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# GBI PROFESSIONAL SERIES 2014

## Calculating Qualifying Expenditure (QE) on non M&E items

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Examples given in this presentation should not be taken as definitive / exhaustive

# GBI related Tax Incentives

## ❖ Eligibility:

A person (resident in Malaysia) who has obtained a green building index (GBI) certificate issued by the Board of Architects Malaysia from 24 October 2009 until 31 December 2014.

## ❖ Incentive:

Exemption of statutory income equal to the amount of **qualifying expenditure** incurred for the purpose of obtaining the GBI certificate.

**“Qualifying Expenditure (QE)”** means additional expenditure incurred for construction of a building, alteration, renovation, extension or improvement of an existing building or plant or machinery.

# Calculating QE

- ❖ The real green incremental cost incurred can be established using the awarded cost and final account / variations approved cost against the **base building cost** in compliance to **Uniform Building Bylaws and Malaysian Standard 1525**. The items considered for the assessment shall be based on **additional green costs incurred to achieve GBI rating**.

# green incremental cost

- Studies on the “going green” cost premiums to achieve the GBI ratings is commonly conducted by the GBIF and the project team at the inception of the GBI Certification process prior to the submission of Development Assessment (DA) to provide an indicative cost thus allowing the client to decide the level of rating they commit to achieve. However, these cost studies are usually based on ballpark figures.
- To translate this indicative cost into real green incremental costs incurred, the project team would then work towards achieving the client’s selected rating by implementing the green concept and requirement into design, tender and construction.
- The real green incremental cost incurred can then be established using the awarded cost and final account/ variations approved cost against the base building cost in compliance to Uniform Building Bylaws and Malaysian Standard 1525. The items considered for the assessment shall be based on additional green costs incurred to achieve GBI rating.

# green incremental cost

- For projects, where the building owners do not qualify for the tax incentives, the green incremental cost will be compiled and submitted by the GBIF as part of the executive summary as indication of cost incurred to go green.
- However, if the building owners qualify for the tax incentives, proper documentation with proof of expenditure has to be compiled, verified and certified by the relevant project team professionals to be included in the submission during the CVA to allow GBI to issue the green incremental cost in a certificate. The Inland Revenue Board would only recognise the GBI certificate which is certified by the Board of Architects Malaysia.
- In order to produce proper documentation with proof of expenditure for the green incremental cost for tax incentives, the QS will evaluate the green items based on GBIF's green cost compilation and to collate the other green cost documentation by other consultants (e.g. MEP Engineers and Landscape Architect) into one document to be certified by the Architect/Superintending Officer for submission to GBI.

# PROJECT green cost preparations

The GBIF - To identify the Green Cost items

1. QS
2. MEP Engineers
3. Landscape Architects
4. etc.

To provide budget / final contract provision costing based on the GBIF identified green cost items

## GBIF Compilation

1. To compile the green cost items preliminary costing / contract costing provisions to be provided by other consultants.
2. To evaluate and compute the anticipated / final green costs

NO

Not all Developers require / qualify for the tax incentives.  
Is the Developer applying for Tax Incentives?

YES

GBIF submits documents to GBI

QS to calculate GBIF's compilation

QS to issue the GBI Green Cost Sum Certificate

# The following criteria are considered in evaluating green incremental cost:-

- ❖ The green item scored GBI points.
- ❖ The base specification and cost used for calculating shall be of reasonable and comparable specification when compare with the revised specification.
- ❖ The revised specification should be comparable and within the equivalent range, quality, and grade of the base specification except it is a greener selection.



# The following criteria are considered in evaluating green incremental cost:-

- ❖ If there's an upgrade to the final product while incorporating green due to building owner's own requirement, then the base specification shall be upgraded as well when calculating the incremental cost.
- ❖ Lifestyle upgrades is not acceptable as green incremental cost.
- ❖ The actual cost incurred will only be calculated based on qualified items that have an impact towards achieving a more sustainable building.

