

What are the tax incentives for businesses in JS-SEZ?

JS-SEZ: Johor-Singapore Special Economic Zone

Manufacturing - Business

New company - new investment will enjoy tax incentive of 5% either 10 or 15 years depending on capital investment amount.

Exising company - new investment will enjoy tax allowance of 100% on qualifying capital investment incurred within 5 years, against 100% statutory income.

Manufacturing - Downstream Specialty Chemicals

Special Tax Rate for a company with capital investment of MYR500 mn and above <u>or</u> income tax exemption equivalent to Investment Tax Allowance for a company with capital investment of MYR500 mn and above - subject to Tier 1 and 2 conditions.

Integrated Tourism Project

Investment Tax Allowance of 100% qualifying capital expenditure incurred within 5 years.

Separately, a deduction equivalent to amount not exceeding MYR1 mn for each year assessment - cash contribution or contribution in-kind by qualifying person who sponsors a hallmark event.

1 Jan 2025 - 31 Dec 2034

Applications for the tax incentives under JS-SEZ must be received by the Malaysian Investment Development Authority (MIDA) during this period Flagship B 🔳 📕 Iskandar Puteri Note: This is an overview of the major tax **Global Services Hub** incentives package, for details on the terms and (Special tax rate of 5% for Flagship F 📒 a period up to 15 years) conditions, please refer to the original document of Kulai-Sedenak Tax Incentives Package published by MIDA. AI and Quantum Computing Supply Chain Medical Devices Flagship E 📒 Pharmaceutical Senai-Skudai Aerospace Manufacturing and MRO Services Flagship D 📒 🔳 Flagship G 🔳 🔳 Tanjung Langsat - Kong-kong Desaru-Penawar Downstream Specialty Integrated Chemicals Tourism Project F MPKu SENAI INTERNATIONAL AIRPORT E G MBJB MPP MBPG мвір (D RTS LINE PORT (H) MPPn (C SINGAPORE Flagship A Johor Bahru Waterfront **Global Services Hub** Flagship H 🔳 (Special tax rate of 5% for Pengerang Integrated a period up to 15 years) Petroleum Complex (PIPC) Flagship C 📕 Tanjung Pelepas Flagship I 🔳 **Smart Logistics** Forest City **Financial services** Declared as Special Financial Zone (SFZ)

Smart Logistics

Investment Tax Allowance of 100% qualifying capital expenditure incurred within 5 years. The allowance can be offset against 100% of the statutory income for each year of assessment.

Incentives for all flagships

Knowledge worker incentives - 15% flat tax rate on chargeable employment income for 10 years.

Separately, Accelerated Capital Allowances (ACA) in respect of renovation costs incurred on a building or part of a commercial building located in Flagship A-G for the purpose of qualifying company's business. This can be utilised only once throughout their business in JS-SEZ.

Additional Incentives

40% stamp duty exemption on the instrument of transfer/financing agreement for the purchase of a commercial property in Flagship A and B that remains unsold as at 31st December 2024.

Information as of 10 February 2025

Julia Goh Jasrine Loke Julia.GohML@uob.com.my Jasrine.LokeST@uob.com.my

Tan Lena Lena.Tan@uobgroup.com

Global Economics & Markets Research Email: <u>GlobalEcoMktResearch@uobgroup.com</u> URL: <u>www.uobgroup.com/research/infographics.page</u>



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