A) 395/1993] are amended by substituting for regulation 53 the following regulation:

“53. (1) Any correspondence between the appropriate Disciplinary Authority and the officer who is subject to disciplinary action shall be signed by the Chairman of the appropriate Disciplinary Authority or by any member of the Disciplinary Authority on behalf of the Chairman.

(2) Notwithstanding the provisions of subregulation (1), where the Disciplinary Authority is a Service Commission established under Part X of the Federal Constitution, any correspondence required to be signed may be signed by the Secretary of the Service Commission concerned.”.

Made 20 February 2006
[JPA(S)TT. 8006/1 Jld. 2; PN(PU²)171B/IV]

By Command

TAN SRI SAMSUDIN BIN OSMAN
Secretary to the Cabinet

P.U. (A) 112.

AKTA CUKAI PENDAPATAN 1967

PERINTAH CUKAI PENDAPATAN (PENGECUALIAN) (No. 11) 2006

PADA menjalankan kuasa yang diberikan oleh perenggan 127(3)(b) Akta Cukai Pendapatan 1967 [*Akta 53*], Menteri membuat perintah yang berikut:

Nama dan permulaan kuat kuasa

1. (1) Perintah ini bolehlah dinamakan Perintah Cukai Pendapatan (Pengecualian) (No. 11) 2006.

(2) Perintah ini disifatkan telah berkuat kuasa mulai tahun taksiran 1998.

Tafsiran

2. Dalam Perintah ini—

“perniagaan diluluskan” ertinya apa-apa perniagaan yang diluluskan oleh Menteri di bawah skim galakan istimewa;

“perniagaan perintis” mempunyai makna yang sama seperti yang ditakrifkan dalam seksyen 2 Akta Penggalakan Pelaburan 1986 [*Akta 327*];

“skim galakan istimewa” ertinya suatu skim galakan pra-pakej yang diluluskan oleh Menteri;

“syarikat” ertinya suatu syarikat diperbadankan di bawah Akta Syarikat 1965 [*Akta 125*].

Pengecualian

3. (1) Menteri mengecualikan suatu syarikat bermastautin di Malaysia dalam tempoh asas bagi suatu tahun taksiran daripada pembayaran cukai pendapatan berkenaan dengan pendapatan berkanun yang diperoleh daripada suatu perniagaan yang diluluskan.

(2) Pengecualian cukai atas pendapatan berkanun perniagaan diluluskan yang disebut dalam subperenggan (1) adalah tertakluk kepada syarat sebagaimana yang dinyatakan oleh Menteri dalam surat kelulusan bagi perniagaan diluluskan.

(3) Pendapatan berkanun perniagaan diluluskan yang disebut dalam subperenggan (1) hendaklah dikecualikan bagi suatu tempoh sebagaimana yang akan ditentukan oleh Menteri (selepas ini disebut sebagai “tempoh pengecualian”) dan dikira mengikut cara yang ditetapkan di bawah perenggan 4.

(4) Permulaan tempoh pengecualian hendaklah ditentukan oleh Menteri atau Menteri Perdagangan Antarabangsa dan Industri, mengikut mana-mana yang berkenaan.

(5) Tertakluk kepada syarat yang dinyatakan dalam surat kelulusan yang disebut dalam subperenggan (2), Akta Penggalakan Pelaburan 1986 hendaklah terpakai kepada mana-mana perniagaan diluluskan yang telah diberikan pengecualian di bawah Perintah ini.

(6) Dalam hal perniagaan diluluskan adalah lanjutan kepada tempoh pelepasan cukai bagi suatu perniagaan perintis suatu syarikat yang diberi di bawah Akta Penggalakan Pelaburan 1986, maka perniagaan yang diluluskan hendaklah dianggap sebagai lanjutan kepada perniagaan perintis syarikat itu.

(7) Tiada apa-apa dalam subperenggan (1) akan melepaskan atau dianggap melepaskan syarikat daripada mematuhi apa-apa keperluan untuk mengemukakan apa-apa penyata atau penyata akaun atau mengemukakan apa-apa maklumat lain di bawah Akta.

Pendapatan berkanun

4. (1) Pendapatan berkanun perniagaan diluluskan dalam tempoh asas bagi suatu tahun taksiran hendaklah ditentukan selepas memotong elaun-elaun yang boleh diberi mengikut Jadual 3 Akta meskipun tiada tuntutan bagi elaun-elaun itu yang telah dibuat.

(2) Amaun pendapatan berkanun perniagaan diluluskan yang dikecualikan dalam tempoh asas bagi suatu tahun taksiran semasa tempoh pengecualian hendaklah ditentukan mengikut cara yang berikut:

(a) tujuh puluh peratus (atau kadar lain yang ditetapkan oleh Menteri) daripada pendapatan berkanun;

(b) amaun pendapatan berkanun disebut di subsubperenggan (2)(a) hendaklah dikurangkan oleh—

(i) pertama, kerugian larasan tahun semasa daripada suatu perniagaan atau perniagaan-perniagaan selain daripada perniagaan perintis atau perniagaan-perniagaan perintis dan mana-mana perniagaan diluluskan yang dikecualikan di bawah Perintah ini, mengikut mana-mana yang berkenaan; dan

(ii) seterusnya, apa-apa kerugian larasan tidak diserap atau kerugian larasan tahun semasa daripada perniagaan perintis atau perniagaan-perniagaan perintis dan mana-mana perniagaan diluluskan yang dikecualikan di bawah Perintah ini, mengikut mana-mana yang berkenaan;

(c) sebanyak mana kerugian larasan yang disebut dalam subsubperenggan (b)(i) dan (ii) yang telah digunakan untuk mengurangkan pendapatan berkanun bagi perniagaan diluluskan untuk suatu tahun taksiran hendaklah tidak diambil kira bagi tujuan subseksyen 43(2) dan 44(2) Akta dan seksyen 21A Akta Penggalakan Pelaburan 1986, mengikut mana-mana yang berkenaan, dalam menentukan pendapatan perniagaan selain perniagaan perintis atau perniagaan-perniagaan perintis dan perniagaan diluluskan di bawah Perintah ini; dan

- (d) apa-apa amaun kerugian larasan yang tidak diserap dan kerugian larasan tahun semasa daripada perniagaan diluluskan yang tidak digunakan untuk mengurangkan pendapatan berkanun semasa tempoh pengecualian yang disebut dalam subsubperenggan (b)(ii), mengikut mana-mana yang berkenaan, selain aktiviti penyelidikan dan kemajuan kontrak yang ditakrif di bawah seksyen 2 Akta Penggalakan Pelaburan 1986, hendaklah tidak sedia untuk mengurangkan jumlah pendapatan syarikat.

(3) Walau apa pun subsubperenggan (2), jika tempoh pengecualian perniagaan diluluskan tamat pada atau selepas 1 Oktober 2005, apa-apa amaun kerugian larasan yang tidak diserap dan kerugian larasan tahun semasa daripada perniagaan diluluskan yang tidak digunakan untuk mengurangkan pendapatan berkanun semasa tempoh pengecualian yang disebut dalam subsubperenggan (b)(ii), hendaklah sedia untuk mengurangkan jumlah pendapatan syarikat mengikut cara yang ditetapkan di bawah subseksyen 43(2) dan 44(2) Akta dalam tempoh asas berikutan berakhirnya tempoh pengecualian bagi tahun taksiran itu dan mana-mana tahun taksiran berikutnya.

Elaun modal

5. Bagi maksud Perintah ini, walau apa pun peruntukan Jadual 3 Akta—

- (a) baki perbelanjaan bagi suatu aset yang digunakan sebelum tarikh permulaan tempoh pengecualian dan aset itu terus digunakan dalam tempoh asas bagi suatu tahun taksiran yang terjatuhnya hari permulaan tempoh pengecualian hendaklah disifatkan baki perbelanjaan aset itu pada hari permulaan tempoh pengecualian itu;
- (b) apa-apa perbelanjaan modal yang dilakukan berkenaan dengan suatu aset dalam tempoh asas sebelum tarikh permulaan tempoh pengecualian dan aset itu terus digunakan dalam tempoh asas bagi suatu tahun taksiran yang terjatuhnya tempoh pengecualian hendaklah disifatkan telah dilakukan pada hari permulaan tempoh pengecualian itu;
- (c) baki perbelanjaan bagi suatu aset yang digunakan semasa tempoh pengecualian dan aset itu terus digunakan dalam tempoh asas bagi suatu tahun taksiran yang terjatuhnya tarikh berakhirnya tempoh pengecualian hendaklah disifatkan baki perbelanjaan aset itu pada hari berikutan berakhirnya tempoh pengecualian itu;
- (d) apa-apa perbelanjaan modal yang dilakukan berkenaan dengan suatu aset semasa tempoh pengecualian dan aset tersebut terus digunakan dalam tempoh asas bagi suatu tahun taksiran yang terjatuhnya tarikh berakhirnya tempoh pengecualian hendaklah disifatkan telah dilakukan pada hari berikutan berakhirnya tempoh pengecualian itu;
- (e) jika suatu aset digunakan bagi tujuan perniagaan diluluskan digunakan juga bagi maksud selain daripada perniagaan itu—
 - (i) maka, elaun yang boleh diberi di bawah Jadual 3 Akta hendaklah dikurangkan sebagaimana yang munasabah memandangkan kepada setakat mana aset itu digunakan bagi maksud perniagaan yang pertama disebut; dan

(ii) baki perbelanjaan yang ditentukan di bawah subperenggan 4(1) dan (3) hendaklah dikurangkan oleh amaun apa-apa potongan yang dibuat di bawah subsubperenggan (a);

(f) elaun modal tidak diserap sebelum permulaan tempoh pengecualian hendaklah diguna untuk mengurangkan pendapatan berkanun bagi perniagaan diluluskan dalam tempoh asas bagi suatu tahun taksiran tempoh pengecualian; dan

(g) elaun modal tidak diserap semasa tempoh pengecualian bagi perniagaan diluluskan itu hendaklah tidak digunakan untuk mengurangkan pendapatan berkanun bagi perniagaan diluluskan dalam tempoh asas berikutan berakhirnya tempoh pengecualian bagi tahun taksiran itu dan mana-mana tahun taksiran berikutnya:

Dengan syarat, jika tempoh pengecualian bagi perniagaan diluluskan tamat pada atau selepas 1 Oktober 2005, elaun modal tidak diserap itu hendaklah digunakan untuk mengurangkan pendapatan berkanun bagi perniagaan diluluskan dalam tempoh asas berikutan berakhirnya tempoh pengecualian bagi tahun taksiran atau mana-mana tahun taksiran berikutnya.

Penarikan balik pengecualian cukai bagi perniagaan diluluskan

6. Menteri boleh menarik balik pengecualian cukai atas pendapatan berkanun perniagaan diluluskan sekiranya syarikat itu gagal untuk mematuhi syarat-syarat yang ditetapkan oleh Menteri yang disebut dalam subperenggan 3(2).

Akaun berasingan

7. Syarikat hendaklah menyenggara suatu akaun berasingan bagi pendapatan yang diperolehi daripada perniagaan diluluskan dalam tempoh asas bagi setiap tahun taksiran semasa tempoh pengecualian.

Pemakaian potongan bagi penggalakan eksport

8. Suatu perbelanjaan yang dibenarkan sebagai suatu potongan bagi penggalakan eksport di bawah seksyen 41 Akta Penggalakan Pelaburan 1986 bagi tujuan mengira pendapatan daripada perniagaan diluluskan hendaklah dikumpul, dan amaun agregat itu hendaklah dibenarkan sebagai potongan bagi tujuan menentukan pendapatan dalam tempoh asas bagi tahun taksiran pertama selepas tempoh pengecualian.

Pemakaian perenggan 5 dan 6 Jadual 7A

9. Perenggan 5 dan 6 Jadual 7A, Akta hendaklah terpakai, *mutatis mutandis*, bagi amaun pendapatan berkanun yang dikecualikan yang disebut di bawah perenggan 3.

Ketidapkakaan

10. Perintah ini tidak terpakai kepada syarikat dalam tempoh asas bagi suatu tahun taksiran yang telah diberikan—

- (a) elaun pelaburan semula di bawah Jadual 7A Akta;
- (b) elaun pelaburan semula bagi sektor perkhidmatan di bawah Jadual 7B Akta;
- (c) elaun peningkatan eksport di bawah Kaedah-Kaedah Cukai Pendapatan (Elaun bagi Peningkatan Eksport) 1999 [P.U. (A) 128/1999];
- (d) pengecualian bagi nilai peningkatan eksport di bawah Perintah Cukai Pendapatan (Pengecualian) (No. 17) 2005 [P.U. (A) 158/2005];
- (e) pengecualian bagi nilai peningkatan eksport perkhidmatan di bawah Perintah Cukai Pendapatan (Pengecualian) (No. 2) 2001 [P.U. (A) 154/2001] dan Perintah Cukai Pendapatan (No. 9) 2002 [P.U. (A) 57/2002];
- (f) potongan di bawah Kaedah-Kaedah Cukai Pendapatan (Potongan bagi Kos Mengambil Alih Syarikat Milik Asing) 2003 [P.U. (A) 310/2003]; atau
- (g) apa-apa galakan (kecuali potongan bagi penggalakan eksport) di bawah Akta Penggalakan Pelaburan 1986 bagi perniagaan diluluskan.

Dibuat 27 Februari 2006
[Perb. CR(8.09)681/2-61 (SJ. 18) Vol. 5(SK. 13);
LHDN. 01/35/(S)/42/51782-49; PN(PU²) 80/XLVI]

TAN SRI NOR MD BIN YAKCOP
Menteri Kewangan Kedua

[Akan dibentangkan di Dewan Rakyat menurut subseksyen 127(4) Akta Cukai Pendapatan 1967]

INCOME TAX ACT 1967

INCOME TAX (EXEMPTION) (No. 11) ORDER 2006

In exercise of the powers conferred by paragraph 127(3)(b) of the Income Tax Act 1967 [Act 53], the Minister makes the following order:

Citation and commencement

1. (1) This order may be cited as the Income Tax (Exemption) (No. 11) Order 2006.

(2) This Order is deemed to have effect from the year of assessment 1998.

Interpretation

2. In this Order—

“approved business” means any business approved by the Minister under the special incentive scheme;

“pioneer business” has the same meaning as defined in section 2 of the Promotion of Investments Act 1986 [*Act 327*];

“special incentive scheme” means a pre-package incentive scheme approved by the Minister;

“company” means a company incorporated under the Companies Act 1965 [*Act 125*].

Exemption

3. (1) The Minister exempts a company resident in Malaysia in the basis period for a year of assessment from the payment of income tax in respect of the statutory income derived from an approved business.

(2) The tax exemption on the statutory income of the approved business referred to in subparagraph (1) is subject to such conditions as stated by the Minister in the approval letter of the approved business.

(3) The statutory income of the approved business referred to in subparagraph (1) shall be exempt for a period as the Minister may determine (hereinafter referred to as “exempt period”) and computed in the manner prescribed under paragraph 4.

(4) The commencement of the exempt period shall be determined by the Minister or the Minister of International Trade and Industry, as the case may be.

(5) Subject to the conditions stated in the approval letter as mentioned in subparagraph (2), the Promotion of Investments Act 1986 shall apply to any approved business which has been granted an exemption under this Order.

(6) In a case where the approved business is an extension of tax relief period of a pioneer business of a company granted under the Promotion of Investments Act 1986, then the approved business shall be deemed as an extension of the pioneer business of that company.

(7) Nothing in subparagraph (1) shall absolve or is deemed to have absolved that company from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the Act.

Statutory income

4. (1) The statutory income of the approved business in the basis period for a year of assessment shall be determined after deducting allowances which fall to be made under Schedule 3 of the Act notwithstanding that no claim for such allowances have been made.