## Examples of green cost items

Criteria	Green Item	Ref Base Cost	Remarks
EE1, EE5	Double Glazing Unit, Insulated Glazing Unit, Low-e glass	Tempered Glass/ Laminated Glass	Claimable on the difference of glass rates. Base shall be of reasonable thickness and type of glass which complies with the performance of similar window/curtain walling size.
EE1, EE5	Solar Reflective Paint	External Emulsion Paint, i.e weathershield, weatherbond	Claimable on the difference of paint rates
EE1, EE5	Wall Insulation	NIL	100% Claimable
EE1, EE5	Cavity Brickwall	115mm thick brickwall	Claimable on the difference of the 2 systems
EE1	Aerated Bricks for Better Thermal Values	Common Clay bricks	Claimable on the difference between the 2 systems
MR7	Internal Drywall Partition	Brickwall	Claimable on the difference of the 2 systems
EQ13	AHU Acoustic Insulation	Bare wall with Painting	Claimable on the difference between the 2 systems
EE1, EE5, EQ8, EQ9	Horizontal Sunshading	NIL	Claimable if the sunshading effectively reduces the OTTV or used as light tray to control glare. Not claimable if is merely for aesthetic.

# Examples of green cost items

Criteria	Green Item	Ref Base Cost	Remarks
EE1, EE5	Vertical Louvres - aluminium	NIL	Claimable if the sunshading effectively reduces the OTTV. Not claimable if is merely for aesthetic i.e. air cond louvres
EE1, EE5, MR2	Vertical Landscape Green Wall	NIL	100% Claimable
EE1, SM12	Double Roof System (metal roof and rc roof), Heat Reflective coating	RC flat roof c/w waterproofing and screeding	Claimable on the difference between the 2 systems
EE1, EE6, SM12B	Roof Insulation	NIL	100% Claimable
EE1, EE6, SM12B	Solar Reflective Coating to r.c roof	Epoxy coating to r.c. roof	Claimable on the difference of the 2 systems
EE1, EE6, SM12B	Double roof, metal & r.c flat roof	RC flat roof c/w waterproofing & epoxy	Claimable on the difference of the 2 systems
EE1, EE6, SM12B, MR2	Green roof	NIL	100% Claimable

# Examples of green cost items

Criteria	Green Item	Ref Base Cost	Remarks
EQ4	Low VOC Paint	Emulsion Paint	Claimable on the difference of paint rates
EQ4	Low VOC Carpet, Recycled material Carpet	Carpet with no certification	Claimable on the difference of carpet rates. The base carpet range needs to be comparable in quality, range, size and thickness.
MR4, MR7	Timber Flooring - Bamboo, Engineering Timber Flooring, FSC Certified Timber Flooring	Red Balau, Merbau	Claimable on the difference of timber rates. The base timber range needs to be comparable in quality, range, size and thickness.
MR2, MR4, MR7	Polypropylene/ Polyethylene Outdoor Deck	Chengal	Claimable on the difference of timber rates. The base timber range needs to be comparable in quality, range, size and thickness.
MR4, MR7	Sustainable Timber Veneer Door + Sustainable Timber Door Frames	Veneer Door + Door Frames	Claimable on the difference of timber rates. The base timber range needs to be comparable in quality, range, size and thickness.

## Examples of green cost items

Criteria	Green Item	Ref Base Cost	Remarks
WE4	Dual Flush WC	Single Flush WC	Claimable on the difference of the 2 WCs based on the same brand and same design range
WE4	Sink Mixer with WELS ticks/ Sirim water efficiency test	Sink Mixer with no WELS tick / Sirim water efficiency test	Claimable on the difference of the 2 fittings based on the same brand and same design range
WE5	Sub-meter to monitor major water usage system	NIL	100% Claimable
WE1, WE3	Rainwater harvesting for landscaping usage	NIL	100% Claimable

# Examples of green cost items

Criteria	Green Item	Ref Base Cost	Remarks
EE2	Motion and Daylight Sensors	NIL	100% claimable, must effectively reduce energy usage.
EQ3	CO2 Detectors	NIL	100% claimable.
WE5	Water sub-meters to monitor leakage	NIL	100% claimable.
EE1	Building Automation System (BAS)	Base BAS installation	100% claimable if ac space < 4000 sqm. Otherwise, only the additional cost apply.
EE3	Electric Sub-metering	Base sub-metering	Cost of additional EE monitoring meters
EE5	Variable Speed Drive (VSD)	NIL	100% claimable.
EE5	High Efficiency Chiller	Chiller with min COP as per MS1525	Claimable on the difference between the 2 chillers

