

Incentive For Reinvestment Under New Industrial Master Plan (NIMP) 2030

New Industrial Master Plan (NIMP) 2023 offers reinvestment incentive with two tiers. Tier 1 providing Investment Tax Allowance ("ITA") of **100%** qualifying capital expenditure ("QCE") against 100% of statutory income and Tier 2 offering ITA of **60%** QCE against 70% of statutory income. This incentive is designed to encourage existing companies to **reinvest in high-growth and high-value activities**.

05/2025

Incentive For Reinvestment Under New Industrial Master Plan (NIMP) 2030

- 1.1 Malaysian government has introduced a reinvestment incentive aligned with the New Industrial Master Plan (NIMP) 2030, featuring a tiered and outcome-driven framework.
- 1.2 Objectives of the incentive are:
 - i. To motivate companies to invest in sectors with high growth potential and substantial value.
 - ii. To ensure that the tax incentives provided by the Government support the achievement of the targeted outcomes under the NIMP 2030 and further stimulate national economic growth.
- 1.3 This incentive provides an opportunity for existing companies that have exhausted their Reinvestment Allowance, to continue to increase their capacity and investment in high-growth and high-value areas in the country.

A. Type of Incentives

- The incentive is an Investment Tax Allowance (ITA) of 100% (or 60%) on the qualifying capital expenditure (excluding land cost) incurred for 5 years.
- The allowance can be offset against up to 100% (or 70%) of statutory income for each assessment year until fully utilized.

B. Eligible Applicant

- The company must be a Malaysian resident and incorporated in accordance with the Companies Act 2016.
- Undertake expansion or diversification projects in the manufacturing sector.
- The company eligible for only one (1) round of this reinvestment incentive.

C. Eligibility Criteria

- List of product(s) or activity(ies) eligible for the reinvestment incentive as below:
 - ✓ Aerospace
 - ✓ Automotive
 - ✓ Chemical including biotechnology
 - ✓ Electrical & Electronics
 - ✓ Food Processing
 - ✓ Halal



- ✓ Machinery & Equipment
- ✓ Medical Devices
- ✓ Metal
- ✓ Mineral
- ✓ Palm Oil-based Products
- ✓ Pharmaceutical including biotechnology
- ✓ Petroleum Products and Petrochemicals
- ✓ Rail
- ✓ Rubber-based Products
- ✓ Ship building and Ship Repair
- ✓ Textile, Apparel and Footwear
- ✓ Wood, Paper and Furniture

- The tiering tax incentive will be based on an outcome-based approach as follows:

	Tier 1	Tier 2
Tax incentive	ITA of 100% on qualifying capital expenditure (QCE) (excluding land) and set off against 100% of statutory income.	ITA of 60% on QCE (excluding land) and set off against 100% of statutory income.
Incentive period	5 years	
Minimum Conditions	i. QCE must be incurred within the proposed 3-year period capital expenditure (excluding land) to be realised within 3 years as proposed; ii. Implementation of Industrial Revolution 4.0 (IR4.0) technologies is required; and iii. R&D expenditures (included related to product and technology improvement) must align with the proposed plan.	
Additional Conditions	Subject to the following outcomes (but not limited to): a) Adequate number of newly hired Malaysian full-time employees in high-value positions (with minimum basic salary RM 10,000/month); b) The number of local and/or local service providers (companies incorporated in Malaysia) engaged as proposed; c) Adoption of green technology (generation of renewable energy or utilisation of energy efficiency equipment); and d) Any additional requirements for sustained economic growth, as stated in the approval letter.	Not Applicable.

D. Date of Application

Applications received by Malaysia Investment Development Authority (“MIDA”) from 1 January 2024 until 31 December 2028 are eligible to be considered for this incentive.

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