(2) The amount of statutory income of the approved business to be exempt in the basis period for a year of assessment during the exempt period shall be determined in the following manner:

- (a) seventy percent (or any other rate as prescribed by the Minister) of the statutory income;
- (b) the amount of statutory income referred to in subsubparagraph (2)(a) shall be reduced by—
 - (i) first, current year adjusted loss from a business or businesses other than a pioneer business or pioneer businesses and any approved business exempted under this Order, as the case may be; and
 - (ii) next, any unabsorbed adjusted loss or current year adjusted loss from a pioneer business or pioneer businesses and any approved business exempted under this Order, as the case may be;
- (c) so much of the adjusted loss referred to in subsubparagraphs (b)(i) and (ii) which was utilised to reduce the statutory income of the approved business for a year of assessment shall not be taken into account for the purposes of subsections 43(2) and 44(2) of the Act and section 21A of the Promotion of Investments Act 1986, as the case may be, in determining the income of a business other than the pioneer business or pioneer businesses and the approved business under this Order; and
- (d) any amount of unabsorbed adjusted loss and current year adjusted loss from the approved business that are not utilised to reduce the statutory income during the exempt period referred to in subsubparagraph (b)(ii), as the case may be, other than an activity of contract research and development defined under section 2 of the Promotion of Investments Act 1986, shall not be available to reduce the total income of the company.

(3) Notwithstanding subsubparagraph (2), where the exempt period of the approved business ceases on or after 1 October 2005, any amount of unabsorbed adjusted loss and current year adjusted loss, from the approved business that are not utilised to reduce the statutory income during the exempt period referred to in subsubparagraph (b)(ii), shall be available to reduce the total income of the company in accordance with subsections 43(2) and 44(2) of the Act in the basis period following the cessation of that exempt period for the year of assessment and subsequent years of assessment.

Capital allowance

5. For the purpose of this Order, notwithstanding the provision of Schedule 3 of the Act—

- (a) the residual expenditure of an asset used prior to the date of commencement of exempt period and that asset continues to be used in the basis period for the year of assessment in which the day of

commencement of the exempt period falls shall be deemed to be the residual expenditure of that asset on the day of commencement of that exempt period;

- (b) any capital expenditure incurred in respect of an asset in the basis period prior to the date of commencement of the exempt period and that asset continues to be used in the basis period for the year of assessment in which the exempt period falls shall be deemed to have been incurred on the day of commencement of that exempt period;
- (c) the residual expenditure of an asset used in the exempt period and that asset continues to be used in the basis period for the year of assessment in which the date of cessation of the exempt period falls shall be deemed to be the residual expenditure of that asset on the day following the cessation of that exempt period;
- (d) any capital expenditure incurred in respect of an asset during the exempt period and that asset continues to be used in the basis period for a year of assessment in which the date of cessation of exempt period falls shall be deemed to have been incurred on the day following the cessation of that exempt period;
- (e) where an asset used for the purposes of the approved business is also used for the purposes of other than that business—
 - (i) then, the allowances which fall to be made under Schedule 3 of the Act shall be deducted as is reasonable having regard to the extent to which the asset is used for the purpose of the first-mentioned business; and
 - (ii) the residual expenditure arrived at under subparagraphs 4(1) and (3) shall be reduced by the amount of any deduction made under subsubparagraph (a);
- (f) unabsorbed capital allowance prior to the commencement of the exempt period shall be utilised to reduce the statutory income of the approved business in the basis period for the year of assessment of the exempt period; and
- (g) unabsorbed capital allowance during the exempt period of that approved business shall not be utilised to reduce the statutory income of the approved business in the basis period following the cessation of that exempt period for the year of assessment and any subsequent years of assessment:

Provided that, the exempt period of the approved business ceases on or after 1 October 2005, that unabsorbed capital allowance shall be utilised to reduce the statutory income of the approved business in the basis period following the cessation of that exempt period for the year of assessment and subsequent years of assessment.

Withdrawal of tax exemption of approved business

6. The Minister may withdraw the tax exemption on the statutory income of the approved business if the company fails to comply with the conditions prescribed by the Minister referred to in subparagraph 3(2).

Separate account

7. The company shall maintain a separate account for the income derived from the approved business for the basis period for each year of assessment of the exempt period.

Application of deductions for promotion of exports

8. An expenditure which would be allowed as a deduction for promotion of exports under section 41 of the Promotion of Investments Act 1986 for the purpose of computing the income from the approved business shall be accumulated, and the aggregate amount thereof shall be allowed as a deduction for the purposes of ascertaining the income in the first basis period for the year of assessment after the exempt period.

Application of paragraphs 5 and 6 of Schedule 7A

9. Paragraphs 5 and 6 of Schedule 7A to the Act shall apply, *mutatis mutandis*, to the amount of statutory income exempted referred to under paragraph 3.

Non-application

10. This Order shall not apply to a company in the basis period for a year of assessment which has been granted—

- (a) reinvestment allowance under Schedule 7A of the Act;
- (b) reinvestment allowance for service sector under Schedule 7B of the Act;
- (c) allowance for increased export under the Income Tax (Allowance for Increased Exports) Rules 1999 [P.U. (A) 128/1999];
- (d) exemption on the value of increased export under the Income Tax (Exemption) (No. 17) Order 2005 [P.U. (A) 158/2005];
- (e) exemption on the value of increased export of services under the Income Tax (Exemption) (No. 2) Order 2001 [P.U. (A) 154/2001] and the Income Tax (Exemption) (No. 9) Order 2002 [P.U. (A) 57/2002];
- (f) deduction under the Income Tax (Deduction for Cost on Acquisition of a Foreign Owned Company) Rules 2003 [P.U. (A) 310/2003]; or
- (g) any incentives (except deductions for promotion of exports) under the Promotion of Investments Act 1986 in respect of the approved business.

Made 27 February 2006

[Perb. CR(8.09)681/2-61 (SJ. 18) Vol. 5(SK. 13);
LHDN. 01/35/(S)/42/51/82-49; PN(PU²)80/XLVI]

TAN SRI NOR MD BIN YAKOP
Second Minister of Finance

[To be laid before the Dewan Rakyat pursuant to subsection 127(4) of the Income Tax Act 1967]

P.U. (A) 113.

AKTA CUKAI PENDAPATAN 1967

PERINTAH CUKAI PENDAPATAN (PENGECUALIAN) (No. 12) 2006

PADA menjalankan kuasa yang diberikan oleh perenggan 127(3)(b) Akta Cukai Pendapatan 1967 [*Akta 53*], Menteri membuat perintah yang berikut:

Nama dan permulaan kuat kuasa

1. (1) Perintah ini bolehlah dinamakan Perintah Cukai Pendapatan (Pengecualian) (No: 12) 2006.

(2) Perintah ini disifatkan telah berkuat kuasa mulai tahun taksiran 1998.

Tafsiran

2. Dalam Perintah ini—

“dilakukan” mempunyai erti sebagaimana yang diberikan kepadanya dalam perenggan 46 dan 55 Jadual 3 Akta;

“perbelanjaan modal yang layak” ertinya perbelanjaan modal yang dilakukan oleh syarikat atas suatu aset yang digunakan di Malaysia bagi tujuan perniagaan diluluskan—

- (a) berhubung dengan perkilangan atau penyelidikan berasaskan perkilangan, mana-mana kilang atau bangunan yang digunakan bagi aktiviti penyelidikan dan pembangunan, loji dan jentera;
- (b) berhubung dengan pertanian atau penyelidikan berasaskan pertanian, pembersihan dan penyelidikan tanah, menanam tanaman (tanaman pertama atau tanaman percubaan), penyediaan sistem pengairan dan saliran, penyediaan loji dan jentera, pembelian atau pembinaan suatu bangunan yang digunakan bagi aktiviti penyelidikan dan pembangunan, atau aktiviti pertanian (termasuk bangunan yang disediakan untuk kebajikan atau tempat kediaman orang-orang yang bekerja di ladang), pembinaan jalan-akses, jambatan dan penambahbaikan struktur tetap atas tanah yang terbentuk sebagai sebahagian daripada tanah yang digunakan bagi perniagaan itu;
- (c) berhubung dengan teknologi maklumat dan komunikasi atau penyelidikan berasaskan teknologi maklumat dan komunikasi, peralatan multimedia dan perisian (perisian dan perkakasan), loji dan jentera, bangunan dan landskap dan penghijauan sekeliling premis bangunan (terpakai kepada syarikat berstatus MSC sahaja); atau
- (d) berhubung dengan penyediaan perkhidmatan, bangunan, loji dan jentera yang digunakan bagi aktiviti penyediaan perkhidmatan;

Dengan syarat bahawa perbelanjaan modal yang layak itu hendaklah tidak termasuk perbelanjaan modal yang dilakukan atas bangunan-bangunan yang digunakan sebagai tempat kediaman, loji dan jentera

yang diperuntukkan keseluruhannya atau sebahagiannya untuk kegunaan pengarah atau individu yang menjadi ahli pihak pengurusan, pentadbiran atau pekerja perkeranian;

“perniagaan diluluskan” ertinya apa-apa perniagaan diluluskan oleh Menteri di bawah skim galakan istimewa;

“skim galakan istimewa” ertinya suatu skim galakan pra-pakej yang diluluskan oleh Menteri;

“syarikat” ertinya suatu syarikat diperbadankan di bawah Akta Syarikat 1965 [Akta 125].

Pengecualian

3. (1) Menteri mengecualikan sesuatu syarikat bermastautin di Malaysia dalam tempoh asas bagi suatu tahun taksiran daripada pembayaran cukai pendapatan berkenaan dengan pendapatan berkanun yang diperoleh daripada suatu perniagaan diluluskan bersamaan dengan amaun elaun yang ditentukan dalam subperenggan (2).

(2) Amaun elaun yang disebut dalam subperenggan (1) hendaklah—

(a) pada kadar yang ditentukan oleh Menteri dalam surat kelulusan bagi perniagaan diluluskan; dan

(b) diberi berkenaan dengan perbelanjaan modal yang layak yang dilakukan dalam tempoh asas bagi tahun taksiran suatu tempoh sebagaimana yang diluluskan oleh Menteri.

(3) Pengecualian cukai atas pendapatan berkanun perniagaan diluluskan yang disebut dalam subperenggan (1) adalah tertakluk kepada syarat-syarat sebagaimana yang dinyatakan oleh Menteri dalam surat kelulusan bagi perniagaan diluluskan.

(4) Permulaan tempoh yang disebut dalam subsubperenggan (2)(b) hendaklah ditentukan oleh Menteri atau Menteri Perdagangan Antarabangsa dan Industri, mengikut mana-mana yang berkenaan.

(5) Tiada apa-apa jua dalam subperenggan (1) boleh melepaskan atau disifatkan telah melepaskan syarikat itu daripada mematuhi apa-apa kehendak bagi mengemukakan apa-apa penyata atau penyata akaun atau memberikan apa-apa maklumat lain di bawah peruntukan Akta.

Pendapatan berkanun

4. (1) Pendapatan berkanun dalam tempoh asas bagi suatu tahun taksiran disebut dalam subperenggan 3(1) bagi tempoh yang diluluskan yang disebut dalam subsubperenggan 3(2)(b) hendaklah ditentukan selepas memotong elaun-elaun yang boleh diberi mengikut Jadual 3 Akta meskipun tiada tuntutan bagi elaun-elaun itu yang telah dibuat:

Dengan syarat jika suatu aset digunakan bagi tujuan perniagaan diluluskan digunakan juga bagi maksud suatu perniagaan selain perniagaan itu, maka elaun yang boleh diberi di bawah Jadual 3 Akta hendaklah dikurangkan sebagaimana yang munasabah memandangkan kepada setakat mana aset itu digunakan bagi maksud perniagaan yang pertama disebut.

(2) Amaun pendapatan berkanun yang dikecualikan yang disebut dalam subperenggan 3(1) hendaklah tidak melebihi tujuh puluh peratus (atau kadar lain yang ditentukan oleh Menteri) bagi setiap tahun taksiran.

(3) Jika, oleh sebab ketiadaan atau ketidakcukupan pendapatan berkanun atau sekatan kadar yang ditentukan oleh Menteri, pengecualian tidak boleh diberikan atau tidak boleh diberikan sepenuhnya kepada amaun sebagaimana yang ditentukan yang berhak didapatkan oleh syarikat di bawah subperenggan 3(1) bagi tahun taksiran itu, maka sekian banyak daripada amaun itu yang tidak boleh dikecualikan bagi tahun taksiran itu hendaklah dikecualikan bagi tahun taksiran pertama yang berikutnya bagi tempoh asas yang terdapat pendapatan berkanun daripada perniagaan itu, dan bagi tahun-tahun taksiran berikutnya sehinggalah keseluruhan amaun yang ke atasnya ia berhak sedemikian dikecualikan.

Penentuan perbelanjaan modal yang layak

5. Jika perbelanjaan modal yang layak dilakukan ke atas aset dilupuskan pada bila-bila masa dalam tempoh dua tahun dari tarikh perolehan aset itu, amaun pendapatan yang dikecualikan berkenaan dengan elaun aset itu hendaklah disifatkan tidak dikecualikan kepada syarikat itu yang jika ia berhak mendapatnya.

Elaun modal

6. Bagi maksud Perintah ini, Jadual 3 Akta hendaklah terpakai.

Penarikan balik pengecualian cukai bagi perniagaan diluluskan

7. Menteri boleh menarik balik pengecualian cukai atas pendapatan berkanun perniagaan diluluskan sekiranya syarikat itu gagal untuk mematuhi syarat-syarat dinyatakan oleh Menteri dalam surat kelulusan bagi perniagaan diluluskan.

Akaun berasingan

8. Syarikat hendaklah menyenggara suatu akaun berasingan bagi pendapatan yang diperolehi daripada perniagaan diluluskan yang disebut dalam subperenggan 3(1) dalam tempoh asas bagi setiap tahun taksiran sehingga perniagaan itu mendapat keseluruhan elaun atau elaun-elaun yang ia berhak mendapatnya.

Pemakaian perenggan 5 dan 6 Jadual 7A

9. Perenggan 5 dan 6 Jadual 7A kepada Akta hendaklah terpakai, *mutatis mutandis*, bagi amaun pendapatan berkanun yang dikecualikan di bawah perenggan 3.

Ketidakpakaian

10. Perintah ini tidak terpakai kepada syarikat dalam tempoh asas bagi suatu tahun taksiran yang telah diberikan—

- (a) elaun pelaburan semula di bawah Jadual 7A Akta;
- (b) elaun pelaburan semula bagi sektor perkhidmatan di bawah Jadual 7b Akta;
- (c) elaun peningkatan eksport di bawah Kaedah-Kaedah Cukai Pendapatan (Elaun bagi Peningkatan Eksport) 1999 [P.U. (A) 128/1999];
- (d) pengecualian bagi nilai peningkatan eksport di bawah Perintah Cukai Pendapatan (Pengecualian) (No. 17) 2005 [P.U. (A) 158/2005];
- (e) pengecualian bagi nilai peningkatan eksport perkhidmatan di bawah Perintah Cukai Pendapatan (Pengecualian) (No. 2) 2001 [P.U. (A) 154/2001] dan Perintah Cukai Pendapatan (No. 9) 2002 [P.U. (A) 57/2002];
- (f) potongan di bawah Kaedah-Kaedah Cukai Pendapatan (Potongan bagi Kos Mengambil Alih Syarikat Milik Asing) 2003 [P.U. (A) 310/2003]; atau
- (g) apa-apa galakan (kecuali potongan bagi penggalakan eksport) di bawah Akta Penggalakan Pelaburan 1986 [Akta 327] bagi perniagaan diluluskan.

Dibuat 27 Februari 2006

[Perb. CR(8.09) 681/2-61 (SJ.18) Vol. 5(SK.13); LHDN. 01/35/(S)/42/51/82-49; PN(PU)80/XLVI]

TAN SRI NOR MD BIN YAKCOP
Menteri Kewangan Kedua

[Akan dibentangkan di Dewan Rakyat menurut subseksyen 127(4) Akta Cukai Pendapatan 1967]

INCOME TAX ACT 1967

INCOME TAX (EXEMPTION) (No. 12) ORDER 2006

In exercise of the powers conferred by paragraph 127(3)(b) of the Income Tax Act 1967 [Act 53], the Minister makes the following order:

Citation and commencement

1. (1) This order may be cited as the Income Tax (Exemption) (No. 12) Order 2006.