# Examples of green cost items

Criteria	Green Item	Ref Base Cost	Remarks
EE5	Eff1 Motors	Standard Motors	Claimable on the difference between the two
EQ11	Electronic Ballasts	Electromagnetic Ballasts (6W)	Claimable on the difference between the two
IN1	Central vacuum	NIL	100% claimable.
IN1	Thermal Storage System & RC Storage System	NIL	100% Claimable
IN1	UV Light in AHU	NIL	100% Claimable
IN1	Condensate Water Recovery	NIL	100% Claimable

# Examples of green cost items

	Type of Building	Green Item	Reasonable and Comparable Base Specification	Unacceptable Base Specification
Example 1	Grade A Office Building	Mid range low VOC Carpet	Mid range carpet	<ul style="list-style-type: none"> <li>• Cement Render</li> <li>• Low grade carpet</li> </ul>
Example 2	Gymnasium	FSC engineered timber floorboard, Burmese Teak 90mm wide x 18mm thick	<ul style="list-style-type: none"> <li>• Solid Timber Burmese Teak 90mm wide x 18mm thick</li> </ul>	<ul style="list-style-type: none"> <li>• Tiles</li> <li>• Cement Render</li> </ul>
Example 3	Lift lobby wall	Recycled stone cladding	<ul style="list-style-type: none"> <li>• Stone Cladding</li> <li>• Plaster and spray painted wall</li> <li>• Skim coat and wall paper</li> </ul>	<ul style="list-style-type: none"> <li>• Plaster and paint</li> </ul>
Example 4	Internal Paint	Low VOC texture paint	Texture Paint	Emulsion Paint
Example 5	Sanitary Wares & Fittings	Duravit wall hung wc “mid range, square design”+ Geberit dual flush cistern	<ul style="list-style-type: none"> <li>• Duravit wall hung wc “mid range, square design”+ Geberit cistern</li> </ul>	<ul style="list-style-type: none"> <li>• Claytan wall hung wc + cistern</li> <li>• Claytan Close coupled WC</li> <li>• Duravit wall hung wc “low range, square design”+ Geberit cistern</li> </ul>
Example 6	External Façade Louvres	Feature Louvres that do not serves as sunshading	Invalid Item	Invalid Item
Example 7	Lobby	Recycled material Artworks	Invalid Item	Invalid Item



# Project Claiming Tax Incentive: QS Certification- CVA Stage

ASCII Serviced Apartments for ASCII Properties Sdn Bhd

## Appendix A1

### GBI GREEN COST SUM BREAKDOWN

NETT FLOOR AREA/ NETT  
SALEABLE AREA :

