

APPLICATION GUIDELINES

/ Eligibility Criteria

- A company incorporated in Malaysia;
- Proposing to carry out one or more of the **MSC Malaysia Promoted Activities** and has not issued any invoice for such proposed activities in Malaysia on the date of application;

(An applicant with at least 60% Malaysian equity ownership may be eligible if it has issued invoice for such proposed activities in Malaysia not more than 12 months prior to the date of application. Such applicant will need to maintain at least 60% Malaysian equity ownership during the exemption period);
- NOT enjoying any income tax exemption in respect of any activity granted by the Government of Malaysia on the date of application

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MSC Malaysia Promoted Activities

Provision of services in relation to any of the following:

1. Big Data Analytics (BDA);
2. Artificial Intelligence (AI);
3. Financial Technology (FinTech);
4. Internet of Things (IOT);
5. Cybersecurity (technology/software/design and support);
6. Data centre and cloud (technology/software/design and support);
7. Blockchain;
8. Creative Media Technology;
9. Sharing Economy Platform;
10. User Interface and User Experience (UI/UX);
11. Integrated Circuit (IC) design and Embedded software;
12. 3D printing (technology/software/design and support);
13. Robotics (technology/software/design);
14. Autonomous (technology/software/design and support);
15. Systems/network architecture design and support; or
16. Global Business Services or Knowledge Process Outsourcing excluding non-technical and/or low value call center; data entry; and recruitment process outsourcing.

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/ MSC Malaysia Non – Qualifying Promoted Activities

1. Trading
2. Manufacturing
3. Provision of telecommunication services

INCENTIVE PACKAGE AND CONDITIONS

MSC Malaysia Status Company	Tier 1	Tier 2	Tier 3
Percentage of income tax exemption	100%		70%
Exemption period	5 years		5 years
Extension of exemption period	5 years		May apply for extension provided that the company changed to Tier 1 or Tier 2 and fulfills the conditions imposed
Standard Conditions:	Tier 1	Tier 2	Tier 3
To be complied with within 24 months from the date of award of MSC Malaysia Status and thereafter during the exemption period:			
(1) Location of approved MSC Malaysia Promoted Activities	Designated Premises within MSC Malaysia Cybercities or Cybercentres	Other Commercial Premises within MSC Malaysia Cybercities or Cybercentres	Not subjected to location requirement
(2) Commencement of operation and undertaking of the approved MSC Malaysia Promoted Activities in Malaysia			

INCENTIVE PACKAGE AND CONDITIONS

MSC Malaysia Status Company	Tier 1	Tier 2	Tier 3
	Minimum KPI Numbers		
To be complied with by the end of Year 2 from the commencement date of the exemption period and thereafter during the exemption period:			
(3) Paid-up capital	RM500,000*		RM250,000
(4) Full time employees (comprising Knowledge Workers) with monthly base salary	(i) 50 full time employees with monthly base salary of RM5,000; OR (ii) 30 full time employees with monthly base salary of RM10,000		(i) 30 full time employees with monthly base salary of RM5,000; OR (ii) 20 full time employees with monthly base salary of RM8,000
	Data Centre: 5 full time employees with monthly base salary of RM5,000		
(5) Annual operating expenditure and investment in fixed asset	RM3.5mil		RM1mil
	Data Centre: RM10 million		
(6) % of Malaysian Knowledge Workers (for the full time employees in (4) above)	70%		50%

***Note: The minimum amount paid up capital needs to be increased to RM2.5mil for the extension of exemption period for the second 5 years**

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Application Process Flow

STEP 1

- Download Application Form
- Fill-in ALL compulsory sections
- Submit Application Form to mscapplication@mdec.com.my
- Acknowledgement of receipt by MDEC on the Application Form

STEP 2

- Assignment of Business Analyst (BA)
- Verification of Application Form submission by BA

(3 working days)

STEP 3

- Evaluation of the Application Form by BA
- Applicant to submit the required document checklist including the processing fee payment
- Notification of completeness of application

(20 working days)

STEP 4

- Application presentation to Approval Committee (AC)