(2) This Order is deemed to have effect from the year of assessment 1998.

Interpretation

2. In this Order—

“incurred” has the same meaning assigned there to in paragraphs 46 and 55 of Schedule 3 to the Act;

“qualifying capital expenditure” means capital expenditure incurred by the company on an asset in Malaysia for the purpose of the approved business—

- (a) in relation to manufacturing or manufacturing-based research, any factory or building used for the activity of research and development, plant and machinery;
- (b) in relation to agriculture or agriculture-based research, the clearing and preparation of land, the planting of crops (first planting or planting of trial crops), the provision of irrigation or drainage system, the provision of plant and machinery, the purchase or construction of a building used for the activity of research and development, or the activity of agriculture (including those provided for the welfare or living accommodation of persons who are working in the farm), construction of access roads, bridge and any permanent structure improvement on land which formed as part of the land used for the business;
- (c) in relation to information and communication technology or information and communication technology-based research, any multimedia and peripheral equipment (software and hardware), plant and machinery, building and landscaping and greening of the surrounding premises of the building (only applicable to MSC status company); or
- (d) in relation to provision of services, any building, plant and machinery used for the activity of provision of services:

Provided that such qualifying capital expenditure shall not include capital expenditure incurred on buildings used as living accommodation, plant and machinery which are provided wholly or partly for the use of a director or an individual who is a member of the management, administrative or clerical staff;

“approved business” means any business approved by the Minister under the special incentive scheme;

“special incentive scheme” means a pre-package incentive scheme approved by the Minister;

“company” means a company incorporated under the Companies Act 1965 [Act 125].

Exemption

3. (1) The Minister may exempt a company resident in Malaysia in the basis period for a year of assessment from the payment of income tax in respect of the statutory income derived from an approved business which is equivalent to the amount of allowance as determined in subparagraph (2).

- (2) The amount of allowance referred to in subparagraph (1) shall be—
- (a) at a rate as determined by the Minister in the approval letter of the approved business; and
 - (b) given in respect of the qualifying capital expenditure incurred in the basis period for a year of assessment for a period as approved by the Minister.
- (3) The tax exemption on the statutory income of the approved business referred to in subparagraph (1) is subject to such conditions as stated by the Minister in the approval letter of the approved business.
- (4) The commencement of the period referred to in subsubparagraph (2)(b) shall be determined by the Minister or Minister of International Trade and Industry, as the case may be.
- (5) Nothing in subparagraph (1) shall absolve or is deemed to have absolved that company from complying with any requirement to submit any return or statement of accounts or to furnish any other information under the provision of the Act.

Statutory income

4. (1) The statutory income in the basis period for a year of assessment referred to in subparagraph 3(1) for the period referred to in subsubparagraph 3(2)(b) shall be determined after deducting allowances which fall to be made under Schedule 3 of the Act notwithstanding that no claim for such allowances has been made:

Provided that where an asset used for the purpose of the approved business is also used for the purpose of a business other than that business, then the allowances which fall to be made under Schedule 3 to the Act shall be deducted as is reasonable having regard to the extent to which the asset is used for the purpose of the first-mentioned business.

(2) The amount of statutory income so exempt referred to in subparagraph 3(1) shall not exceed seventy percent (or any other rate as determined by the Minister) for each year of assessment.

(3) Where, by reason of the absence or insufficiency of the statutory income or restriction of the rate as determined by the Minister in subparagraph (2), effect cannot be given or cannot be given in full to the amount as determined to which the company is entitled under subparagraph 3(1) for that year of assessment, then so much of that amount as cannot be exempt for that year of assessment shall be exempted for the first subsequent year of assessment for the basis period for which there is statutory income from that business, and for subsequent years of assessment until the whole of the amount to which it is so entitled is exempted.

Determination of qualifying capital expenditure

5. Where qualifying capital expenditure incurred on an asset is disposed of at any time within two years from the date of acquisition of such asset, the amount of income exempted in respect of the allowance of that asset shall be deemed to have not been exempted to the company to which it would otherwise be entitled.

Capital allowance

6. For the purpose of this Order, Schedule 3 of the Act shall apply.

Withdrawal of tax exemption of the approved business

7. The Minister may withdraw the tax exemption on the statutory income of the approved business if the company fails to comply with the conditions as stated by the Minister in the approval letter of the approved business.

Separate account

8. The company shall maintain a separate account for the income derived from the approved business referred to in subparagraph 3(1) in the basis period for each year of assessment until the business received the whole of allowance or allowances to which it is so entitled.

Application of paragraphs 5 and 6 of Schedule 7A

9. Paragraphs 5 and 6 of Schedule 7A to the Act shall apply, *mutatis mutandis*, to the amount of statutory income exempted referred to in paragraph 3.

Non-application

10. This Order shall not apply to a company in the basis period for a year of assessment which has been granted—

- (a) reinvestment allowance under Schedule 7A of the Act;
- (b) reinvestment allowance for service sector under Schedule 7B of the Act;
- (c) allowance for increased export under the Income Tax (Allowance for Increased Exports) Rules 1999 [P.U. (A) 128/1999];
- (d) exemption on the value for increased export under the Income Tax (Exemption) (No. 17) Order 2005 [P.U. (A) 158/2005];
- (e) exemption on the value of increased export of services under the Income Tax (Exemption) (No. 2) Order 2001 [P.U. (A) 154/2001] and the Income Tax (Exemption) (No. 9) Order 2002 [P.U. (A) 57/2002];

- (f) deduction under the Income Tax (Deduction for Cost on Acquisition of A Foreign Owned Company) Rules 2003 [P.U. (A) 310/2003]; or
- (g) any incentives (except deductions for promotion of exports) under the Promotion of Investments Act 1986 [Act 327] in respect of the approved business.

Made 27 February 2006

[Perb. CR(8.09) 681/2-61 (SJ.18) Vol. 5(SK.13); LHDN. 01/35/(S)/42/51/82-49; PN(PU²)80/XLVI]

TAN SRI NOR MD BIN YAKOOP
Second Minister of Finance

[To be laid before the Dewan Rakyat pursuant to subsection 127(4) of the Income Tax Act 1967]

P.U. (A) 114.

AKTA CUKAI PENDAPATAN 1967

PERINTAH CUKAI PENDAPATAN (PENGECCUALIAN) (No. 13) 2006

PADA menjalankan kuasa yang diberikan oleh perenggan 127(3)(b) Akta Cukai Pendapatan 1967 [Akta 53], Menteri membuat perintah yang berikut:

Nama dan permulaan kuat kuasa

1. (1) Perintah ini bolehlah dinamakan Perintah Cukai Pendapatan (Pengecualian) (No. 13) 2006.

(2) Perintah ini disifatkan telah mula berkuat kuasa mulai tahun taksiran 2002 hingga tahun taksiran 2004.

Pengecualian

2. (1) Menteri mengecualikan RosettaNet Malaysia Berhad daripada pembayaran cukai pendapatan berkenaan dengan pendapatan berkanun berhubung dengan semua punca pendapatannya selain pendapatan dividen mulai tahun taksiran 2002 hingga tahun taksiran 2004.

(2) Tiada apa-apa jua dalam subperanggan (1) boleh melepaskan atau disifatkan telah melepaskan RosettaNet Malaysia Berhad daripada mematuhi apa-apa

**APPLICATION FOR MANUFACTURING LICENCE
AND/OR INCENTIVE
AND/OR EXPATRIATE POSTS
FOR A NEW MANUFACTURING PROJECT**

(I) Type of application (Please tick (✓) where relevant):

- (a) Manufacturing Licence ☐
- (b) Incentive:
- (i) Pioneer Status ☐
- or
- (ii) Investment Tax Allowance ☐
- (c) Expatriate Posts ☐

(II)

Proposed products/activities	HS tariff code	Proposed factory location	Incentive/Grant Approved By Other Government Agencies

A. PARTICULARS OF APPLICANT/COMPANY

1. (a) Name of applicant/company:

- (b) Correspondence address:

Contact person:

Designation:

Telephone no.:

Fax no.:

E-mail:

Website:

2. (a) Name of company which will undertake the manufacturing project:

- (b) Has the company been incorporated under the Companies Act, 1965?

☐ Yes☐ No

If yes, please fill in the following:

- (i) Date of incorporation:

- (ii) Company registration no.:

- (iii) Income tax reference no.:

- (iv) Income tax branch office:

- (c) Address of registered office:

Telephone no.:

Fax no.:

E-mail:

3. If the above company has been incorporated, please provide a copy each of the following

- (i) Form 9 or 13 (ii) Form 24 (iii) Form 44 (iv) Form 49 (v) M&A

B. PROJECT COST*

	Phase 1** <u>RM</u>	Phase 2** <u>RM</u>	Total <u>RM</u>
1. Fixed assets***			
(i) Land (Specify area in hectares):			
(ii) Factory building (Specify built-up area in m ²):			
(iii) Plant and machinery			
(iv) Other equipment			
Total fixed assets			
2. Pre-operational expenditure			
3. Working capital			
Total project cost			

*** If assets are rented/leased, please indicate the annual cost of rental/lease below:

	<u>RM</u>
(i) Land (Specify area in hectares):	
(ii) Factory building (Specify built-up area in m ²):	
(iii) Plant and machinery	
(iv) Other equipment	
Total rental/lease	

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper

** To be filled if the second phase is implemented after 3 years

C. FINANCING

	<u>RM</u>	<u>%</u>
1. Authorised capital	_____	_____
2. Shareholders' funds		
(a) Paid-up capital		
(i) Malaysian individuals		
Bumiputera	_____	_____
Non-Bumiputera	_____	_____
(ii) Companies incorporated in Malaysia*		
_____	_____	_____
_____	_____	_____
(iii) Foreign nationals/companies (Specify name and nationality/ country of origin)		
_____	_____	_____
_____	_____	_____
Total of (i), (ii) and (iii)	_____	100%

* For 2(a)(ii), please provide equity structure as follows:

Name of company:

Name of company:

	<u>%</u>
Bumiputera	_____
Non-Bumiputera	_____
Foreign nationals/companies (Specify name and nationality/country of origin)	_____

Total	100%

	<u>%</u>
Bumiputera	_____
Non-Bumiputera	_____
Foreign nationals/companies (Specify name and nationality/country of origin)	_____

Total	100%

RM

3. Loan

Domestic _____

Foreign (Specify country of origin): _____

Total _____

4. Other sources (Please specify):

Total _____

Total of 2, 3 and 4 _____

5. State the name of any other company in Malaysia manufacturing the same/similar products in which the applicant company or any shareholder of the applicant company has equity participation.

Company registration no.	Name of company

6. Particulars of Board of Directors*

Name and residential address	Nationality	% shares held in the company

Note:

* If the space provided is insufficient, please provide the information on a separate sheet of paper

D. MANPOWER*

Please fill in where relevant

Please note that the information is required to enable the government to undertake the appropriate manpower planning to meet the specific manpower needs of companies proposing to establish projects in Malaysia.

Category	Full-time employment						Total	
	Malaysian			Foreign national				
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others		
1. Managerial staff with								
(a) Technical qualifications								
(i) Electrical & Electronics Engineering								
(ii) Mechanical Engineering								
(iii) Chemical Engineering								
(iv) Others (Please specify): _____								
(b) Science qualifications								
(i) Chemistry								
(ii) Physics								
(iii) Biotechnology / Microbiology								
(iv) Pharmacy								
(v) Computer Science								
(vi) Others (Please specify): _____								
(c) Other qualifications / experience (e.g. economics, marketing, finance & accounting. Please specify): _____								
2. Technical and supervisory staff with								
(a) Technical qualifications								
(i) Electrical & Electronics Engineering								
(ii) Mechanical Engineering								
(iii) Chemical Engineering								
(iv) Others (Please specify): _____								

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper

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Category	Full-time employment						
	Malaysian			Foreign national			Total
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	
(b) Science qualifications							
(i) Chemistry							
(ii) Physics							
(iii) Biotechnology / Microbiology							
(iv) Pharmacy							
(v) Computer Science							
(vi) Others (Please specify): _____							
(c) Other qualifications / experience							
Craft skills							
(i) Plant maintenance mechanic							
(ii) Tool & die maker							
(iii) Machinist							
(iv) IT personnel (Including CAD/CAM designer & DCS operator)							
(v) Quality Controller							
(vi) Electrician							
(vii) Chargeman							
(viii) Welder							
(ix) Other special skills related to the sector (Please specify):							
a) _____							
b) _____							
c) _____							
d) _____							
e) _____							
f) _____							
g) _____							
3. (a) Sales and clerical							
(b) Other general workers							
4. Machine operators and assemblers**							
Total							

Note:

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on the job training for a period between 3 to 6 months, e.g. production operators

1. Percentage of science and technical staff having degrees or diplomas with a minimum of 5 years experience (of the total workforce)	:		%
2. Number of Staff with Post Graduate (ie. Masters/PhD etc) qualifications	:		
3. In addition to the full-time employees as mentioned in the above tables, please provide the number of workers which are outsourced (not under the company's payroll)	:	Foreign	Domestic

E. EMPLOYMENT BY INCOME

	Number of Persons Employed by Average Monthly Salary* (RM)							
	<3,000		3,000-<5,000		5,000-<10,000		10,000 and above	
	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National
1. Managerial and Professional								
2. Technical and supervisory staff with								
(a) Engineering/Technical qualifications								
(b) Science qualifications								
(c) Other qualifications / experience								
Craft skills such as plant maintenance mechanic, tool & die maker, machinist, IT personnel (including CAD/CAM designer & DCS operator), Quality Controller, Electrician, Chargeman, Welder)								
3. (a) Sales and clerical								
(b) Other general workers								
4. Machine operators and assemblers**								
Total								

Note:

* Include wages, salaries, bonuses, social insurance contribution and all employee benefits.

If there is more than one factory location, please provide the same information on a separate sheet of paper.

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on-the-job training for a period between 3 to 6 months, e.g. production operators.

1. Percentage of foreign workers with basic salary less than RM1,500 per month (of the total workforce)	:		%
---	---	--	---

F. MANUFACTURING PROCESS AND POLLUTION CONTROL

1. Please attach the manufacturing process flow chart and explain the major processes. Indicate processes according to type of machinery used as follows:

- R - robotic machinery
- A - automatic machinery
- S - semi-automatic machinery
- M - manual operation

2. From the manufacturing process flow chart, please provide details on emission of pollutants.

Point of emission	Type of pollutants	Quantity

G. SOURCES OF TECHNICAL KNOW-HOW

Name and address of supplier	Years of experience	Relationship with applicant (e.g. machinery supplier, parent company/associate company)

H. MAIN MACHINERY AND EQUIPMENT INCLUDING POLLUTION CONTROL EQUIPMENT

Description	Type*	Unit	Function	Country of origin	Cost (RM)

Note:

* Indicate:

R - robotic machinery

A - automatic machinery

S - semi-automatic machinery

M - manual operation

I. MAIN RAW MATERIALS AND COMPONENTS

Raw materials and components	Quantity* per annum	Value per annum (RM)	Source			
			Local manufacturer		Import	
			% of value	Name and address	% of value	Country of origin

Note:

* Units as specified in the "Malaysian Trade Classification and Customs Duties Order"


J. PRODUCTION SCHEDULE*

Products/activities	Year 1		Year 2		Year 3		Maximum annual production capacity per 8-hour shift
	Quantity**	Ex-factory value (RM)	Quantity**	Ex-factory value (RM)	Quantity**	Ex-factory value (RM)	
Total							
Number of shifts							

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper
 ** Units as specified in the "Malaysian Trade Classification and Customs Duties Order"

K. MARKET

Products/activities	% of market			
	Year 1	Year 2	Year 3	
<u>For domestic market</u>				<u>Principal consumers</u>
<u>For FZ/LMW* market</u>				
<u>For export market</u>				<u>Destination</u>

Note:

* Free Zone/Licensed Manufacturing Warehouse

** The information on market is for record purposes only and not a factor to be considered in the granting of incentives

L. PRODUCT PRICING

Item	% of ex-factory price for each product*		
	Product 1	Product 2	Product 3
(a) Cost of imported raw materials/components			
(b) Cost of local raw materials/components			
(c) Cost of energy and fuel			
(d) Cost of labour			
(e) Depreciation			
(f) Interest payments, indirect taxes, quit rent & etc.			
(g) Administrative and marketing costs			
(h) Cost of technology (including royalty, management services and other related costs)			
(i) Manufacturing profit			
Total	100%	100%	100%

Note:

* If there are more products, please provide the same information on a separate sheet of paper

M. ESTIMATED LABOUR COST AND EARNINGS

Year in Operation		Year 1	Year 2	Year 3
Estimated Labour Cost				
Salaries and Wages* (RM)				
Estimated Earnings				
(a)	Estimated Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) (RM)			
(b)	Estimated Net Income After Tax (RM)			
	- Held in Malaysia as reserves (%)			
	- Remitted out of Malaysia (%)			
	- Reinvested in Malaysia (%)			

Note:

*Include wages, salaries, bonuses, social insurance contribution and all employee benefits

N. DETAILS OF EXPATRIATE POSTS

Please complete this section if the applicant is applying for expatriate posts. Please exclude the expatriate posts that have been directly applied for to the Immigration Department or any other department.