52,000.00 m2

### Architectural & Structural Items

Items	Base Non-Green Items Description	Green Items Description	GBI RNC Clause	Base - Non Green Feature Capital Expenditure Cost					Capital Expenditure With Green Cost					Qualifying Expenditure RM	Qualifying Expenditure Unit Rate NSA: 52,000m2 RM/NSAm2
				Unit	Qty	Rate RM	Amount RM	BQ Ref	Unit	Qty	Rate RM	Amount RM	BQ Ref		
1	<b>ENERGY EFFICIENCY (EE)</b>														
1.1	NIL	Horizontal Sunshading	EE1, EE3	-	-	-	-	-	m	2,402.78	720.00	1,730,000.00	AGW7.3/2/B	1,730,000.00	33.27
1.2a	NIL	Balcony Sliding Louvres	EE1, EE3	-	-	-	-	-	m2	1,538.46	650.00	1,000,000.00	AGW7.3/1/A	1,000,000.00	19.23
1.2b	NIL	Fixed Sunshading Louvres	EE1, EE3	-	-	-	-	-	m	1,529.41	850.00	1,300,000.00	AGW7.3/1/B	1,300,000.00	25.00
1.3	10mm tempered glass	Low-e to Windows and Glass Sliding Door	EE1, EE3	m2	2,869.57	155.00	444,782.61	fair market rate	m2	2,869.57	230.00	660,000.00	AGW5.1/1/B	215,217.39	4.14
2	<b>INDOOR ENVIRONMENTAL QUALITY (EQ) &amp; MATERIALS &amp; RESOURCES (MR)</b>														
2.1a	'X' Emulsion Paint to internal walls – apartment units	'X' Emulsion Paint c/w Green cert to internal walls	EQ5	m2	90,066.70	4.70	423,313.50	Paint5.2/1/A	m2	90,066.70	5.10	459,340.18	Paint VO1	36,026.68	0.69
2.1b	'X' Emulsion Paint to internal walls – common areas	'X' Emulsion Paint c/w Green cert to internal walls	EQ5	m2	26,895.15	3.00	80,685.45	Paint5.2/1/B	m2	26,895.15	3.30	88,754.00	Paint VO1	8,068.54	0.16
2.2	Chengal Timber Deck	'E' Outdoor Timber Composite Decking	EQ6, MR4	m2	78.00	385.00	30,030.00	fair market rate	m2	78.00	620.00	48,360.00	LScape3.1/1/F	18,330.00	0.35
3	<b>WATER EFFICIENCY (WE)</b>														
3.1	'G Brand' Single Flush Concealed Cistern	'G Brand' Dual Flush Concealed Cistern	WE4	nr	830.00	818.00	678,940.00	fair market rate	nr	830.00	1,205.00	1,000,150.00	SWF4.1/1/C	321,210.00	6.18
<b>TOTAL :</b>							1,657,751.56					6,286,604.18		4,628,852.62	89.02

# Project Claiming Tax Incentive: QS Certification- CVA Stage

## FINAL greenbuildingindex COST SUM CERTIFICATE

DATE OF ASSESSMENT: \_\_\_\_\_

Serial No. \_\_\_\_\_

PROJECT NAME : ASCII Serviced Apartments  
 OWNER'S NAME : ASCII Properties Sdn Bhd  
 GBI REGISTRATION NO.:  
 FINAL GBI CERTIFICATION : GOLD (GBI-NRNC-0000) DATED 15 MAY 2012  
 CONSTRUCTION TYPE : Residential New Construction  
 CCC DATE : 14 MAY 2014  
 TOTAL CONSTRUCTION COST : RM200,000,000.00  
 GFA (COST/M2) : \*[for commercial] 110,000m2 (RM1,818/m2)  
 NSA (COST/M2) : \* [for residential] 52,000m2 (RM3,846/m2)  
 FINAL GBI INCREMENTAL GREEN COST SUM : RM3,373,378.54

SAMPLE GREEN ITEMS  
DESCRIPTION AND COST

Items	Description	GBI Criteria Clause	Capital Expenditure Without Green Cost Sum RM	Capital Expenditure With Green Cost Sum RM	Qualifying Expenditure RM	Qualifying Expenditure Unit Rate NSA: 52,000m2 RM/NSAm2	Appendix
1	ENERGY EFFICIENCY (EE)	EE	202,661.46	3,181,170.00	2,978,508.54	57.28	A1
2	INDOOR ENVIRONMENTAL QUALITY (EQ) & MATERIALS & RESOURCES (MR)	EQ, MR	543,330.00	616,990.00	73,660.00	1.42	A1
3	WATER EFFICIENCY (WE)	WE	678,940.00	1,000,150.00	321,210.00	6.18	A1
	<b>TOTAL :</b>		<b>1,424,931.46</b>	<b>4,798,310.00</b>	<b>3,373,378.54</b>	<b>64.87</b>	

We Certify that this Final Assessment is in accordance with the terms of the GBI Rating as laid out in GBI document ref:

