

**Important Announcement**  
**Policy Update on Import Duty and Sales Tax Exemptions for Importation of**  
**Multimedia/ICT Equipment by Malaysia Digital (MD) Companies**

Esteemed Clients,

We wish to inform you of an update to the policy on import duty and sales tax exemptions for the importation of multimedia/ICT equipment by Malaysia Digital (MD) companies.

This policy update will take effect **from 1 January 2026**.

Please note that this update applies only to MD companies undertaking data centre activities.

**Key Policy Updates (Effective 1 January 2026)**

Applications for import duty and sales tax exemptions submitted on or after 1 January 2026 by MD companies involved in data centre activities will be considered on a case-by-case basis, subject to compliance with the requirements below and approval by the Ministry of Finance (MOF):

Item	Details
<b>Exemption Period</b>	<ul style="list-style-type: none"><li>Limited to a maximum of five <b>(5) years</b>.</li><li>Applicable to a maximum of three (3) companies within the same group</li></ul>
<b>Types of Equipment</b>	<ul style="list-style-type: none"><li>Limited to <b>direct and specialised</b> equipment <b>directly used</b> for approved MD activities</li></ul>
<b>Sales Tax Exemption</b>	<ul style="list-style-type: none"><li>Limited to <b>locally manufactured</b> equipment.</li><li>Sales tax exemption for imported <b>multimedia/ICT equipment</b> may still be considered for <b>companies making significant investments</b>, such as hyperscaler and co-location companies developing AI-driven data centres.</li></ul>

Updated procedures and detailed guidelines are expected to be issued by Q1 2026. MDEC will share further information once available.

For more information, please refer to the Frequently Asked Questions (FAQ) document [here](#).

Should you require further clarification, please contact us at [cltc@mdec.com.my](mailto:cltc@mdec.com.my).

Thank you for your understanding and continued cooperation during this transition.

**ISSUED BY MALAYSIA DIGITAL ECONOMY CORPORATION (MDEC) SDN. BHD.  
26 DECEMBER 2025**