1. New/additional posts applied for

Designation*	Type of post (key/term post)	Number	Duration (years)	Proposed minimum salary (RM)

Note:

* Please list according to priority

For each expatriate post applied for, please submit the following details:

- (a) Job function
- (b) Minimum academic/professional qualification required
- (c) Minimum period of experience required
- (d) Justification for request
- (e) Proposed training scheme for Malaysian personnel to fill the relevant posts

2. Existing/approved posts (if any)

Designation	Name and nationality	Duration approved	Date post filled	Expiry date	Basic salary paid (RM)

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For each existing/approved expatriate post, please submit the following details:

- (a) Name of Malaysian who has taken over/will take over the post
 - (b) If the post has not been/will not be Malaysianised, state reasons and the company's plan on the post.
3. Please attach the organisational structure of the company indicating the positions of the expatriate posts.

O. DECLARATION

I, _____, the Managing Director of

(i) hereby declare that to the best of my knowledge, the particulars furnished in this application are true.

(ii)* have engaged/is planning to engage the services of the following consultant for my application :

Company Name : _____
 Address : _____

 Contact Person : _____
 Designation : _____
 Telephone no. : _____
 Fax no. : _____
 E-mail : _____

I take full responsibility for all information submitted by the consultant(s).

 Date

 (Signature)

 (Company's Stamp or Seal)

*Please complete this section if the company has engaged/is planning to engage the services of consultant(s) to act on behalf of the company. Please provide information on a separate sheet of paper if space is insufficient

**APPLICATION FOR MANUFACTURING LICENCE AND/OR INCENTIVE
AND/OR EXPATRIATE POSTS**

**A. FOR AN EXPANSION AND/OR DIVERSIFICATION PROJECT BY A
LICENSED MANUFACTURER**

OR

B. BY AN EXISTING NON-LICENSED MANUFACTURER

(I) Type of application (Please tick (✓) where relevant):

- (a) Manufacturing Licence ☐
- (b) Expansion ☐
- (c) Diversification ☐
- (d) Incentive:
- (i) Pioneer Status ☐
- or
- (ii) Investment Tax Allowance ☐
- (e) Expatriate Posts ☐

(II)

Existing products/activities	HS tariff code	Existing factory location

Proposed expansion/additional products/activities	HS tariff code	Proposed factory location	Incentive/ Grant Approved By Other Government Agencies

A. PARTICULARS OF COMPANY

1. (a) Name of company:

Date of incorporation:

Company registration no.:

Income tax reference no:

Income tax branch office:

(b) Correspondence address:

Contact person:

Designation:

Telephone no.:

Fax no.:

E-mail:

Website:

(c) Address of registered office :

Telephone no.:

Fax no.:

E-mail:

2. Please provide a copy each of the following documents:

- (i) Form 9 or 13 (ii) Form 24 (iii) Form 44 (iv) Form 49 (v) M&A.

3. Date of commencement of operation: _____
4. Particulars of Manufacturing Licence and/or incentives approved, if any
- (a) Please provide a copy each of Manufacturing Licence and conditions and/or Incentive Letter and/or Pioneer Certificate and/or letter on effective date of Investment Tax Allowance granted to the company.
- (b) Products manufactured/activities undertaken

Products/activities	Date of commercial production	Location

5. Particulars of Board of Directors*

Name and residential address	Nationality	% shares held in the company

Note:

* If the space provided is insufficient, please provide the information on a separate sheet of paper

B. PROJECT COST*

	Existing <u>RM</u>	Additional <u>RM</u>	Total <u>RM</u>
1. Fixed assets**			
(i) Land (Specify area in hectares)			
(ii) Factory building (Specify built-up area in m ²)			
(iii) Plant and machinery			
(iv) Other equipment			
Total fixed assets			
2. Pre-operational expenditure			
3. Working capital			
Total project cost			

** If assets are rented/leased, please indicate the annual cost of rental/lease below:

(i) Land (Specify area in hectares)			
(ii) Factory building (Specify built-up area in m ²)			
(iii) Plant and machinery			
(iv) Other equipment			
Total rental/lease			

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper

C. FINANCING

	Existing <u>RM</u>	Additional <u>RM</u>	Total <u>RM</u>	<u>%</u>
1. Authorised capital	_____	_____	_____	
2. Shareholders' funds				
(a) Paid-up capital				
(i) Malaysian individuals				
Bumiputera	_____	_____	_____	_____
Non-Bumiputera	_____	_____	_____	_____
(ii) Companies incorporated in Malaysia*				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
(iii) Foreign nationals/ companies (Specify name and nationality/country of origin)				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total of (i), (ii) and (iii)	_____	_____	_____	<u>100%</u>
(b) Reserves (excluding capital appreciation)	_____	_____	_____	
Total of (a) and (b)	_____	_____	_____	

* For 2(a)(ii), please provide equity structure as follows:

Name of company: _____

	<u>%</u>
Bumiputera	_____
Non-Bumiputera	_____
Foreign nationals/companies (Specify name and nationality/country of origin)	_____

Total	<u>100%</u>

Name of company: _____

	<u>%</u>
Bumiputera	_____
Non-Bumiputera	_____
Foreign nationals/companies (Specify name and nationality/country of origin)	_____

Total	<u>100%</u>

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	Existing <u>RM</u>	Additional <u>RM</u>	Total <u>RM</u>
3. Loan:			
Domestic	_____	_____	_____
Foreign	_____	_____	_____
(Specify country of origin)			

Total	_____	_____	_____
4. Other sources (Please specify)			
_____	_____	_____	_____
_____	_____	_____	_____
Total	_____	_____	_____
Total of 2, 3 and 4	_____	_____	_____

5. State the name of any other company in Malaysia manufacturing the same/similar products in which the applicant company or any shareholder of the applicant company has equity participation.

Company registration no.	Name of company

6. Please attach a copy of the latest audited accounts.

D. MANPOWER*

Please fill in where relevant

Please note that the information is required to enable the government to undertake the appropriate manpower planning to meet the specific manpower needs of companies proposing to establish projects in Malaysia.

Category	Full-time employment									
	Existing					Additional				
	Malaysian		Foreign national			Malaysian		Foreign national		
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total
1. Managerial staff with										
(a) Technical qualifications										
(i) Electrical & Electronics Engineering										
(ii) Mechanical Engineering										
(iii) Chemical Engineering										
(iv) Others (Please specify):										
(b) Science qualifications										
(i) Chemistry										
(ii) Physics										
(iii) Biotechnology / Microbiology										
(iv) Pharmacy										
(v) Computer Science										
(vi) Others (Please specify):										
(c) Other qualifications / experience (e.g. economics, marketing, finance & accounting. Please specify):										

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper

Category	Full-time employment									
	Existing					Additional				
	Malaysian		Foreign national			Malaysian		Foreign national		
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total
2. Technical and supervisory staff with										
(a) Technical qualifications										
(i) Electrical & Electronics Engineering										
(ii) Mechanical Engineering										
(iii) Chemical Engineering										
(iv) Others (Please specify):										
(b) Science qualifications										
(i) Chemistry										
(ii) Physics										
(iii) Biotechnology / Microbiology										
(iv) Pharmacy										
(v) Computer Science										
(vi) Others (Please specify):										
(c) Other qualifications / experience										
Craft skills										
(i) Plant maintenance mechanic										
(ii) Tool & die maker										
(iii) Machinist										
(iv) IT personnel (including CAD/CAM designer & DCS operator)										
(v) Quality Controller										
(vi) Electrician										
(vii) Chargeman										
(viii) Welder										

Category	Full-time employment									
	Existing					Additional				
	Malaysian		Foreign national		Total	Malaysian		Foreign national		Total
Degree	Diploma/Certificate	Others	Degree	Diploma/Certificate		Others	Degree	Diploma/Certificate	Others	
(ix) Other special skills related to the sector (Please specify):										
a) _____										
b) _____										
c) _____										
d) _____										
e) _____										
f) _____										
g) _____										
3. (a) Sales and clerical										
(b) Other general workers										
4. Machine operators and assemblers**										
TOTAL										

Note:

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on the job training for a period between 3 to 6 months, e.g. production operators

1. Percentage of science and technical staff having degrees or diplomas with a minimum of 5 years experience (of the total workforce)	Existing	Additional
	_____ %	_____ %
2. Number of Staff with Post Graduate (ie. Masters/PhD etc) qualifications	Existing	Additional
	_____	_____
3. In addition to the full-time employees as mentioned in the above tables, please provide the number of workers which are outsourced (not under the company's payroll)	Existing	Additional
	_____	_____

E. EMPLOYMENT BY INCOME

Category	Number of Persons Employed by Average Monthly Salary* (RM)															
	Existing								Additional							
	<3,000		3,000-<5,000		5,000-<10,000		10,000 and above		<3,000		3,000-<5,000		5,000-<10,000		10,000 and above	
	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National
1. Managerial and Professional																
2. Technical and supervisory staff with (a) Engineering/Technical qualifications																
(b) Science qualifications																
(c) Other qualifications / experience Craft skills such as plant maintenance mechanic, tool & die maker, machinist, IT personnel (including CAD/CAM designer & DCS operator), Quality Controller, Electrician, Chargeman, Welder)																

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Category	Number of Persons Employed by Average Monthly Salary* (RM)															
	Existing								Additional							
	<3,000		3,000-<5,000		5,000-<10,000		10,000 and above		<3,000		3,000-<5,000		5,000-<10,000		10,000 and above	
	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National
3. (a) Sales and clerical																
(b) Other general workers																
4. Machine operators and assemblers**																
Total																

Note:

* include wages, salaries, bonuses, social insurance contribution and all employee benefits.

If there is more than one factory location, please provide the same information on a separate sheet of paper.

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on-the-job training for a period between 3 to 6 months, e.g. production operators.

F. MANUFACTURING PROCESS AND POLLUTION CONTROL

1. Please attach the manufacturing process flow chart and explain the major processes. Indicate processes according to type of machinery used as follows:

R - robotic machinery

A - automatic machinery

S - semi-automatic machinery

M - manual operation

2. From the manufacturing process flow chart, please provide details on emission of pollutants.

Point of emission	Type of pollutants	Quantity

G. SOURCES OF TECHNICAL KNOW-HOW

Name and address of supplier	Years of experience	Relationship with applicant (e.g. machinery supplier, parent company/associate company)

H. MAIN MACHINERY AND EQUIPMENT INCLUDING POLLUTION CONTROL EQUIPMENT

Description	Type*	Unit	Function	Country of origin	Cost (RM)
<u>Existing</u>					
<u>Additional</u>					

Note:

* Indicate:

R - robotic machinery

A - automatic machinery

S - semi-automatic machinery

M - manual operation

I. MAIN RAW MATERIALS AND COMPONENTS

	Quantity* per annum	Value per annum (RM)	Source			
			Local manufacturer		Import	
			% of value	Name and address	% of value	Country of origin
<u>Existing products/activities</u>						
<u>Proposed additional products/ activities</u>						

Note:

* Units as specified in the "Malaysian Trade Classification and Customs Duties Order"

J. PRODUCTION SCHEDULE*

1. Existing products/activities

Products/activities	Actual annual production		Installed production capacity	Additional production capacity	
	Quantity**	Ex-factory value (RM)		Quantity**	Quantity**
Total					

Number of shifts: _____

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper

** Units as specified in "The Malaysian Trade Classification and Customs Duties Order"

2. Proposed additional products/activities

Products/activities	Year 1		Year 2		Year 3		Maximum annual production capacity per 8-hour shift
	Quantity**	Ex-factory value (RM)	Quantity**	Ex-factory value (RM)	Quantity**	Ex-factory value (RM)	
Total							
Number of shifts							

Note:

**** Units as specified in the "Malaysian Trade Classification and Customs Duties Order"**

K. MARKET

Products/activities	% of market			Principal consumers/ export destination
	Year 1	Year 2	Year 3	
<u>Existing products/activities</u>				
For domestic market				
For FZ/LMW* market				
For export market				
<u>Proposed additional products/activities</u>				
For domestic market				
For FZ/LMW* market				
For export market				

Note:

* Free Zone/Licensed Manufacturing Warehouse

** The information on market is for record purposes only and not a factor to be considered in the granting of incentives

L. PRODUCT PRICING

Item	% of ex-factory price for each product*		
	Product 1	Product 2	Product 3
(a) Cost of imported raw materials/components			
(b) Cost of local raw materials/components			
(c) Cost of energy and fuel			
(d) Cost of labour			
(e) Depreciation			
(f) Interest payments, indirect taxes, quit rent & etc.			
(g) Administrative and marketing costs			
(h) Cost of technology (including royalty, management services and other related costs)			
(i) Manufacturing profit			
Total	100%	100%	100%

Note:

* If there are more products, please provide the same information on a separate sheet of paper

M. ESTIMATED LABOUR COST AND EARNINGS

Year in Operation		Year 1	Year 2	Year 3
Estimated Labour Cost				
Salaries and Wages* (RM)				
Estimated Earnings				
(a)	Estimated Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) (RM)			
(b)	Estimated Net Income After Tax (RM)			
	- Held in Malaysia as reserves (%)			
	- Remitted out of Malaysia (%)			
	- Reinvested in Malaysia (%)			

Note:

*Include wages, salaries, bonuses, social insurance contribution and all employee benefits

N. DETAILS OF EXPATRIATE POSTS

Please complete this section if the applicant is applying for expatriate posts. Please exclude the expatriate posts that have been directly applied for to the Immigration Department or any other department.

1. New/additional posts applied for

Designation*	Type of post (key/term post)	Number	Duration (years)	Proposed minimum salary (RM)

Note:

* Please list according to priority

For each expatriate post applied for, please submit the following details:-

- (a) Job function
- (b) Minimum academic/professional qualification required
- (c) Minimum period of experience required
- (d) Justification for request
- (e) Proposed training scheme for Malaysian personnel to fill the relevant posts

2. Existing/approved posts (If any)

Designation	Name and nationality	Duration approved	Date post filled	Expiry date	Basic salary paid (RM)

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For each existing approved expatriate post, please submit the following details:

- (a) Name of Malaysian who has taken over/will take over the post
 - (b) If the post has not been/will not be Malaysianised, state reasons and the company's plan on the post.
3. Please attach the organisational structure of the company indicating the positions of the expatriate posts.

O. DECLARATION

I, _____, the Managing Director of

- (i) hereby declare that to the best of my knowledge, the particulars furnished in this application are true.
- (ii)* have engaged/is planning to engage the services of the following consultant for my application :

Company Name : _____

Address : _____

Contact Person : _____

Designation : _____

Telephone no. : _____

Fax no. : _____

E-mail : _____

I take full responsibility for all information submitted by the consultant(s).