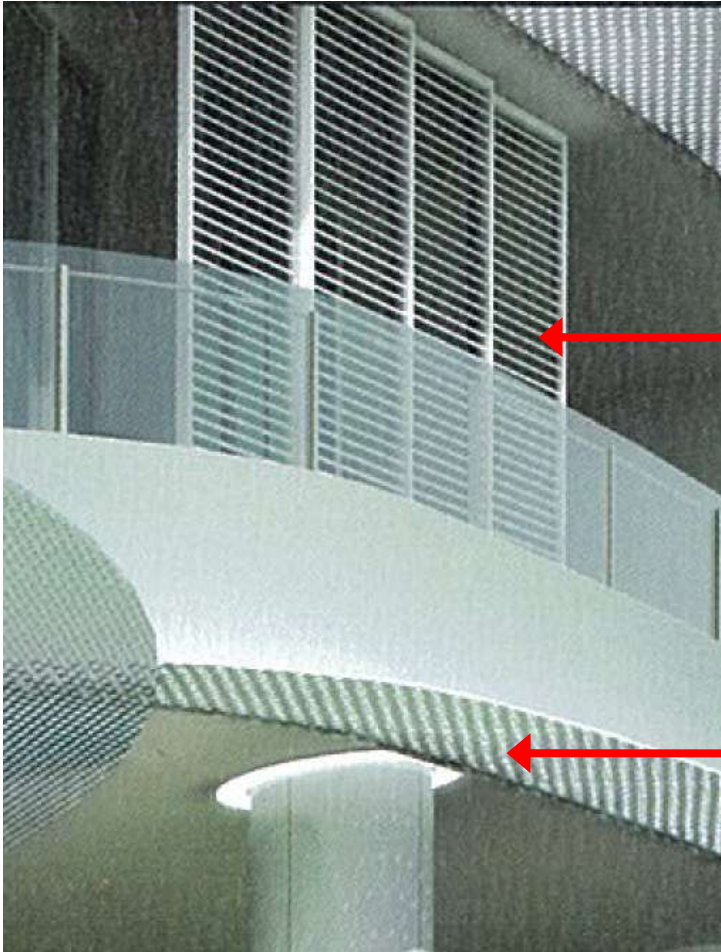
\_\_\_\_\_  
REGISTERED QUANTITY SURVEYOR

I/We recommend Income that the qualifying expenditure sums stated above are eligible for tax incentives under (Exemption) (No.5) Order 2011 and Stamp Duty (Exemption) Order 2009. The qualifying exemption is subject to further assessment by the building owner's appointed tax agent.

## Supporting documents to Appendix A1

AGW7.3/2

Item	Description	Qty	Unit	Rate	Amount RM
	<p><b>Schedule of Works No. 7</b></p> <p><b>Sunshading (Block A &amp; B)</b></p> <p><b>EXTERNAL FINISHES</b></p> <p><b>CONTRACTOR DESIGNED ALUMINIUM SUN SHADING</b></p> <p><b>Powder coated aluminium</b></p> <p>Supply and fix in position the following perforated aluminium panel screwed; vertical, complete with hot dipped galvanised brackete, hollow sections, angles, plates, bolts and nuts, cast-in plates and bolts, buty tape and all necessary accessories and supports for the complete installation; including building in or cutting and pinning lugs and fixing to masonry works or metalworks; pattern subject to architect's approval: ref to drawings no. ....</p> <p>3600mm wide; vertically</p> <p><b>A</b> Rear elevation; staircase</p> <p>Supply and fix in position the following perforated aluminium sheet sun shading; 3mm thick perforated aluminium sheet screwed to flange at 1200mm centres; curved and cantilevered; complete with brackets; hot dipped galvanised 6mm thick T-section angle support brackets, plates, bolts and nuts, cast in-plates and bolts and all necessary accessories and supports for the complete installation; fixing to soffits of slab or aluminium louvres structure; including building in or cutting and pinning lugs and fixing to brickworks, concrete or metalworks; refer to drawings no. ....</p> <p>Wide varies approximately 600mm to 1000mm; horizontally</p> <p><b>B</b> Balcony</p> <p><b>ANY OTHER ITEMS</b></p> <p>Any other items not listed or categorised in the above but described in the documents, specifications or shown in the drawings and deemed necessary for the satisfactory due completion of the Works :-</p> <p><b>C</b> i) .....</p> <p><b>D</b> ii) .....</p>				
		<b>2,402.78</b>	m2	<b>720.00</b>	<b>1,730,000.00</b>
	To Collection				



Sliding Sun Shading

Horizontal Sun Shading



Claimable sun shading  
QE for this project is  
RM500K.

