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
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.
MSC Malaysia Non – Qualifying Promoted Activities

1. Trading
2. Manufacturing
3. Provision of telecommunication services
## INCENTIVE PACKAGE AND CONDITIONS

<table>
<thead>
<tr>
<th>MSC Malaysia Status Company</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of income tax exemption</td>
<td>100%</td>
<td></td>
<td>70%</td>
</tr>
<tr>
<td>Exemption period</td>
<td>5 years</td>
<td></td>
<td>5 years</td>
</tr>
<tr>
<td>Extension of exemption period</td>
<td>5 years</td>
<td></td>
<td>May apply for extension provided that the company changed to Tier 1 or Tier 2 and fulfills the conditions imposed</td>
</tr>
</tbody>
</table>

### Standard Conditions:

- **Tier 1**: 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

- **Tier 2**: Commencement of operation and undertaking of the approved MSC Malaysia Promoted Activities in Malaysia
## INCENTIVE PACKAGE AND CONDITIONS

<table>
<thead>
<tr>
<th>MSC Malaysia Status Company</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum KPI Numbers</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To be complied with by the **end of Year 2 from the commencement date of the exemption period** and thereafter during the exemption period:

1. **Paid-up capital**
   - **Tier 1**: RM500,000*
   - **Tier 2**: RM250,000

2. **Full time employees**
   - (comprising Knowledge Workers) with **monthly base salary**
   - **Tier 1**: (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
   - **Tier 2**: (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

3. **Annual operating expenditure and investment in fixed asset**
   - **Tier 1**: RM3.5mil
   - **Tier 2**: RM1mil
   - **Data Centre**: RM10 million

4. **% of Malaysian Knowledge Workers**
   - (for the full time employees in (4) above)
   - **Tier 1**: 70%
   - **Tier 2**: 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
### APPLICATION GUIDELINES

#### Application Process Flow

<table>
<thead>
<tr>
<th>STEP 1</th>
<th>STEP 2</th>
<th>STEP 3</th>
<th>STEP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Download Application Form</td>
<td>• Assignment of Business Analyst (BA)</td>
<td>• Evaluation of the Application Form by BA</td>
<td>• Application presentation to Approval</td>
</tr>
<tr>
<td>• Fill-in ALL compulsory sections</td>
<td>• Verification of Application Form</td>
<td>• Applicant to submit the required</td>
<td>Committee (AC)</td>
</tr>
<tr>
<td>• Submit Application Form to</td>
<td>submission by BA</td>
<td>document checklist including the</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:mscapapplication@mdec.com.my">mscapapplication@mdec.com.my</a></td>
<td></td>
<td>processing fee payment</td>
<td></td>
</tr>
<tr>
<td>• Acknowledgement of receipt by MDEC on the</td>
<td></td>
<td>• Notification of completeness of</td>
<td></td>
</tr>
<tr>
<td>Application Form</td>
<td></td>
<td>application</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>(3 working days)</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>(20 working days)</td>
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</table>