Date

(Signature)

(Company's Stamp or Seal)

*Please complete this section if the company has engaged/is planning to engage the services of consultant(s) to act on behalf of the company. Please provide information on a separate sheet of paper if space is insufficient

HIGH TECHNOLOGY/ STRATEGIC PROJECT
APPLICATION FOR
NEW MANUFACTURING LICENCE AND/OR INCENTIVE
AND/OR EXPATRIATE POSTS

(I) Type of application (Please tick (✓) where relevant):

- (a) Manufacturing Licence ☐
- (b) Project:
- (i) High Technology ☐ or (ii) Strategic ☐
- (c) Incentive:
- (i) Pioneer Status ☐ or (ii) Investment Tax Allowance ☐
- (d) Expatriate Posts ☐

(II)

Proposed products/produce /activities	HS tariff code	Proposed factory location	Incentive/Grant Approved By Other Government Agencies

A. PARTICULARS OF APPLICANT/COMPANY

1. (a) Name of applicant/company:

- (b) Correspondence address:

Contact person:

Designation:

Telephone no.:

Fax no.:

E-mail:

Website:

2. (a) Name of company which will undertake the manufacturing project:

- (b) Has the company been incorporated under the Companies Act, 1965?

☐ Yes☐ No

If yes, please fill in the following:

- (i) Date of incorporation:

- (ii) Company registration no.:

- (iii) Income tax reference no.:

- (iv) Income tax branch office:

- (c) Address of registered office:

Telephone no.:

Fax no.:

E-mail:

B. PROJECT COST*

	Phase 1** <u>RM</u>	Phase 2** <u>RM</u>	Total <u>RM</u>
1. Fixed assets***			
(i) Land (Specify area in hectares):			
(ii) _____ Factory/farm building (Specify built-up area in m ²):			
(iii) Plant and machinery			
(iv) Other equipment			
Total fixed assets			
2. Pre-operational expenditure			
3. Working capital			
Total project cost			

*** If assets are rented/leased, please indicate the annual cost of rental/lease below:

	<u>RM</u>
(i) Land (Specify area in hectares):	
(ii) _____ Factory/farm building (Specify built-up area in m ²):	
(iii) Plant and machinery	
(iv) Other equipment	
Total rental/lease	

Note:

* If the fixed assets are located in more than one location, please provide the same information on a separate sheet of paper

** To be filled if the second phase is implemented after 3 years

C. FINANCING

	<u>RM</u>	<u>%</u>
1. Authorised capital	_____	
2. Shareholders' funds		
(a) Paid-up capital		
(i) Malaysian individuals		
Bumiputera	_____	_____
Non-Bumiputera	_____	_____
(ii) Companies incorporated in Malaysia*		
_____	_____	_____
_____	_____	_____
(iii) Foreign nationals/companies (Specify name and nationality/ country of origin)		
_____	_____	_____
_____	_____	_____
Total of (i), (ii) and (iii)	_____	100%

* For 2(a)(ii), please provide equity structure as follows:

Name of company:		Name of company:	
_____		_____	
	<u>%</u>		<u>%</u>
Bumiputera	_____	Bumiputera	_____
Non-Bumiputera	_____	Non-Bumiputera	_____
Foreign nationals/companies (Specify name and nationality/country of origin)	_____	Foreign nationals/companies (Specify name and nationality/country of origin)	_____
_____		_____	
Total	100%	Total	100%

RM

3. Loan

Domestic _____

Foreign (Specify country of origin):

Total _____

4. Other sources (Please specify):

Total _____

Total of 2, 3 and 4 _____

5. State the name of any other company in Malaysia manufacturing the same/similar products in which the applicant company or any shareholder of the applicant company has equity participation.

Company registration no.	Name of company

6. Particulars of Board of Directors*

Name and residential address	Nationality	% shares held in the company

Note:

* If the space provided is insufficient, please provide the information on a separate sheet of paper

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D. MANPOWER***1. Please fill in where relevant**

Please note that the information is required to enable the government to undertake the appropriate manpower planning to meet the specific manpower needs of companies proposing to establish projects in Malaysia.

Category	Full-time employment										
	R&D activities					Other activities					
	Malaysian			Foreign national		Malaysian			Foreign national		Total
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	
1. Managerial staff with											
(a) Technical qualifications											
(i) Electrical & Electronics Engineering											
(ii) Mechanical Engineering											
(iii) Chemical Engineering											
(iv) Others (Please specify):											
(b) Science qualifications											
(i) Chemistry											
(ii) Physics											
(iii) Biotechnology / Microbiology											
(iv) Pharmacy											
(v) Computer Science											
(vi) Others (Please specify):											
(c) Other qualifications / experience (e.g. economics, marketing, finance & accounting. Please specify):											

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper

Category	Full-time employment									
	R&D activities					Other activities				
	Malaysian		Foreign national			Malaysian		Foreign national		
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total	Degree	Diploma/ Certificate	Others
(ix) Other special skills related to the sector (Please specify):										
a) _____										
b) _____										
c) _____										
d) _____										
e) _____										
f) _____										
g) _____										
3. (a) Sales and clerical										
(b) Other general workers										
4. Machine operators and assemblers**										
TOTAL										

Note:

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on the job training for a period between 3 to 6 months, e.g. production operators

	R&D Activities		Other Activities	
		%		%
1. Percentage of science and technical staff having degrees or diplomas with a minimum of 5 years experience (of the total workforce)		:		:
2. Number of Staff with Post Graduate (ie. Masters/PhD etc) qualifications		:		:
3. In addition to the full-time employees as mentioned in the above tables, please provide the number of workers which are outsourced (not under the company's payroll)		:		:

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2. Job function of Research and Development staff

Designation	Job function

E. EMPLOYMENT BY INCOME

Category	Number of Persons Employed by Average Monthly Salary* (RM)									
	R&D activities					Other activities				
	<3,000		3,000-<5,000		5,000-<10,000		10,000 and above		<3,000	
	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National
1. Managerial and Professional										
2. Technical and supervisory staff with (a) Engineering/Technical qualifications										
(b) Science qualifications										
(c) Other qualifications / experience Craft skills such as plant maintenance mechanic, tool & die maker, machinist, IT personnel (including CAD/CAM designer & DCS operator), Quality Controller, Electrician, Chargeman, Welder)										

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Category	Number of Persons Employed by Average Monthly Salary* (RM)									
	R&D activities					Other activities				
	<3,000		3,000-<5,000		5,000-<10,000		10,000 and above		<3,000	
	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National
3. (a) Sales and clerical										
(b) Other general workers										
4. Machine operators and assemblers**										
Total										

Note:

* include wages, salaries, bonuses, social insurance contribution and all employee benefits.

If there is more than one factory location, please provide the same information on a separate sheet of paper.

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on-the-job training for a period between 3 to 6 months, e.g. production operators.

1. Percentage of foreign workers with basic salary less than RM1,500 per month (of the total workforce)

:

%

F. MANUFACTURING PROCESS AND POLLUTION CONTROL

1. Please attach the manufacturing process flow chart and explain the major processes. Indicate the processes according to the type of machinery used as follows:

- R - robotic machinery
- A - automatic machinery
- S - semi-automatic machinery
- M - manual operation

2. From the manufacturing process flow chart, please provide details on emission of pollutants

Point of emission	Type of pollutants	Quantity

G. SOURCES OF TECHNICAL KNOW-HOW

Name and address of supplier	Years of experience	Name of other companies with similar projects in the world	Relationship with applicant (e.g. machinery supplier, parent company/associate company)

H. MAIN MACHINERY AND EQUIPMENT**1. Main machinery and pollution control equipment**

Description	Type*	Unit	Function

Note:

* Indicate:

R - robotic machinery

A - automatic machinery

S - semi-automatic machinery

2. Main machinery and equipment for Research and Development

Description	Function	Unit	Cost (RM)
Total			

I. RESEARCH AND DEVELOPMENT IN MALAYSIA**1. Research and Development activities**

Title of project/activity	Objective	Date of commencement and duration

2. Operational expenditure for Research and Development*

Item	Year 1 (RM)	Year 2 (RM)	Year 3 (RM)
(i) Cost of raw material used in the R&D			
(ii) Payment for technical services			
(iii) Salary and allowance for personnel involved directly in the research project			
(iv) Other costs			
(a) Travelling cost of research personnel			
(b) Transportation cost of raw material			
(c) Rental and maintenance of buildings, machinery and equipment			
(d) Prototyping of product			
Total			

Note:

* >From the date of commencement of R&D activity

J. MAIN RAW MATERIALS AND COMPONENTS

Raw materials and components	Quantity* per annum	Value per annum (RM)	Source			
			Local manufacturer		Import	
			% of value	Name and address	% of value	Country of origin

Note:

* Units as specified in the "Malaysian Trade Classification and Customs Duties Order"

K. PRODUCTION SCHEDULE*

Products/produce/activities	Year 1		Year 2		Year 3		Maximum annual production capacity per 8-hour shift
	Quantity**	Ex-factory value (RM)	Quantity**	Ex-factory value (RM)	Quantity**	Ex-factory value (RM)	
Total							
Number of shifts							

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper

** Units as specified in the "Malaysian Trade Classification and Customs Duties Order"

L. SALES AND MARKET

1. Gross sales

Products/produce/activities	Gross sales		
	Year 1 (RM)	Year 2 (RM)	Year 3 (RM)
Total			

2. Market

Products/produce/activities	% of market			
	Year 1	Year 2	Year 3	
<u>For domestic market</u>				<u>Principal consumers</u>
<u>For FZ/LMW* market</u>				
<u>For export market</u>				<u>Destination</u>

Note:

* Free Zone/Licenced Manufacturing Warehouse

** The information on market is for record purposes only and not a factor to be considered in the granting of incentives

M. PRODUCT PRICING

Item	% of ex-factory price for each product/produce*		
	Product 1	Product 2	Product 3
(a) Cost of imported raw materials/components			
(b) Cost of local raw materials/components			
(c) Cost of energy and fuel			
(d) Cost of labour			
(e) Depreciation			
(f) Interest payments, indirect taxes, quit rent & etc.			
(g) Administrative and marketing costs			
(h) Cost of technology (including royalty, management services and other related costs)			
(i) Manufacturing profit			
Total	100%	100%	100%

Note:

* If there are more products/produce, please provide the same information on a separate sheet of paper

N. ESTIMATED LABOUR COST AND EARNINGS

Year in Operation		Year 1	Year 2	Year 3
Estimated Labour Cost				
Salaries and Wages* (RM)				
Estimated Earnings				
(a)	Estimated Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) (RM)			
(b)	Estimated Net Income After Tax (RM)			
	- Held in Malaysia as reserves (%)			
	- Remitted out of Malaysia (%)			
	- Reinvested in Malaysia (%)			

Note:

*Include wages, salaries, bonuses, social insurance contribution and all employee benefits

O. DETAILS OF EXPATRIATE POSTS

Please complete this section if the applicant is applying for expatriate posts. Please exclude the expatriate posts that have been directly applied for to the Immigration Department or any other department.

1. New/additional posts applied for

Designation*	Type of post (key/term post)	Number	Duration (years)	Proposed minimum salary (RM)

Note:

* Please list according to priority

For each expatriate post applied for, please submit the following details:

- (a) Job function
- (b) Minimum academic/professional qualification required
- (c) Minimum period of experience required
- (d) Justification for request
- (e) Proposed training scheme for Malaysian personnel to fill the relevant posts

2. Existing/approved posts (if any)

Designation	Name and nationality	Duration approved	Date post filled	Expiry date	Basic salary paid (RM)

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For each existing/approved expatriate post, please submit the following details:

- (a) Name of Malaysian who has taken over/will take over the post
- (b) If the post has not been/will not be Malaysianised, state reasons and the company's plan on the post.

- 3. Please attach the organisational structure of the company indicating the positions of the expatriate posts.

P. DECLARATION

I, _____, the Managing Director of

(i) hereby declare that to the best of my knowledge, the particulars furnished in this application are true.

(ii)* have engaged/is planning to engage the services of the following consultant for my application :

Company Name : _____

Address : _____

Contact Person : _____

Designation : _____

Telephone no. : _____

Fax no. : _____

E-mail : _____

I take full responsibility for all information submitted by the consultant(s).

Date

(Signature)

(Company's Stamp or Seal)

*Please complete this section if the company has engaged/is planning to engage the services of consultant(s) to act on behalf of the company. Please provide information on a separate sheet of paper if space is insufficient

HIGH TECHNOLOGY / STRATEGIC PROJECT

**APPLICATION FOR
MANUFACTURING LICENCE AND/OR INCENTIVE
FOR EXPANSION AND/OR DIVERSIFICATION
AND/OR EXPATRIATE POSTS**

(I) Type of application (Please tick (✓) where relevant):

(a) Manufacturing Licence:

(i) Expansion ☐ and/or (ii) Diversification ☐

(b) Project:

(i) High Technology ☐ or (ii) Strategic ☐

(c) Incentive:

(i) Pioneer Status ☐ or (ii) Investment Tax Allowance ☐

(d) Expatriate Posts ☐

(II)

Existing products/produce/activities	HS tariff code	Existing factory location

Proposed expansion/additional products/produce/activities	HS tariff code	Proposed factory location	Incentive/Grant Approved By Other Government Agencies

A. PARTICULARS OF COMPANY

1. (a) Name of company:

Date of incorporation:_____
Company registration no.:_____
Income tax reference no:_____
Income tax branch office:

(b) Correspondence address:

Contact person:_____
Designation:_____
Telephone no.:_____
Fax no.:_____
E-mail:_____
Website:

(c) Address of registered office:

Telephone no.:_____
Fax no.:_____
E-mail:

2. Please provide a copy each of the following documents:

(i) Form 24

(ii) Form 44

(iii) Form 49

3. Date of commencement of operation : _____

4. Particulars of Manufacturing Licence and/or incentives approved

(a) Please provide a copy of Manufacturing Licence and conditions and/or Incentive Letter and/or Pioneer Certificate and/or letter on effective date of Investment Tax Allowance granted to the company.

(b) Products manufactured/activities undertaken

Products/activities	Date of commercial production	Location

5. Particulars of Board of Directors*

Name and residential address	Nationality	% shares held in the company

Note:

* If the space provided is insufficient, please provide the information on a separate sheet of paper

B. PROJECT COST*

	Existing <u>RM</u>	Additional <u>RM</u>	Total <u>RM</u>
1. Fixed assets**			
(i) Land (Specify area in hectares)			
(ii) Factory/farm building (Specify built-up area in m ²)			
(iii) Plant and machinery			
(iv) Other equipment			
Total fixed assets			
2. Pre-operational expenditure			
3. Working capital			
Total project cost			

** If assets are rented/leased, please indicate the annual cost of rental/lease below:

(i) Land (Specify area in hectares)			
(ii) Factory/farm building (Specify built-up area in m ²)			
(iii) Plant and machinery			
(iv) Other equipment			
Total rental/lease			

Note:

* If the fixed assets are located in more than one location, please provide the same information on a separate sheet of paper

C. FINANCING

	Existing <u>RM</u>	Additional <u>RM</u>	Total <u>RM</u>	<u>%</u>
1. Authorised capital				
2. Shareholders' funds				
(a) Paid-up capital				
(i) Malaysian individuals				
Bumiputera				
Non-Bumiputera				
(ii) Companies incorporated in Malaysia*				

(iii) Foreign nationals/ companies (Specify name and nationality/ country of origin)				

Total of (i), (ii) and (iii)				100%
(b) Reserves (excluding capital appreciation)				

Total of (a) and (b)				

* For 2(a)(ii), please provide equity structure as follows:

Name of company:

%

Bumiputera

Non-Bumiputera

Foreign nationals/companies
(Specify name and
nationality/country of origin)

Total 100%

Name of company:

%

Bumiputera

Non-Bumiputera

Foreign nationals/companies
(Specify name and
nationality/country of origin)

Total 100%

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	Existing RM	Additional RM	Total RM
3. Loan			
Domestic	_____	_____	_____
Foreign	_____	_____	_____
(Specify country of origin): _____			
Total	_____	_____	_____
4. Other sources (Please specify):			
_____	_____	_____	_____
_____	_____	_____	_____
Total	_____	_____	_____
Total of 2, 3 and 4	_____	_____	_____

5. State the name of any other company in Malaysia manufacturing the same/similar products in which the applicant company or any shareholder of the applicant company has equity participation.