Sun Shading using  
Perforated Sheet

Aluminium  
Horizontal Fin Sun  
Shading

# Unacceptable Green Incremental Cost

Item	Description	Unit	Qty	Rate (RM)
<b>Original Specification :-</b>				
(i)	<u>Basin Mixer</u>			
A	Senna MON075 "Montana" single lever basin mixer	No	100	225.00
B	Senna MON075 "Montana" single lever basin mixer	No	122	225.00
(ii)	<u>Shower mixer &amp; shower head :-</u>			
A	"Castello" 61200 10 Overhead fixed shower head c/w shower arm & flange	No	55	200.00
B	"Anello" AN668 & A9 shower head c/w shower arm & flange	No	119	42.50
C	"Anello" AN668 & A9 shower head c/w shower arm & flange	No	36	42.50
(iii)	<u>Bathtub mixers</u>			
A	Senna MON075 "Montana" single lever basin mixer	No	55	225.00
(iv)	<u>Bidet</u>			
A	"Castello" L115/L126 hand bidet spray c/w hose and flange	No	257	68.75
(v)	<u>Water Closet &amp; hand bidet</u>			
A	"Cerasan" water closet	No	4	330.00
B	"Castello" L115/L126 hand bidet spray c/w hose and flange	No	4	68.75
<b>Total Amount Carried To Summary :-</b>				

<b>Revised Specification :-</b>				
(i)	<u>Basin Mixer</u>			
A	Dornbracht "Lulu" (Code No. 33 505 710 00)	No	100	4,337.00
B	Dornbracht "Meta 02" (Code No. 33 500 625 00)	No	122	911.00
(ii)	<u>Shower mixer &amp; shower head :-</u>			
A	Dornbracht "Lulu" (rainfall) (Code No. 28 568 710 00)	No	55	5,681.00
B	Dornbracht "Meta 02" (Code No. 33 300 625 00)	No	119	1,748.00
C	"TOTO" shower set (Code No. : 27 312 710 00)	No	36	4,337.00
(iii)	<u>Bathtub mixers</u>			
A	Bathtub mixers - Dornbracht Lulu (Code No. 27 312 710 00)	No	55	5,385.00
(iv)	<u>Bidet</u>			
A	"TOTO" washer rear cleansing	No	127	444.00
	"TOTO" washer rear cleansing	No	130	875.00
(v)	<u>Water Closet</u>			
A	"TOTO NEOREST" water closet c/w washer rear cleansing	No	4	21,900.00
<b>Total Amount Carried To Summary :-</b>				

## Incorrect Submission due to:-

- The Original Specification and the Revised Specification are **not of comparable range**. To compare with another range from the same maker or similar grade.

Rule of thumb, incremental cost has been found to be in the range of up to 20% for sanitary fittings and a lot of "green items". However, there are plenty of exceptions to this rule.

# Unacceptable Green Incremental Cost

Item	Description	Unit	Qty	Rate (RM)
	<b><u>Original Specification</u></b>			
	<u>Glazing to aluminium door &amp; window</u>			
1	6mm thick clear float glass	m2	5,098.43	33.00
<b>TOTAL TO SUMMARY :-</b>				

Item	Description	Unit	Qty	Rate (RM)
	<b><u>Revised Specification</u></b>			
	<u>Glazing to aluminium door &amp; window</u>			
1	8.38mm thick Low-E laminated glass	m2	5,098.43	242.00

Incorrect Submission due to:-

Original rate used for glass is too low. To provide proof for the rate.

Non- Safety to Safety glass is not really “greening”!

# Unacceptable Green Incremental Cost

Item	Description	Qty	Unit	Rate (RM)
A	<u>Original Specification</u> 300mm x 300mm approved ceramic tiles bedded in cement and sand (1:3), pointed in matching coloured cement and laid on screeded backing (measured separately) to required pattern :-	56	m2	63.00
	Paving			
Total Amount Carried To Summary :-				

B	<u>Revised Specification</u> <b>FLOOR FINISHES</b> <b>RECYCLE ROLL NATURAL FLOORING</b> Supply and lay 4mm thick "Regupol Everroll - Nome series VISION" rubberised tiles laid on trowelled bed (by others) with and including PU adhesive strictly in accordance with the manufacturer's instructions:	56	m2	212.00
	Paving			
Total Amount Carried To Summary :-				

