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BETTER PLACES FOR PEOPLE



GBI and Tax Exemption

by

Ar Von Kok Leong

Past President, MGBC

Past Chair, GBIAP

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New ITA Gazette

- **GBI has participated in the finalising of the gazette**
 - **ITA will be officially announced by the Minister**
 - **General info available on MIDA website**
- **ITA valid until 31 Dec 2020 ie it continues from where we left off from earlier gazette without break**
- **Assessment of Green Cost Certs shall remain as per stringent process carried out by GBIAP and accepted by LHDN**
- **New gazette re-emphasizes the important role of professionals in certification of green costs**

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OBJECTIVES

- 1. Encouraging investments in green technology industries on a project basis either for business purposes or own consumption and the adoption of green technology by selected services/system providers;**
- 2. Encouraging companies to acquire / purchase assets that have been verified as green technology assets by the Malaysian Green Technology Corporation (MGTC) and these assets are listed under MyHijau Mark Directory;**
- 3. Facilitating the transition of expiring existing tax incentives relating to renewable energy (RE) and energy efficiency (EE) projects.**
- 4. Widening the coverage across various priority green technology industries such as energy, transportation, building, and waste management and supporting services activities.**

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Investment Tax Allowance

GITA Projects

GITA Assets

GITE Services

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Investment Tax Allowance

ITA is only applicable to commercial and industrial projects.

Residential projects do not qualify.

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Investment Tax Allowance

Timeline

QE incurred not earlier than 25 Oct 2013

**ITA can be offset against 70% of Statutory Income,
and carried forward until fully utilised.**

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QUALIFYING ACTIVITIES for GREEN TECHNOLOGY PROJECTS

renewable energy,
energy efficiency,
green buildings,
green data centre,
waste management.
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QUALIFYING ACTIVITIES for GREEN TECHNOLOGY SERVICES

renewable energy,
energy efficiency,
electrical vehicles,
green buildings,
green data centre,
green certification and verification,
green township

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QUALIFYING PRODUCTS for GREEN ASSETS

electrical transformers up to 3.3kV,
solar airconditioners,
thermal energy storage systems,
VAV, VRF systems
electric vehicles,
electric bus, electric MPV/trucks
EV charging equipment

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SUBMISSION PROCEDURES

- 1. Apply to MIDA for Project Approval.**
Application must have GBI Registration.
This is a **prerequisite** for next step submission to MGTC.
- 2. Submit to MGTC for QE Approval.**
Submission must have GBI Final Cert (CVA) + GBI Green Cost Cert.
This is a **prerequisite** for MGTC to confirm whether there are other deductions before presentation to LHDN.

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SUBMISSION PROCEDURES

3. QE must be expensed not be later than **31 Dec 2020**.
4. GBI Green Cost Cert must be obtained not be later than 12 months after GBI Final Cert (CVA). CVA and Green Cost Cert issued after 31 Dec 2020 is acceptable, so long as condition 3. above is met.

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SUBMISSION PROCEDURES

- 5. Qualifying Capital Expenditure similar to QE of earlier scheme, ie Incremental Green Costs.**
- 6. MGTC and MIDA confirm recognition of the stringent procedures applied by GBI because that has been accepted by LHDN.**

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Thank you!

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