Company registration no.	Name of company

6. Please attach a copy of the latest audited accounts.

D. MANPOWER*

1. Please fill in where relevant

Please note that the information is required to enable the government to undertake the appropriate manpower planning to meet the specific manpower needs of companies proposing to establish projects in Malaysia.

(a) Existing manpower

Category	Full-time employment									
	R&D activities					Other activities				
	Malaysian		Foreign national			Malaysian		Foreign national		
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate
1. Managerial staff with										
(a) Technical qualifications										
(i) Electrical & Electronics Engineering										
(ii) Mechanical Engineering										
(iii) Chemical Engineering										
(iv) Others (Please specify):										
(b) Science qualifications										
(i) Chemistry										
(ii) Physics										
(iii) Biotechnology / Microbiology										
(iv) Pharmacy										
(v) Computer Science										
(vi) Others (Please specify):										
(c) Other qualifications / experience (e.g. economics, marketing, finance & accounting. Please specify):										

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper

Category	Full-time employment									
	R&D activities					Other activities				
	Malaysian			Foreign national		Malaysian			Foreign national	
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total
2. Technical and supervisory staff with (a) Technical qualifications										
(i) Electrical & Electronics Engineering										
(ii) Mechanical Engineering										
(iii) Chemical Engineering										
(iv) Others (Please specify): _____										
(b) Science qualifications										
(i) Chemistry										
(ii) Physics										
(iii) Biotechnology / Microbiology										
(iv) Pharmacy										
(v) Computer Science										
(vi) Others (Please specify): _____										
(c) Other qualifications / experience										
Craft skills										
(i) Plant maintenance mechanic										
(ii) Tool & die maker										
(iii) Machinist										
(iv) IT personnel (including CAD/CAM designer & DCS operator)										
(v) Quality Controller										
(vi) Electrician										
(vii) Chargeman										
(viii) Welder										

Category	Full-time employment													
	R&D activities						Other activities							
	Malaysian			Foreign national			Malaysian			Foreign national				
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total
(ix) Other special skills related to the sector (Please specify):														
a) _____														
b) _____														
c) _____														
d) _____														
e) _____														
f) _____														
g) _____														
3. (a) Sales and clerical														
(b) Other general workers														
4. Machine operators and assemblers**														
TOTAL														

Note:

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on the job training for a period between 3 to 6 months, e.g. production operators

(b) Additional manpower

Category	Full-time employment									
	R&D activities					Other activities				
	Malaysian		Foreign national			Malaysian		Foreign national		
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total
1. Managerial staff with										
(a) Technical qualifications										
(i) Electrical & Electronics Engineering										
(ii) Mechanical Engineering										
(iii) Chemical Engineering										
(iv) Others (Please specify):										
(b) Science qualifications										
(i) Chemistry										
(ii) Physics										
(iii) Biotechnology / Microbiology										
(iv) Pharmacy										
(v) Computer Science										
(vi) Others (Please specify):										
(c) Other qualifications / experience (e.g. economics, marketing, finance & accounting. Please specify):										

Note:

* If there is more than one factory location, please provide the same information on a separate sheet of paper

Category	Full-time employment													
	R&D activities						Other activities							
	Malaysian			Foreign national			Malaysian			Foreign national				
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total
2. Technical and supervisory staff with														
(a) Technical qualifications														
(i) Electrical & Electronics Engineering														
(ii) Mechanical Engineering														
(iii) Chemical Engineering														
(iv) Others (Please specify):														
(b) Science qualifications														
(i) Chemistry														
(ii) Physics														
(iii) Biotechnology / Microbiology														
(iv) Pharmacy														
(v) Computer Science														
(vi) Others (Please specify):														
(c) Other qualifications / experience														
Craft skills														
(ix) Plant maintenance mechanic														
(x) Tool & die maker														
(xi) Machinist														
(xii) IT personnel (including CAD/CAM designer & DCS operator)														
(xiii) Quality Controller														
(xiv) Electrician														
(xv) Chargeman														
(xvi) Welder														

Category	Full-time employment										
	R&D activities					Other activities					
	Malaysian			Foreign national		Malaysian			Foreign national		
	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Degree	Diploma/ Certificate	Others	Total	
(x) Other special skills related to the sector (Please specify):											
h) _____											
i) _____											
j) _____											
k) _____											
l) _____											
m) _____											
n) _____											
3. (a) Sales and clerical											
(b) Other general workers											
4. Machine operators and assemblers**											
TOTAL											

Note:

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on the job training for a period between 3 to 6 months, e.g. production operators

	EXISTING		EXPANSION	
	R&D Activities	Other Activities	R&D Activities	Other Activities
1. Percentage of science and technical staff having degrees or diplomas with a minimum of 5 years experience (of the total workforce)	%	%	%	%
2. Number of Staff with Post Graduate (ie. Masters/PhD etc) qualifications	:	:	:	:
Total Workforce		Total Workforce		
Foreign		Domestic		
:		:		
3. In addition to the full-time employees as mentioned in the above tables, please provide the number of workers which are outsourced (not under the company's payroll)				

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2. Job function of Research and Development staff

Designation	Job function
<u>Existing</u>	
<u>Additional</u>	

E. EMPLOYMENT BY INCOME

(a) Existing

Category	Number of Persons Employed by Average Monthly Salary* (RM)											
	R&D activities						Other activities					
	<3,000		3,000-<5,000		5,000-<10,000		10,000 and above		<3,000		3,000-<5,000	
	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National
1. Managerial and Professional												
2. Technical and supervisory staff with (a) Engineering/Technical qualifications												
(b) Science qualifications												
(c) Other qualifications / experience Craft skills such as plant maintenance mechanic, tool & die maker, machinist, IT personnel (including CAD/CAM designer & DCS operator), Quality Controller, Electrician, Chargeman, Welder)												

Category	Number of Persons Employed by Average Monthly Salary* (RM)																
	R&D activities						Other activities										
	<3,000		3,000-<5,000		5,000-<10,000		10,000 and above		<3,000		3,000-<5,000		5,000-<10,000		10,000 and above		
	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	
3. (a) Sales and clerical																	
(b) Other general workers																	
4. Machine operators and assemblers**																	
Total																	

Note:

* include wages, salaries, bonuses, social insurance contribution and all employee benefits.

If there is more than one factory location, please provide the same information on a separate sheet of paper.

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on-the-job training for a period between 3 to 6 months, e.g. production operators.

1. Percentage of foreign workers with basic salary less than RM1,500 per month (of the total workforce)	:	%
---	---	---

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(b) Additional

Category	Number of Persons Employed by Average Monthly Salary* (RM)											
	R&D activities						Other activities					
	<3,000		3,000-<5,000		5,000-<10,000		10,000 and above		<3,000		3,000-<5,000	
	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National
1. Managerial and Professional												
2. Technical and supervisory staff with (a) Engineering/Technical qualifications												
(b) Science qualifications												
(c) Other qualifications / experience Craft skills such as plant maintenance mechanic, tool & die maker, machinist, IT personnel (including CAD/CAM designer & DCS operator), Quality Controller, Electrician, Chargeman, Welder)												

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Category	Number of Persons Employed by Average Monthly Salary* (RM)											
	R&D activities						Other activities					
	<3,000		3,000-<5,000		5,000-<10,000		10,000 and above		<3,000		3,000-<5,000	
	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National	Malaysian	Foreign National
3. (a) Sales and clerical												
(b) Other general workers												
4. Machine operators and assemblers**												
Total												

Note:

* include wages, salaries, bonuses, social insurance contribution and all employee benefits.

If there is more than one factory location, please provide the same information on a separate sheet of paper.

** Machine operators and assemblers are those involved in the production/assembly line who receive mainly on-the-job training for a period between 3 to 6 months, e.g. production operators.

1. Percentage of foreign workers with basic salary less than RM1,500 per month (of the total workforce)

%

F. MANUFACTURING PROCESS AND POLLUTION CONTROL

1. Please attach the manufacturing process flow chart and explain the major processes for the additional products/activities. Indicate processes according to type of machinery used as follows:

R - robotic machinery

A - automatic machinery

S - semi-automatic machinery

M - manual operation

2. From the manufacturing process flow chart, please provide details on emission of pollutants.

Point of emission	Type of pollutants	Quantity

G. SOURCES OF TECHNICAL KNOW-HOW

Name and address of supplier	Years of experience	Name of other companies with similar projects in the world	Relationship with applicant (e.g. machinery supplier, parent company/associate company)

H. MAIN MACHINERY AND EQUIPMENT
1. Main machinery and pollution control equipment

Description	Type*	Unit	Function	Country of origin	Cost (RM)
<u>Existing</u>					
<u>Additional</u>					

Note:

* Indicate:

R - robotic machinery A - automatic machinery S - semi-automatic machinery M - manual operation

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2. Main machinery and equipment for Research and Development

Description	Function	Unit	Cost (RM)
<u>Existing</u>			
Sub - Total			
<u>Additional</u>			
Sub - Total			
Total			

I. RESEARCH AND DEVELOPMENT IN MALAYSIA**1. Research and Development activities**

Title of project/activity	Objective	Date of commencement and duration
<u>Existing products/produce/activities</u>		
<u>Proposed additional products/produce/activities</u>		

Note:

* From the date of commencement of R&D activity

2. Operational expenditure for Research and Development*

(a) Existing products/produce/activities

Item	Annual expenditure (RM)
(i) Cost of raw material used in the R&D (ii) Payment for technical services (iii) Salary and allowance for personnel involved directly in the research project (iv) Other costs (a) Travelling cost of research personnel (b) Transportation cost of raw material (c) Rental and maintenance of buildings, machinery and equipment (d) Prototyping of product	
Total	

(b) Proposed additional products/produce/activities

Item	Year 1 (RM)	Year 2 (RM)	Year 3 (RM)
(i) Cost of raw material used in the R&D (ii) Payment for technical services (iii) Salary and allowance for personnel involved directly in the research project (iv) Other costs (a) Travelling cost of research personnel (b) Transportation cost of raw material (c) Rental and maintenance of buildings, machinery and equipment (d) Prototyping of product			
Total			

Note:

* From the date of commencement of R&D activity

J. MAIN RAW MATERIALS AND COMPONENTS

Raw materials and components	Quantity* per annum	Value per annum (RM)	Source			
			Local manufacturer		Import	
			% of value	Name and address	% of value	Country of origin
<u>Existing products/produce/activities</u>						
<u>Proposed additional products/produce/activities</u>						

Note:

* Units as specified in the "Malaysian Trade Classification and Customs Duties Order"

K. PRODUCTION SCHEDULE*
1. Existing products/produce/activities

Products/produce/activities	Actual annual production		Installed production capacity	Additional production capacity
	Quantity**	Ex-factory value (RM)	Quantity**	Quantity**
Total				

Number of shifts: _____

Note:

* If there is more than one factory/farm location, please provide the same information on a separate sheet of paper

** Units as specified in "The Malaysian Trade Classification and Customs Duties Order"

ICA/JA-4

2. Proposed additional products/produce/activities

Products/produce/activities	Year 1		Year 2		Year 3		Maximum annual production capacity per 8-hour shift
	Quantity**	Ex-factory value (RM)	Quantity**	Ex-factory value (RM)	Quantity**	Ex-factory value (RM)	
Total							
Number of shifts							

Note:

** Units as specified in the "Malaysian Trade Classification and Customs Duties Order"

L. SALES AND MARKET

1. Gross sales
 - (a) Existing products/produce/activities

Products/produce/activities	Annual gross sales (RM)
Total	

- (b) Proposed additional products/produce/activities

Products/produce/activities	Gross sales		
	Year 1 (RM)	Year 2 (RM)	Year 3 (RM)
Total			

2. Market

Products/produce/activities	% of market			Principal consumers/ export destination
	Year 1	Year 2	Year 3	
<u>Existing products/ produce/activities</u> For domestic market				
For FZ/LMW* market				
For export market				
<u>Proposed additional products/produce/activities</u> For domestic market				
For FZ/LMW* market				
For export market				

Note:

* Free Zone/Licensed Manufacturing Warehouse

** The information on market is for record purposes only and not a factor to be considered in the granting of incentives

M. PRODUCT PRICING

Item	% of ex-factory price for each product/produce*		
	Product 1	Product 2	Product 3
(a) Cost of imported raw materials/components			
(b) Cost of local raw materials/components			
(c) Cost of energy and fuel			
(d) Cost of labour			
(e) Depreciation			
(f) Interest payments, indirect taxes, quit rent & etc.			
(g) Administrative and marketing costs			
(h) Cost of technology (including royalty, management services and other related costs)			
(i) Profit			
Total	100%	100%	100%

Note:

* If there are more products/produce, please provide the same information on a separate sheet of paper

N. ESTIMATED LABOUR COST AND EARNINGS

Year in Operation		Year 1	Year 2	Year 3
Estimated Labour Cost				
Salaries and Wages* (RM)				
Estimated Earnings				
(a)	Estimated Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) (RM)			
(b)	Estimated Net Income After Tax (RM)			
	- Held in Malaysia as reserves (%)			
	- Remitted out of Malaysia (%)			
	- Reinvested in Malaysia (%)			

Note:

* Include wages, salaries, bonuses, social insurance contribution and all employee benefits

O. DETAILS OF EXPATRIATE POSTS

Please complete this section if the applicant is applying for expatriate posts. Please exclude the expatriate posts that have been directly applied for to the Immigration Department or any other department.

1. New/additional posts applied for

Designation*	Type of post (key/term post)	Number	Duration (years)	Proposed minimum salary (RM)

Note:

* Please list according to priority

For each expatriate post applied for, please submit the following details:

- (a) Job function
- (b) Minimum academic/professional qualification required
- (c) Minimum period of experience required
- (d) Justification for request
- (e) Proposed training scheme for Malaysian personnel to fill the relevant posts

2. Existing/approved posts (if any)

Designation	Name and nationality	Duration approved	Date post filled	Expiry date	Basic salary paid (RM)

ICA/JA-4

For each existing/approved expatriate post, please submit the following details:

- (a) Name of Malaysian who has taken over/will take over the post
 - (b) If the post has not been/will not be Malaysianised, state reasons and the company's plan on the post.
3. Please attach the organisational structure of the company indicating the positions of the expatriate posts.

P. DECLARATION

I, _____, the Managing Director of

- (i) hereby declare that to the best of my knowledge, the particulars furnished in this application are true.
- (ii)* have engaged/is planning to engage the services of the following consultant for my application :

Company Name : _____

Address : _____

Contact Person : _____

Designation : _____

Telephone no. : _____

Fax no. : _____

E-mail : _____

I take full responsibility for all information submitted by the consultant(s).

Date

(Signature)

(Company's Stamp or Seal)

*Please complete this section if the company has engaged/is planning to engage the services of consultant(s) to act on behalf of the company. Please provide information on a separate sheet of paper if space is insufficient

MIDA Ref. :
 Date : (Month & Year)

Messrs
Company's name
 Company's address

Dear Sir,

Application from ...(Company's Name)... for Pre-Package Incentive as Follows:-

Income Tax Exemption under P.U. (A) 112 Income Tax (Exemption) (No.11) Order 2006; Income Tax Act. 1967

Or

Income Tax Exemption Equivalent To Investment Tax Allowance
 Under P.U. (A) 113 Income Tax (Exemption) (No.12) Order 2006;
 Income Tax Act, 1967

To Produce / Undertake the Activity of
 '.....'