Total Incremental Cost Carried To Summary :-				
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Incorrect Submission due to:-

- The **Original Specification** tiling, is **inappropriate** to be used in gym.
- To assume an acceptable material to be used for gym flooring. (e.g. timber flooring, carpet, etc)



# Unacceptable Green Incremental Cost

Item	Description	Unit	Qty	Rate (RM)	Amount (RM)
	<u>Original Specification</u> <u>Normal range of paint</u>				
	<u>PAINTING AND DECORATION</u>				
	<u>WALL AND CEILING</u>				
A	Prepare and paint one coat of sealer and two coats of weathershield paint externally	LS	}		220,225.00
B	Prepare and paint one coat of sealer and two coats of emulsion paint internally				
Total Amount Carried To Summary :-					220,225.00
	<u>Revised Specification</u> <u>Low VOC Paint certified under SGLS</u>				
	<u>PAINTING AND DECORATION</u>				
	<u>WALL AND CEILING</u>				
A	Prepare and paint one coat of sealer and two coats of *SKK Biofine* or other approved equivalent paint externally	LS	}		543,185.00
B	Prepare and paint one coat of sealer and two coats of *SKK Acristar Fine* or approved equivalent emulsion paint internally				
Total Amount Carried To Summary :-					543,185.00
Total Incremental Cost Carried To Summary :-					322,960.00

Incorrect Submission due to:-

Inadequate information. To provide quantities, rates and specification for both original specification and revised specification.

**No Quantities , No rates!**

# Unacceptable Green Incremental Cost

Item	Description	Unit	Qty	Rate (RM)	Amount (RM)
	<u>Original Specification</u> <b>CONCRETE ROAD HUMP</b> Supply and install 350mm(W) x 50mm(H) concrete road hump including formwork and reinforcement <u>Location : Basement Car Park</u>				
A	Size approximately 6050mm long	no	1	115.00	115.00
B	Size approximately 6024mm long	no	1	115.00	115.00
C	Size approximately 6500mm long	no	2	124.00	248.00
D	Size approximately 6858mm long	no	2	131.00	262.00
<b>Total Amount Carried To Summary :-</b>					<b>740.00</b>
	<u>Revised Specification</u> <b>RUBBERISED ROAD HUMP</b> Supply, deliver and install rubberised road hump with all necessary fixing accessories as shown in drawings all in accordance with manufacturer's instruction:- <u>Location : Basement Car Park</u>				
A	Size approximately 6050mm long	no	1	1,310.00	1,310.00
B	Size approximately 6024mm long	no	1	1,310.00	1,310.00
C	Size approximately 6500mm long	no	2	1,420.00	2,840.00
D	Size approximately 6858mm long	no	2	1,530.00	3,060.00
<b>Total Amount Carried To Summary :-</b>					<b>8,520.00</b>
<b>Total incremental Cost Carried To Summary :-</b>					<b>7,780.00</b>

Incorrect Submission due to:-

- Invalid item if **no GBI points** awarded for this item.
- Original rate used for concrete road hump is too low. To provide proof for the rate.

# Unacceptable Green Incremental Cost

Item	Description	Qty	Unit	Rate (RM)	Amount (RM)
A	<u>Original Specification</u> Existing Floor hardener				<b>N/A</b>
<b>Total Amount Carried To Summary :-</b>					
	<u>Revised Specification</u> <b>EPOXY FLOOR COATING</b> <u>Epoxy flooring coating system consisting of one (1) coat of SK Arkiprimer and two (2) coats of Arkifloor EHG to floor slab including roughening and cleaning of concrete surfaces prior to applying, all in accordance with manufacturer's</u>				
A	to floor	2833	m2	57.00	161,481.00
B	to ramp slab	118	m2	57.00	6,726.00
C	Extra over for finishing to 300mm wide x 50mm deep scupper drain	322	m	22.00	7,084.00
	<u>Epoxy flooring coating system consisting of one (1) coat of SK Arkiprimer and two (2) coats of Arkifloor EH to floor slab including roughening and cleaning of concrete surfaces prior to applying, all in accordance with manufacturer's</u>				
D	to floor (Car park lots only)	2252	m2	35.00	78,820.00
	<u>Prepare and apply one (1) coat SK Arkifloor TR5 and one (1) coat of Arkiseal to floor slab including cleaning and preparation of concrete surfaces prior to applying SK Arkiprimer and Arkifloor EHG/EH, all in accordance with manufacturer's instruction:-</u>				
E	To floor slab and car park bays (floor B3A only)	694	m2	65.00	45,110.00
<b>Total Amount Carried To Summary :-</b>					
					<b>299,221.00</b>
<b>Total Incremental Cost Carried To Summary :-</b>					
					<b>299,221.00</b>

