

FAQ

ANNOUNCEMENT: UPDATE OF MSC MALAYSIA STATUS TAX INCENTIVE

1. What is the announcement about?

This is to notify that the **MSC Malaysia Status Services Incentive** has been approved by the Government and companies can apply for the incentive starting from 2 April 2019.

The incentive will be granted under the Income Tax (Exemption) (No. 10) Order 2018 [P.U.(A) 389/2018] which has been gazetted on 31 December 2018.

2. Who is eligible to apply for MSC Malaysia Status Services Incentive?

To be eligible to apply for the award of MSC Malaysia Status and the tax incentive, an applicant is required to meet all the following criteria:

- (a) The applicant is a company incorporated in Malaysia;
- (b) The applicant is 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);

- (c) The applicant is not enjoying any income tax exemption in respect of any activity granted by the Government of Malaysia on the date of application.

3. What are the MSC Malaysia Promoted Activities?

The MSC Malaysia promoted activities refer to:

Provision of services in relation to any of the following:

- Big data analytics (BDA);
- Artificial intelligence (AI);
- Financial technology (FinTech);
- Internet of things (IOT);
- Cybersecurity (technology/software/design and support)
- Data centre and cloud (technology/software/design and support)
- Blockchain;
- Creative media technology;
- Sharing economy platform;
- User interface and user experience (UI/UX);
- Integrated circuit (IC) design and embedded software;
- 3D printing (technology/software/design and support);
- Robotics (technology/software/design);

- Autonomous (technology/software/design and support);
- Systems/network architecture design and support; or
- Global business services or knowledge process outsourcing excluding non-technical and/or low value call center; data entry; and recruitment process outsourcing.

Please be informed that the following activities do not fall under the MSC Malaysia Promoted Activities:

- a) Trading;
- b) Manufacturing; and
- c) Provision of telecommunication services.

4. How can I apply MSC Malaysia Status Services Incentive?

To apply for **MSC Malaysia Status** and the **Services Incentive**, an applicant must complete an Application Form (<https://bit.ly/2uBWqlx>) and submit to mscapplication@mdec.com.my. A copy of the Application Form and the Application Guidelines can be obtained from <https://www.mdec.my/msc-malaysia>

5. What are the compulsory documents required to be submitted for MSC Malaysia Status Services Incentive application?

When submitting the Application Form (<https://bit.ly/2uBWqlx>), you are also required to submit certified true copy of the following documents:

- i. Companies Commission of Malaysia (CCM)
 - Certification of registration - Section 17
 - Return of allotment of shares - Section 78
 - Certified true copy register of members /shareholders - Section 51
- ii. Certified true copy of company's past years financial audited report (3 year) and/or management account (year to date)

Please be informed that additional document(s) may be required if deem necessary i.e CCM change of name - Section 28 and etc.

6. Is there any application fees required?

Yes. The application fees is RM2,120/=.

7. How long does it take for the application to be approved?

It will take approximately 30 working days (from the submission of complete application) for the application to be approved by the approval committee.

8. Can my company apply under the MSC Malaysia Status IP incentive?

Not at the moment. The policy for MSC Malaysia Status IP incentive is still being reviewed by the Government. MDEC will be releasing further information in due course.

9. Can my company apply for MSC Malaysia Status if our proposed activities include both services and IP activities?

Yes, you may proceed to submit an application for Services activities only. The policy for MSC Malaysia Status IP incentive is still being reviewed by the Government. MDEC will be releasing further information in due course.

10. What happens to my application that has been submitted to MDEC prior to 1 July 2018?

Applicants who have submitted an application for MSC Malaysia Status before 1 July 2018, may re-submit new application for Services Incentive. The application may be prioritised for processing, subject to a completed submission or; you may choose to withdraw your company's application should you feel that you are no longer interested to apply for MSC Malaysia Status.

11. Can my company get a refund of the application fees after we have withdrawn our MSC application?

Applicants who have made payment for the processing fee may request for a refund. However please be informed that the refund will be excluding the GST amount.

For cancellation/withdrawal of MSC application and/or refund, you are required to notify to MDEC officially via mscapplication@mdec.com.my.