



Automation Capital Allowances



Key Takeaway

- ❖ 200% Automation Capital Allowance on first 2 million to 4 million expenditure incurred within YA 2015 to 2023;
- ❖ Effective date of application : 1 Jan 2015 until 31 Dec 2023;
- ❖ High labour-intensive industries or industries adopt the automation process.

The Automation Capital Allowance (Automation CA) was introduced to encourage **adoption of automation** among **manufacturing companies**.

It is divided into two (2) categories:-

	Categories	Incentives
1	High labour-intensive industries (rubber products, plastics, wood, furniture and textiles)	Automation CA of 200% on the first RM4 million expenditure incurred within year of assessment from 2015 to 2023 .
2	Other industries	Automation CA of 200% on the first RM2 million expenditure incurred within year of assessment 2015 to 2023 .



- Manufacturing companies incorporated under Companies Act 1965 / 2016;
- Resident in Malaysia;
- Engaged in manufacturing activities at least 36 months;
- Automation machine or equipment used directly in manufacturing activities.

Eligibility criteria

Effective date of application:

Application received by Malaysian Investment Development Authority (MIDA) from 1 January 2015 until 31 December 2023 is eligible to be considered for this incentive.

Source: Malaysian Investment Development Authority

How We Can Help

Our dedicated team of professionals has experience in various disciplines to respond effectively and efficiently to our clients' individual requirements. This professional capability allows us to advise and plan strategies critical to our clients' needs and success within the challenges of the present business environment.

Our service includes a total approach to our clients' problems and needs. Using a team approach, our services are tailored to meet our clients' individual requirements. We stress on a high degree of competence, professionalism and commitment among our team members.

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- China Belt and Road Desk
- Financial and Transaction Advisory
- Migration Advisory
- Offshore Advisory
- Risk, Governance and Sustainability Advisory
- Valuation Advisory



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Should you have any questions or require any assistance on the above, please do not hesitate to drop us an email or call us.

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