*Choose whichever related only

I refer to your application with complete information received by MIDA on(date)..... regarding the above subject.

2. Please be informed that the **Government of Malaysia** has agreed to approve your application as follows:-

Income tax exemption of ...% of statutory income for a period of years under P.U. (A) 112 Income Tax (Exemption) (No.11) Order 2006; Income Tax Act, 1967 *to produce / to undertake the activity of '.....' starting from the date to be determined by the Minister of International Trade and Industry subject to the following conditions:-

Or

Income tax exemption equivalent to Investment Tax Allowance of ...% on qualifying capital expenditure for a period of years under P.U. (A) 113 Income Tax (Exemption) (No.12) Order 2006; Income Tax Act. 1967 *to produce / to undertake the activity of '.....' starting from the date to be determined by the Minister of International Trade and Industry. The allowance can be offset against ...% of the statutory income for each assessment year subject to the following conditions:-

- (i) ***Fixed asset investment / additional fixed asset investment** (not including land cost) shall be at least **RM.....** within a period of **..... years** starting from **year of assessment** as proposed;
- (ii) **Value added** for your company's ***product/activity** shall be at least **...%** as proposed;
- (iii) **The number of staff at the managerial, technical and supervisory level** shall consist of at least **...%** of your company's overall manpower as proposed.

3. This pre-package approval is specifically for company ...(name of company)..... and must be treated as confidential and cannot be disclosed to any third parties. Any amendment on the proposed approval for Para (whichever related) might result in the reduction of incentive value offered.

4. Your company is required to apply for the **Effective Date (for approvals under P.U.(A) 112 & 113) of the tax incentive within twenty four (24) months** from the date of this letter. The application must be submitted to the **Licensing & Incentive Compliance and Monitoring Section, Malaysian Investment Development Authority (MIDA)**. Please use **Form *PIA '86 (PS) 96 / PIA '86 ITA- (I)** which can be downloaded from MIDA's website at **www.mida.gov.my**.

5. In the event your company is unable to submit the aforesaid application within the time stipulated, please apply for an extension before the expiry of the stipulated time limit to **Malaysian Investment**

Development Authority (MIDA). Otherwise, your failure may be a cause for revocation of the incentive.

6. For your information, MIDA also provides advice and follow-up assistance to help companies in implementing their projects. The Infrastructure & Industry Support Division and representatives from government departments / agencies are housed in MIDA, and are ready to provide guidance and assistance. Their contact details are in the Appendix.

Thank you.

Yours sincerely,

(DATO' AZMAN MAHMUD)

Chief Executive Officer

Malaysian Investment Development Authority

c.c.: Secretary
Ministry of International Trade and Industry (MITI)
Sectorial Policy Division
Level 28, Menara MITI
No. 7, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur
(Attn.:YBhg. Dato' Hj. Nik Rahmat Nik Taib
Deputy Secretary (Industry))

Secretary of Treasury
Ministry of Finance
Tax Analysis Division
Level 6 & 7, Middle Block, Precinct 2
Ministry of Finance Complex
Federal Government Administration Centre
62592 Putrajaya
(Attn.:Mrs. Khodijah Abdullah
Secretary, Tax Division)

Chief Executive
Inland Revenue Board (IRB)
Wisma Hasil
Persiaran Rimba Permai
Cyber 8, 63000 Cyberjaya
Selangor Darul Ehsan
(Attn.:Mrs. Noraini Jaafar
Director, Taxation Policy Department)

Director
Strategic Planning and Policy Advocacy Division
Malaysian Investment Development Authority

Head of Section
Licensing & Incentive Compliance and Monitoring Section
Malaysian Investment Development Authority

MIDA Ref. :
 Date : (Month & Year)

Messrs
Company's name
 Company's address

Dear Sir,

Application from **Company's Name** for:-

(I) * Income Tax Exemption under *P.U. (A) 112 Income Tax
 (Exemption) (No.11) Order 2006; Income Tax Act. 1967

Or

(II) * Income Tax Exemption Equivalent to Investment Tax
 Allowance under P.U. (A) 113 Income Tax (Exemption) (No.12)
 Order 2006; Income Tax Act. 1967

To Produce / To Undertake the Activity of
 '.....'

*Choose whichever related only

I refer to your application with complete information received by MIDA on
 ...(date)..... regarding the above subject.

2. Please be informed that the Government of Malaysia has declined your application for *...(types of application)... *to produce /
 to undertake the activity of '.....'. It is with regret
 that your application does not fulfil the criteria for incentive / grant
 consideration.

Thank you.

Yours sincerely,

(DATO' AZMAN MAHMUD)
 Chief Executive Officer
 Malaysian Investment Development Authority

c.c.: Secretary
Ministry of International Trade and Industry (MITI)
Sectorial Policy Division
Menara MITI
No. 7, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur
(Attn.:Senior Director
Sectorial Policy Division)

Or

Secretary
Ministry of International Trade and Industry (MITI)
Level 28, Menara MITI
No. 7, Jalan Sultan Haji Ahmad Shah
50480 Kuala Lumpur
(Attn.:YBhg. Dato' Hj. Nik Rahmat Nik Taib
Deputy Secretary (Industry)
(applicable for pre-package approval only)

Secretary of Treasury
Ministry of Finance
Tax Analysis Division
Level 6 & 7, Middle Block, Precinct 2
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Cyber 8, 63000 Cyberjaya
Selangor Darul Ehsan
(Attn.:Mrs. Noraini Jaafar
Director, Taxation Policy Department)

Director
Infrastructure and Industry Support Division
Malaysian Investment Development Authority

Or

Director
Strategic Planning and Policy Advocacy Division
Malaysian Investment Development Authority
(applicable for pre-package approval only)

List of companies applied for financial assistance/benefit

NO	NAME	YEAR OF APPROVAL	LOCATION	PRODUCT
1	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Malaysia's Commitment in International Tax Standard

📅 Friday, Aug 17 2018

MALAYSIA'S PARTICIPATION IN FORUM OF HARMFUL TAX PRACTICES (FHTP) THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) TAXATION INITIATIVES

In order to address the issue of base erosion and profit shifting, the Organization of Economic Cooperation and Development (OECD) and the G20 countries introduced Base Erosion and Profit Shifting (BEPS) Action Plan as international taxation standard. The plan consists of 15 actions to address BEPS issues.

Malaysia in principal has committed to implement and to adhere to this standard. Under this commitment, Malaysia officially joined the OECD Inclusive Framework (IF) on BEPS as Associate Members. The IF emphasizes on the 4 minimum standards, namely:

No	Action Plan	Minimum Standard	Description
1.	Action 5	<i>Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance</i>	Identification of no or low preferential corporate tax rate (preferential regimes) that can be categorised as harmful tax practices. It focuses on improving transparency through the exchange of information on tax matters and requirement of substantial activities for any preferential regimes.
2.	Action 6	<i>Preventing the Granting of Treaty Benefits in Inappropriate Circumstances</i>	Measures to avoid treaty shopping activities to enjoy benefits under the DTAA by taxpayers.
3.	Action 13	<i>Guidance on Transfer Pricing Documentation and Country-by-Country Reporting</i>	Obligation to submit Country-by-Country Reporting by multinational companies with subsidiaries or branches for cross-border transactions.
4.	Action 14	<i>Making Dispute Resolution Mechanisms More Effective</i>	To ensure any tax-related disputes under the DTAA be resolved between treaty partners effectively.

Forum on Harmful Tax Practices (FHTP)

FHTP has identified jurisdictions which provide preferential regimes for mobile geographical services activities related to intellectual property (IP) and non-intellectual property (Non-IP). Malaysian incentives that have been identified for FHTP evaluation are as follows:

A. IP Incentives:

- i. Principal Hub;
- ii. Pioneer Status (High Technology);
- iii. Biotechnology Industry (BioNexus); and
- iv. MSC Malaysia

B. Non - IP Incentives:

- i. Biotechnology Industry (BioNexus);

- ii. MSC Malaysia;
- iii. Principal Hub;
- iv. Pioneer Status (Contract R&D);
- v. Treasury Management Centre;
- vi. Economic Development Regions:
 - Iskandar Malaysia (IM);
 - East Coast Economic Region (ECER);
 - Sabah Development Corridor (SDC);
- vii. Approved Services Project;
- viii. Green Technology Services;
- ix. Labuan Financial Services;
- x. Labuan Leasing Services;
- xi. Foreign Fund Management;
- xii. Inward re-insurance and offshore insurance; and
- xiii. Malaysian International Trading Company.

Tax incentives are evaluated based on the following criteria:

IP Incentives	Non-IP Incentives
<p>1. Nexus Approach</p> <p>Only R&D expenditures incurred in Malaysia are eligible for Income tax exemption.</p> <p>2. Transparency</p> <p>Incentives that comply with FHTP's requirement must be gazetted by 31st December 2018.</p>	<p>1. Ring Fencing</p> <p>No distinction on tax treatment including transaction and currency restrictions between residents and non-residents.</p> <p>2. Transparency</p> <p>Incentives that comply with FHTP's requirement must be gazetted by 31st December 2018.</p> <p>3. Substantial Activities</p> <p>Substantial activities requirements under FHTP are as follows:</p> <ul style="list-style-type: none"> i. adequate investment amount or annual business operating expenses incurred in Malaysia; and ii. adequate number of full-time job employment in Malaysia.

Timelines for Implementing Tax Incentives Gazette under FHTP

a. IP Incentives

Action	Date
1. Legislation process to amend existing IP incentives.	To be gazetted latest by 31 December 2018.
2. Cut-off date for new entrants to an existing IP incentives.	<p>Effective 1st July 2018, IP incentives are subject to Nexus Approach criteria. No new approval will be granted for existing IP incentives that do not comply with Nexus Approach criteria.</p> <p>Nexus Approach terms of reference can be found through: https://www.oecd-ilibrary.org/docserver/9789264283954-en.pdf?expires=1528445154&id=id&accname=guest&checksum=BCE5668395E0A9DEDA783979F2B4F6AA (https://www.oecd-ilibrary.org/docserver/9789264283954-en.pdf?expires=1528445154&id=id&accname=guest&checksum=BCE5668395E0A9DEDA783979F2B4F6AA)</p>

3. Cut-off date to enjoy benefits from the existing IP incentives approved on or before 30th June 2018 that do not comply with FHTP criteria (grandfathering).	Grandfathering will be allowed until 30th June 2021 to the existing companies which currently enjoy the existing IP incentives except for IP assets acquired from related parties after 16 October 2017. Tax payers need to distinguish IP assets from related and non-related parties.
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b. Non-IP Incentives

Amendments to legislation related to Non-IP incentives are to be gazetted latest by 31st December 2018. Grandfathering will be allowed to the existing companies which currently enjoy Non-IP incentive, as follows:

- i. incentive approved on or before 16th October 2017
 - grandfathering period is up to 30th June 2021;
 - grandfathering is not allowed for new assets and new activities from existing entrants;
- ii. incentive approved after 16th October 2017
 - grandfathering period is up to the date of gazette or 31st December 2018 whichever earlier.

The Ministry of Finance together with Inland Revenue Board of Malaysia and related ministries/agencies are currently reviewing Malaysian tax incentives in order to meet criteria set under FHTP.

For enquiries:

International Tax Policy Section (I)

Tax Division

Level 6, Centre Block

Ministry of Finance, Malaysia

03-8882 3345 / 03-8882 3348

INCOME TAX ACT 1967

INCOME TAX (DEDUCTIONS OF PREMIUMS
FOR EXPORT CREDIT INSURANCE) RULES 1985

IN exercise of the powers conferred by *subsection (1) of section 154* of the Income Tax Act 1967, the Minister makes the following rules:

Act 53.

1. These Rules may be cited as the Income Tax (Deductions of Premiums for Export Credit Insurance) Rules 1985 and shall have effect for the year of assessment 1986 and subsequent years of assessment.

Citation and
commencement.

2. (1) For the purposes of ascertaining the adjusted income of a person from a business under the Act, there shall be allowed as a deduction any premium of a kind allowable under *section 33* of the Act payable in respect of export credit insurance insured with a company approved by the Minister.

Deductions.

(2) The deduction under these Rules shall be in addition to any deduction allowable under *section 33* of the Act.

Made the 26th November 1985.

[CR (8.09) 294/6/4-14; PN. (PU²) 80 Pt.]

DAIM ZAINUDDIN
Minister of Finance,

(To be laid before the Dewan Rakyat pursuant to subsection (2) of section 154 of the Income Tax Act 1967)

Unilateral credit

13. Subject to paragraphs 14 and 15, unilateral credit shall be allowed in the same way as bilateral credit, and paragraphs 1 to 12 shall apply accordingly.

14. The unilateral credit allowed in respect of any foreign income for a year of assessment shall not exceed half the foreign tax payable on that income for that year.

15. Where an employee pays Malaysian tax and foreign tax in respect of income from an employment exercised outside Malaysia, then, whether or not he was resident for the basis year for the year of assessment for which the Malaysian tax was paid, unilateral credit may be allowed for foreign tax.

Interpretation

16. In this Schedule—

“bilateral credit” means credit in respect of foreign tax which, by virtue of any arrangements having effect under section 132, is to be allowed as a credit against Malaysian tax;

“foreign income” means income derived from outside Malaysia or in the case of bilateral credit, includes income derived from Malaysia charged to foreign tax;

“Malaysian tax” means tax imposed by this Act;

“unilateral credit” means credit in respect of foreign tax payable under the laws of a territory outside Malaysia with respect to which no arrangements under section 132 are in force.

SCHEDULE 7A

[Section 133A]

Reinvestment Allowance

1. Subject to this Schedule, where a company which is resident in Malaysia—

- (a) has been in operation for not less than thirty- six months; and
- (b) has incurred in the basis period for a year of assessment capital expenditure on a factory, plant or machinery used in Malaysia for the purposes of a qualifying project referred to under subparagraph 8(a);
- (c) *(Deleted by Act 591),*

there shall be given to the company for that year of assessment a reinvestment allowance of an amount equal to sixty per cent of that expenditure:

Provided that such expenditure shall not include capital expenditure incurred on plant or machinery which is provided wholly or partly for the use of a director, or an individual who is a member of the management, or administrative or clerical staff.

1A. Subject to this Schedule, where a company which has been in operation for not less than thirty-six months and is resident in Malaysia for the basis year for a year of assessment has incurred in the basis period for that year of assessment, capital expenditure in relation to an agricultural project in Malaysia for the purposes of any qualifying project referred to under subparagraph 8(c) there shall be given to the company for that year of assessment a reinvestment allowance of sixty per cent of that expenditure.

1B. (1) Where a company has incurred capital expenditure in respect of an asset for the purposes of a qualifying project and that asset is acquired by a person (in this paragraph referred to as the "the acquirer") from that company or from any other person (in this paragraph referred to as "the disposer") and at the time of the acquisition—

- (a) the disposer of the asset is a person over whom the acquirer of the asset has control;
- (b) the acquirer of the asset is a person over whom the disposer of the asset has control;
- (c) some other person has control directly or indirectly over the disposer and acquirer of the asset; or
- (d) the acquisition is effected in consequence of a scheme of reconstruction or amalgamation of companies,

this Schedule shall not apply to the acquirer in respect of the asset.

(2) In this paragraph—

"asset" means a factory, plant or machinery referred to in paragraph 1, or plant, machinery or building referred to in the definition of "capital expenditure" in paragraph 9;

"control", in relation to a company, means the power of a person to secure, by means of the holding of shares or the possession of voting power in or in relation to that or any other company, or by virtue of any powers conferred by the articles of association or other document regulating that or any other company, that the affairs of the first mentioned company are conducted in accordance with the wishes of that person.

1c. (*Deleted by Act 755*).

2. An allowance under paragraph 1 or 1A shall be given in respect of capital expenditure incurred in the basis periods for fifteen consecutive years of assessment beginning from the year of assessment for the basis period in which a claim for that allowance was first made in the return of his income in respect of that capital expenditure.

