

# MALAYSIA GREEN INVESTMENT TAX ALLOWANCE (GITA) FOR OWN CONSUMPTION

Companies undertake in green technology project for own consumption may enjoy up to 100% Green Investment Tax Allowance (“GITA”) to be offset against 70% of statutory income. Promoted activities such as green building, renewable energy system, energy efficiency, battery energy storage system, electric vehicles etc.

1<sup>st</sup> Oct 2024

In 2024 Budget, the green technology tax incentives have been revised to the following categories:

- ✓ Green Investment Tax Allowance (GITA) Project for Business Purposes;
- ✓ Green Investment Tax Allowance (GITA) Asset for Own Consumption; and
- ✓ Green Income Tax Exemption (GITE) Solar Leasing

The Malaysian Green Technology and Climate Change Corporation (MGTC) has issued a new guideline for GITA for **own consumption project** as below:

**(i) Investment Tax Allowance :**

	Tier 1	Tier 2
<b>Qualifying Activities</b>	Qualifying asset as approved by Minister of Finance, Battery Energy Storage System (BESS) and Green Building.	Qualifying asset as approved by Minister of Finance (Appendix 11), Renewable Energy System and Energy Efficiency (Appendix 2).
Percentage of GITA	100%	60%
Percentage (%) of Statutory Income to be Set-Off	70%	70%
Qualifying CAPEX	<ul style="list-style-type: none"> <li>• The qualifying capital expenditure must be an approved asset by MOF that have been verified by MGTC and is listed under the MyHIJAU Directory;</li> <li>• For Green Building, the qualifying CAPEX must be verified by the locally Green Building Rating Tools/ Certification Body approved by Government;</li> <li>• The asset must be new and owned by the Company;</li> <li>• The asset must be used in the business carried out by the company in Malaysia for own consumption and not for income generation.</li> </ul>	



Qualifying asset	<ul style="list-style-type: none"> <li>• Electric vehicles (for commercial / industrial used only);</li> <li>• EV Infrastructure;</li> <li>• Green Building;</li> <li>• Energy Storage</li> </ul>	<ul style="list-style-type: none"> <li>• Energy Efficiency;</li> <li>• Renewable Energy System;</li> <li>• Waste Composter or waste recycling;</li> <li>• Wastewater recycling or rainwater harvesting</li> </ul>
Incentive Period	Qualifying Capital Expenditure incurred starting from <b>1 January 2024 until 31 December 2026.</b>	
Application period	The application made under the GITA Asset Guidelines must be received by the Malaysian Green Technology and Climate Change Corporation ["MGTC"] from 1st January 2024 until 31st December 2026.	

**(ii) Eligibility criteria:**

**a) New or existing Company:**

- A newly established company that incurred qualifying capital expenditure under GITA Asset; OR
- Existing Company operating in Malaysia but has not incurred qualifying capital under GITA Asset and has not been approved for Green Technology Incentive.

**b) Companies within the same group incurring the qualifying capital expenditure:**

- The project carried out in building/location separately from activities carried out by holding company or related companies;
- The plant, machinery and equipment used shall be separately used and shall not be transferred from holding company or related companies;
- Not shares the same employees as per holding company or related companies except for the management staff and directors of the Company;
- This project must not result in a reduction in the investment of holding company or related companies.

**c) To comply all the following criteria:**

- Minimize the degradation of the environment or reduce greenhouse emission;
- Promotes health and improvement of environment; and
- Conserves the use of energy, water and/or other forms of natural resources or promote the use of renewable energy or able to recycle waste material resources.

Copyright @ ShineWing TY TEOH. This publication contains information in summary form and is therefore intended for general guidance only. No person should rely on the contents of the aforesaid publication without first obtaining advice from a qualified professional person. ShineWing TY TEOH is not responsible for the results of any actions taken on the basis of information neither in this publication, nor for any error in or omission from this publication. ShineWing TY TEOH expressly disclaims all and any liability and responsibility to any person, whether a reader of this publication or not, in respect of anything, and of the consequences of anything, done or omitted to be done by any such person in reliance, whether wholly or partially, upon the whole or any part of the contents of this publication.



## WHY ShineWing TY TEOH 为什么选择信永中和迪威？

ShineWing TY TEOH is a leading regional chartered accountants, tax, transfer pricing, valuation and consulting group with office presences in Malaysia to provide a diverse spectrum of business solutions and consulting services to public listed companies, Fortune 500 companies, multi-national corporations, local small and medium companies representing a cross section of major industries.

信永中和迪威是一所领先的区域会计事务所，在马来西亚设有办事处，为上市企业、财富500强企业、跨国企业及中小型企业提供多种业务解决方案与服务包括会计、税务与商业咨询。

**20<sup>th</sup> Global & 15<sup>th</sup> Asia Pacific**  
Largest Accounting and Consulting Firm by IAB.

**100+ countries**   **630+ locations**   **42000+ professionals**

**15<sup>th</sup> Malaysia**  
Largest Accounting and Consulting Firm by IAB.

**7 Offices**  
Kuala Lumpur, Johor Bahru, Penang, Labuan, Muar, Sitiawan, Ipoh.

✓ Registered Auditor of Public Company Accounting Oversight Board (PCAOB), USA

**Team Leaders & Members Credentials**

## WHAT WE OFFER 我们的专业服务

- + Audit & Assurance + BPO & Business Advisory + China Desk + Digital Transformation and Data Analytic
- + Family Office & Private Client Services + Financial & Transaction Advisory + Japan Desk + Migration Advisory
- + Market Entry Advisory + Offshore Advisory + Risk & Governance Advisory + Singapore Desk + Tax Advisory
- + Transfer Pricing Advisory + US Desk + Valuation Advisory
- + 审计 + 商务外包与咨询 + 中国企业服务部 + 数字化转型及数据分析 + 家族办公室及私人客户服务
- + 企业融资与并购咨询 + 日本企业服务部 + 移民服务 + 市场进入咨询 + 离岸咨询
- + 风险管理及内控咨询 + 新加坡企业服务部 + 税务咨询 + 转让定价咨询 + 美国企业服务部
- + 估值咨询

**100+ Countries**   **630+ Locations**   **42000+ Professionals**

Audit | Tax | Advisory | Transfer Pricing | Valuation

W [shinewingtyteoh.com](http://shinewingtyteoh.com)



Kuala Lumpur 吉隆坡	T +603 780 55022	Johor Bahru 柔佛	T +607 595 2299	Penang 檳城	T +604 296 6730 / +604 371 3318
Labuan 纳闽岛	T +6087 599 328	Muar 麻坡	T +606 952 0205	Sitiawan 实兆远	T +605 688 5112
Ipoh 怡保	T +605 546 3388				