Incorrect Submission due to:-

- Invalid item if **no GBI points** awarded for this item.
- No original rate used. To assume comparable finishes and provide proof for the rate. (e.g. epoxy without green certification as base)

**Epoxy not giving any green points!**

# Documentation for Green Incremental Cost for Tax Incentives

The relevant documents to be submitted for GBI verification and certification are:

- ❖ **The total Green Cost Sum Certificate** as valued by the Quantity Surveyor, MEP Engineers, Landscape Architect, etc and certified by the Architect/ Superintending Officer.
- ❖ **Breakdown of the Green Cost Sum** (base vs current adopted design) complete with quantities, rates, Bill of Quantities (BoQ) references, compliance to relevant GBI criteria, nett saleable areas (Stamp Duty Exemptions) and others.
- ❖ **Supporting documents:-**
  - Actual cost incurred - extract from Bill of Quantities, Final Accounts, Variations approval, invoices, Purchase Order and any other documents that can prove the expenditure
  - Base cost - extract from Bill of Quantities, quotations and any other documents that can prove the assumed cost.
  - References - Drawings, Plans, Photographs, etc.

# SUMMARY

In Summary:

Tax incentives\* that are related to GBI certification are (at the time of writing):-

• **Income Tax Act 1967 - Income (Exemption) (No.5) Order 2011**

(The previous Income Tax Act 1967 - Income Tax (Exemption) (No. 8) Order 2009 has been revoked)

- commonly applicable to owner's occupier building

- Effective date: Buildings awarded GBI certificates from 24 October 2009 to 31 December 2014

• **Stamp Act 1949 - Stamp Duty (Exemption) Order 2009**

- commonly applicable to sales development, benefit to the purchaser

- Effective date: Sales and purchase agreements executed from 24 October 2009 until 31 December 2014

*\*Note:- GBIF or the building owner's tax advisor/ appointed tax agent to advise on the latest tax incentives and applicable Act.*

In order to realise the tax incentives for embracing green technology, the qualified building owners need to submit the green incremental cost to GBI for certification during Completion & Verification Assessment (CVA).

The qualifying expenditures in the Green Cost Sum Certificate will include all the green items commissioned in the building but it does not mean that it is appropriate for the building owner to apply the whole amount when applying for the exemptions. The building owners must seek the advice of their tax advisor/ appointed tax agent for further procedures in applying for tax exemption.

The way to calculate the tax incentives might differ with different Green Tax Incentives. The current GBI Green Tax Incentive lapses 31 December 2014. There is a new Green Tax Incentives under Budget 2014 but not Gazetted as yet. Please check the definition of the respective tax incentives i.e. "qualifying expenditure", "qualifying capital expenditure", "investment tax allowance".

# SUMMARY

- ❖ Based on the green items identified by the GBIF, the project consultants \* will advise the GBIF the cost of those items. **GBIF takes the lead!**
  
- ❖ In a lot of instances, the project consultants will only be able to provide:-
  - total material quantities (based on estimate/final)
  - the cost for supply and lay/install (based on estimate/final)
  - specification of final product adopted
  
- ❖ The GBIF can then apply the default factor<sup>#</sup>(if any) or manufacturer's specification to derive e.g. cost of materials, % of recycle materials, % of sustainable timber, % of reuse materials, etc.

Notes:-

\* Normally Quantity Surveyor, MEP Engineers, Landscape Architect, etc

# as provided in the respective criteria notes.



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