2A. (1) Where an asset is disposed of at any time within five years from the date of acquisition of that asset, an allowance given under paragraph 1 or 1A in respect of that asset shall be deemed to have not been given to the person to which it would otherwise be entitled.

(2) The allowance which is deemed to have not been given under subparagraph (1) shall be part of the person's statutory income in the basis period for the year of assessment in which such asset is disposed of.

3. Where an allowance is given to a person under paragraph 1 or 1A for a year of assessment, so much of the statutory income of that business of that person for that year of assessment as is equal to the amount of the allowance (or to the aggregate amount of any such allowances as the case may be) but not exceeding seventy per cent of the statutory income shall be exempt from tax for that year of assessment:

Provided that where the qualifying project has achieved the level of productivity as prescribed by the Minister, the amount to be exempt shall be equal to the allowance (or to the aggregate amount of any such allowances as the case may be) but not exceeding the statutory income for that year of assessment.

4. Where, by reason of the restriction of the allowance to seventy per cent of the statutory income or of an insufficiency or absence of statutory income from a business of the person for the basis period for a year of assessment, effect cannot be given or cannot be given in full to any allowance or allowances to which the person

is entitled under this Schedule for that year of assessment in relation to the source consisting of that business, so much of the allowance or allowances as cannot be given for that year shall be given to the person under this Schedule for the first subsequent year of assessment for the basis period for which there is statutory income from that business, and for subsequent years of assessment until the person has received the whole of the allowance or allowances to which it is so entitled.

4A. Statutory income referred to in paragraphs 3 and 4 shall be construed as the amount of statutory income of a person from a source consisting of a business in respect of a qualifying project referred to in paragraph 8.

5. (1) In the case of a company as soon as any amount of income has become exempted under paragraph 3, that amount shall be credited to an account to be kept by that company for the purposes of this paragraph (that account and company being in this paragraph and paragraph 6 referred to as the exempt account and the relevant company respectively).

(2) Where the exempt account is in credit at the date on which any dividends are paid by the relevant company out of income which has been exempted under paragraph 3, an amount equal to those dividends or that credit, whichever is the less, shall be debited to the exempt account.

(3) So much of the amount of any dividends debited to the exempt account under subparagraph (2) as is received by a shareholder in the relevant company shall, if the Director General is satisfied with the entries in the exempt account, be exempt from tax in the hands of that shareholder.

(4) Any dividends debited to the exempt account under subparagraph (2) shall be treated as having been distributed to the shareholders (or any particular class of shareholders) of the relevant company in the same proportions as those in which the shareholders in question were entitled to payment of the dividends giving rise to the debit.

(5) Until the Director General is satisfied that there is no further need to maintain the exempt account, the relevant company shall deliver to the Director General a copy of the exempt account made up to a date specified by him whenever it is called upon to do so by notice in writing sent by the Director General to the company's registered office.

(6) Where—

- (a) an amount is received by way of dividend from the relevant company by a shareholder;
- (b) that amount is exempt from tax under subparagraph (3); and

- (c) that shareholder is a company,

any dividends paid by that shareholding company to its shareholders shall, to the extent that the Director General is satisfied that the dividends so paid are paid out of that amount, be exempt from tax in the hands of those shareholders.

- (7) *(Deleted by Act 683).*

6. Notwithstanding any other provisions of this Schedule, where paragraph 2A applies or where it appears to the Director General that any income of the relevant company exempted under paragraph 3 or any dividend exempted in the hands of a shareholder under paragraph 5 ought not to have been exempted, he may at any time within five years after the expiration of the year of assessment for which the exemption was given make such assessment or additional assessment upon any person as appears to him to be necessary in order to counteract any benefit obtained from the exemption, or direct the relevant company to debit the exempt account with such amount as the circumstances require.

6A. Where in the case of a business of a person the basis periods for two years of assessment overlap, the period common to those periods shall be deemed for the purposes of this Schedule to fall into the earlier of those periods and not into the later of those periods.

7. This Schedule shall not apply to a company—

- (a) for the basis period during which the company—

- (i) has been granted pioneer status under the Promotion of Investments Act 1986 in respect of a promoted activity or promoted product and which is applying or intends to apply for the grant of a pioneer certificate; or
- (ii) has been granted pioneer certificate under the Promotion of Investments Act 1986 in respect of a promoted activity or promoted product and whose tax relief period has not ended or ceased;

- (b) for the basis period for which the company has been granted approval for investment tax allowance under the Promotion of Investments Act 1986 in respect of a promoted activity or promoted product for the period prescribed under the relevant provisions of that Act;

- (c) *(Deleted by Act 578);*

- (d) for the basis period during which that company, notwithstanding the repeal of the Investment Incentives Act 1968—
 - (i) has been given approval under section 5, 12A or 12B of that Act and whose tax relief period has not ended; or
 - (ii) has been given approval under section 26 of that Act and incurs capital expenditure which qualifies for investment tax credit; or
- (e) for the basis period for which the company has been granted approval under section 31C of the Promotion of Investments Act 1986 prior to the coming into operation of section 37 of the Promotion of Investments (Amendment) Act 2007 [*Act A1318*] in respect of a manufacturing activity or manufactured product for the period prescribed under paragraph 31E(2)(b) of that Act.
- (f) (*Deleted by Act 683*).

8. In this Schedule, “qualifying project” means—

- (a) a project undertaken by a company, in expanding, modernizing or automating its existing business in respect of manufacturing of a product or any related product within the same industry or in diversifying its existing business into any related product within the same industry;
- (b) (*Deleted by Act 693*);
- (c) an agricultural project undertaken by a company in expanding, modernizing or diversifying its cultivation and farming business excluding the business of rearing chicken and ducks; or
- (d) (*Deleted by Act 755*).

9. In this Schedule—

“capital expenditure”, in relation to an agricultural project referred to in paragraphs 1A and 1C, means capital expenditure incurred in respect of—

- (a) the clearing and preparation of land;
- (b) the planting of crops;
- (c) the provision of irrigation or drainage systems;
- (d) the provision of plant and machinery;

- (e) the construction of access roads including bridges;
- (f) the construction or purchase of buildings (including those provided for the welfare of persons or as living accommodation for persons) and structural improvements on land or other structures; or
- (g) (*Deleted by Act 755*),

for the purposes of any of the following activities:

- (aa) cultivation of rice and maize;
- (bb) cultivation of vegetables, tuber and roots;
- (cc) cultivation of fruits;
- (dd) livestock farming;
- (ee) spawning, breeding or culturing of aquatic products;
- (ff) any other activities approved by the Minister; and
- (gg) (*Deleted by Act 755*);

“disposed of” means sold, conveyed, transferred, assigned, or alienated with or without consideration;

“factory” means portion of the floor areas of a building or an extension of a building used for the purposes of qualifying project to place or install plant or machinery or to store any raw material, or goods or materials manufactured prior to sale;

Provided that in respect of portion of the building or extension of the building used for the storage of raw material, or goods or materials, or both, it shall not be more than one-tenth of the total floor areas of that building or extension;

“incurred” has the same meaning assigned thereto in paragraphs 46 and 55 of Schedule 3;

“manufacturing” means—

- (a) conversion by manual or mechanical means of organic or inorganic materials into a new product by changing the size, shape, composition, nature or quality of such materials;
- (b) assembly of parts into a piece of machinery or products; or

- (c) mixing of materials by a chemical reaction process including biochemical process that changes the structure of a molecule by the breaking of the intra molecular bonds or by altering the spatial arrangement of atom in the molecule,

but does not include—

- (aa) the installation of machinery or equipment for the purpose of construction;
- (bb) a simple packaging operations such as bottling, placing in boxes, bags and cases;
- (cc) a simple fixing;
- (dd) a simple mixing of any products;
- (ee) a simple assembly of parts;
- (ff) any activity to ensure the preservation of products in good condition during transportation and storage;
- (gg) any activity to facilitate shipment and transportation;
- (hh) any activity of packaging or presenting goods for sale; or
- (ii) any activity that may be prescribed by the Minister, notwithstanding the above interpretation;

“operation” means an activity which consists of the carrying on of a business referred to in paragraph 8;

“simple” generally describes an activity which does not need special skills, machines, apparatus or equipment especially produced or installed for carrying out the activity.

10. Except for paragraphs 1 and 5, this Schedule shall also apply to an agro-based co-operative society (within the meaning assigned to it under the Farmers' Organization Act 1973 [*Act 109*]), an Area Farmers' Association, a National Farmers' Association, a State Farmers' Association (within the meanings assigned to them under the Farmers' Organization Act 1973), an Area Fishermen's Association, a National Fishermen's Association and a State Fishermen's Association (within the meanings assigned to them under the Fishermen's Association Act 1971 [*Act 44*]).

11. For the purpose of paragraph 1c, where—

- (a) a company or a partnership (hereinafter referred to in this subparagraph as "new partnership") commences to carry on a business of rearing chicken and ducks; and
- (b) that business is a continuation of a business carried out by a sole proprietor or a partnership (hereinafter referred to in this subparagraph as "old partnership") for a period of not less than thirty-six months prior to that commencement,

that period, in relation to that company and the new partnership, shall be taken into account in ascertaining the period of not less than thirty-six months referred to in that paragraph:

Provided that the sole proprietor or any of the partners in the old partnership holds any share in that company or is the partner of the new partnership, as the case may be.

12. Where a person has a source within the meaning of sections 55 to 58, the rules prescribed under paragraph 74 of Schedule 3 shall apply, *mutatis mutandis*, in ascertaining the allowance to be made to that person for a year of assessment under this Schedule.

SCHEDULE 7B

[Section 133A]

Investment Allowance for Service Sector

1. Where a company which is resident in Malaysia for the basis year for a year of assessment has incurred in the basis period for that year of assessment capital expenditure for the purpose of an approved service project, there shall be given to the company for that year of assessment an investment allowance of an amount approved by the Minister, such allowance being not less than sixty per cent of that expenditure.
2. The Minister may grant approval in respect of an application made in writing for an investment allowance under this Schedule on such terms and conditions as he deems fit.
3. An allowance for expenditure given under paragraph 1 shall be given in respect of expenditure incurred within five years from the date from which the approval is to take effect.

INCOME TAX ACT 1967**INCOME TAX (DEDUCTION FOR FREIGHT CHARGES FROM SABAH OR SARAWAK
TO PENINSULAR MALAYSIA) RULES 2000**

In exercise of the powers conferred by paragraph 154(1)(b) of the Income Tax Act 1967 [Act 53], the Minister makes the following rules;

Citation and commencement

1. (1) These rules may be cited as the **Income Tax (Deduction for Freight Charges from Sabah or Sarawak to Peninsular Malaysia) Rules 2000**.

(2) These Rules shall have effect for the year of assessment 2000 in respect of the basis period ending in the year 2000 and subsequent years of assessment.

Interpretation

2. In these Rules, "freight charges" means ship freight charges incurred by manufacturers for the shipment of their manufactured goods from Sabah or Sarawak to any port in Peninsular Malaysia.

Deduction

3. For the purposes of ascertaining the adjusted income of a person from his business for the basis period for a year of assessment, there shall be allowed, in addition to any deduction allowable under section 33 of the Act, a further deduction equal to the amount of any freight charges incurred in that basis period.

Made 26 January 2000.

[Perb. R(8.20) 116/1-138 (2000) (SK. 11); LHDN. 01/35/(S)/42/51/82-35-1;
PN(PU²)80/XXVII]

On behalf and in the name of the Minister of Finance.

CHAN KONG CHOY
Deputy Minister of Finance

[To be laid before the Dewan Rakyat pursuant to subsection 154(2) of the Income Tax Act 1967]

INCOME TAX ACT 1967**INCOME TAX (DEDUCTIONS OF INSURANCE PREMIUMS FOR
EXPORTERS) RULES 1995**

IN exercise of the powers conferred by *subsection 154(1)* of the Income Tax Act 1967, the Minister makes the following rules:

Act 53.

1. These rules may be cited as the **Income Tax (Deductions of Insurance Premiums for Exporters) Rules 1995** and shall have effect for the year of assessment 1995 and subsequent years of assessment.

Citation and
commencement.

2. (1) For the purposes of ascertaining the adjusted income of a person from a business under the Act, there shall be allowed as a deduction any premium allowable under *section 33* of the Act payable in respect of insurance of cargo exported by that person provided the risks are insured with any insurance company incorporated in Malaysia.

Deduction.

(2) The deduction under these Rules shall be in addition to any deduction allowable under *section 33* of the Act.

Made the 22nd February 1995.

[Perb. CR (8.09) 248/6/4-9(SJ. 5); PN.(PU²) 80/XXI.]

ANWAR IBRAHIM
Minister of Finance

[To be laid before the Dewan Rakyat pursuant to *subsection 154(1)* of the Income Tax Act 1967]

P.U. (A) 219.

INCOME TAX ACT 1967

INCOME TAX (DEDUCTIONS OF INSURANCE PREMIUMS FOR EXPORTERS)
(REVOCATION) RULES 2012

In exercise of the powers conferred by subsection 154(1) of the Income Tax Act 1967 [*Act 53*], the Minister makes the following rules:

Citation and commencement

1. (1) These rules may be cited as the **Income Tax (Deductions of Insurance Premiums for Exporters) (Revocation) Rules 2012**.

(2) These Rules shall have effect from the year of assessment 2016.

Revocation

2. The Income Tax (Deductions of Insurance Premiums for Exporters) Rules 1995 [*P.U. (A) 79/1995*] are revoked.

Made 10 July 2012

[0.3865/441 JLD.1(SK.1); LHDN 01/35/(S)/42/51/286-16; PN(PU²)80/LXV]

DATO' SERI AHMAD HUSNI MOHAMAD HANADZLAH
Second Minister of Finance

[To be laid before the Dewan Rakyat pursuant to subsection 154(2) of the Income Tax Act 1967]

INCOME TAX ACT 1967**INCOME TAX (DEDUCTIONS OF INSURANCE PREMIUMS FOR IMPORTERS) RULES 1982**

In exercise of the powers conferred by subsection (1) of section 154 of the Income Tax Act 1967, the Minister makes the following Rules :

Act 53.

1. These Rules may be cited as the **Income Tax (Deductions of Insurance Premiums for Importers) Rules 1982** and shall have effect for the year of assessment 1982 and subsequent years of assessment.

Citation and commencement.

2. (1) For the purposes of ascertaining the adjusted income of a person from a business under the Act, there shall be allowed as a deduction any premium of a kind allowable under section 33 of the Act payable in respect of insurance of cargo imported by that person provided the risks are insured with any insurance company incorporated in Malaysia.

Deductions.

(2) The deduction under these Rules shall be in addition to any deduction allowable under section 33 of the Act.

Made the 2nd March 1982.

[CR. (8.09) 294 / 6 / 4-15 (SJ. 1); PN. (PU²) 80 / VII]

TENGGU RAZALEIGH HAMZAH,
Minister of Finance

(To be laid before the Dewan Rakyat pursuant to subsection (2) of section 154 of the Income Tax Act 1967.)

P.U. (A) 220.

INCOME TAX ACT 1967

INCOME TAX (DEDUCTIONS OF INSURANCE PREMIUMS FOR IMPORTERS)
(REVOCATION) RULES 2012

In exercise of the powers conferred by subsection 154(1) of the Income Tax Act 1967 [*Act 53*], the Minister makes the following rules:

Citation and commencement

1. (1) These rules may be cited as the **Income Tax (Deductions of Insurance Premiums for Importers) (Revocation) Rules 2012**.

(2) These Rules shall have effect from the year of assessment 2016.

Revocation

2. The Income Tax (Deductions of Insurance Premiums for Importers) Rules 1982 [*P.U. (A) 72/1982*] are revoked.

Made 10 July 2012

[0.3865/441 JLD.1(SK.1); LHDN 01/35/(S)/42/51/286-16; PN(PU²)80/LXV]

DATO' SERI AHMAD HUSNI MOHAMAD HANADZLAH
Second Minister of Finance

[To be laid before the Dewan Rakyat pursuant to subsection 154(2) of the Income Tax Act 1967]

