

	GUIDELINES FOR GREEN TECHNOLOGY TAX INCENTIVE (GITA/GITE)	REG NO.	MGTC/DC/REC/GC-0
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GUIDELINES FOR GREEN TECHNOLOGY TAX INCENTIVE

Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE)

Malaysian Green Technology Corporation

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ABBREVIATIONS AND DEFINITIONS

The abbreviations that are used throughout this Guideline are defined as below:

ABBREVIATION	DEFINITION
FIT	Feed-in Tariff
GITA	Green Investment Tax Allowance
GITE	Green Income Tax Exemption
IRB	Inland Revenue Board
ITA	Investment Tax Allowance
ITE	Income Tax Exemption
KeTTHA	Ministry of Energy, Green Technology and Water
GreenTech Malaysia/ MGTC	Malaysian Green Technology Corporation
MIDA	Malaysian Investment Development Authority
MOF	Ministry of Finance
NCI	National Committee on Investment
SEDA	Sustainable Energy Development Authority, Malaysia

GUIDELINES FOR THE APPLICATION OF GREEN TECHNOLOGY TAX INCENTIVE (“Guideline”)

1.0 INTRODUCTION

1.1 Green Technology Tax Incentive for purchase and use of green technology were announced by the Prime Minister of Malaysia on 25 October 2013 during the Budget 2014. The Government provides Investment Tax Allowance (ITA) for the purchase of green technology equipment/assets and Income Tax Exemption (ITE) for green technology service providers.

1.2 The objectives of the tax incentives are:-

- (a) To encourage investment in green technology on project basis either for business purposes or own consumption;
- (b) To motivate companies in acquiring green technology assets; and
- (c) To enhance the number of green technology service providers.

1.3 There are three (3) groups of activities under the Green Technology Tax Incentive as follows:-

Green Investment Tax Allowance (GITA) Assets	Applicable for companies that acquire qualifying green technology assets and listed under MyHIJAU Directory.
Green Investment Tax Allowance (GITA) Project	Applicable for companies that undertake qualifying green technology projects for business or own consumption.
Green Income Tax Exemption (GITE) Services	Applicable for qualifying green technology service provider companies that are listed under the MyHIJAU Directory.

2.0 DEFINITIONS

2.1 In this Guideline, the following terms are defined and set out as below:

TERM	DEFINITION
“Applicant”	a Malaysian Incorporated Company that makes a formal application for Green Technology Tax Incentive;
“Green Technology”	the development and application of products, equipment and systems used to conserve the natural environment and resources, which minimises and reduces the negative impact of human activities;
“GreenTech Malaysia”	Malaysian Green Technology Corporation, a company limited by guarantee without share capital incorporated under the Companies Act 1965 (Laws of Malaysia Act 125) under the purview of the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC);
“Malaysian Incorporated Company”	a company incorporated in Malaysia pursuant to the Companies Act 1965 (Laws of Malaysia Act 125) and duly registered with the Companies Commission of Malaysia but does not include a branch office of a company, corporation, society, association or other body incorporated outside Malaysia;

<p>“MyHIJAU Mark”</p>	<p>a recognition of certified products, equipment and systems, and approved service providers that have been verified by GreenTech Malaysia to meet local and international environmental standards;</p>
<p>“MyHIJAU Mark Certificate”</p>	<p>a certificate certifying that a particular product or service provider has been successfully awarded with the MyHIJAU Mark which have been verified and approved by GreenTech Malaysia;</p>
<p>“MyHIJAU Mark Product”</p>	<p>a product (including equipment and systems) that has been verified and approved by GreenTech Malaysia as having complied with the requirements of the MyHIJAU Mark recognition programme;</p>
<p>“MyHIJAU Mark Service”</p>	<p>the name of this green technology service provider registration service; or a green technology service provider that has been verified and approved by GreenTech Malaysia as having complied with the criteria to be registered as MyHIJAU Mark Service and that has been awarded with the MyHIJAU Mark Label by GreenTech Malaysia;</p>
<p>“MyHIJAU Directory”</p>	<p>a listing of green products and service providers accessible at www.myhijau.my which have been verified and approved by GreenTech Malaysia and awarded with the MyHIJAU Mark;</p>

3.0 APPLICATION PROCEDURE

The overall schematics for the procedures as a whole are as follows:



3.1 Pre-application

3.1.1 Applicants must check on eligibility and qualifying activities including:

- a) Criteria for the applicants.
- b) Business activities of the incentive.
- c) Period for the year of assessment.
- d) Technical or certification requirements pertaining to the application.
- e) Rate of the incentive.
- f) Any requirement related to the incentive application.

3.2 Application

3.2.1 Regarding to the Green Technology Tax Incentive, applicants must refer to the specific type of tax incentives through the application process and fulfilling the requirements of the application.

Type of Tax Incentives	Application Form	Submission of the Form
GITA Assets <i>(refer to item 4.0 below)</i>	MGTC GITA/A <i>(one set of the Form)</i>	GreenTech Malaysia
GITA Project <i>(refer to item 5.0 below)</i>	MIDA GT/JA <i>(three sets of the Form)</i>	MIDA
GITE Services <i>(refer to item 6.0 below)</i>	MIDA GT/JA <i>(three sets of the Form)</i>	MIDA

3.2.2 Processing fee to be charged to the applicants is based on the following table:-

Type of Tax Incentives	Description	Processing Fee (RM)
GITA Assets*	For each green technology asset <i>(refer to item 4.2 below)</i>	1,000
GITA Project <i>- Total Cost for Equipment/Machinery**</i>	Less than 500,000	2,500
	500,000 – 1,000,000	4,000
	1,000,001 – 5,000,000	7,000
	More than 5,000,000	10,000
GITE Services	For each application	2,000

Note*- *Application with more than one equipment/assets with different MyHIJAU Mark registration must be applied separately.*

Note-** *The determination of the total cost for equipment/machinery shall be as stated in Section C, Column I. Investment; item no. (iii) and (iv) in the MIDA GT/JA Form.*

All processing fees must be paid upfront upon application.

3.3 Verification/Evaluation

3.3.1 Upon receiving the completed documents from the applicants (i.e. Application Form & the Conditional Approval Letter), GreenTech Malaysia will verify or evaluate the application according to the eligible tax incentive.

3.3.2 The type of applications under the eligible tax incentive as follows:-

(1) Verification for GITA Assets

- GreenTech Malaysia's role is to verify on the approved green technology asset and green impact from the acquisition.
- The verification for GITA Assets will be based on assets that are registered under MyHIJAU Mark and listed under the MyHIJAU Directory.

(2) Verification for GITA Project

- GreenTech Malaysia's role is to verify the technical requirement including the main equipment/assets as major components for the performance and green impact from the project.
- The verification for GITA Project will be based on the following requirement: -
 - a. 60% of main equipment/assets in the GITA Project must be recognised and registered under the MyHIJAU Mark or have product certification that is recognised and accepted by GreenTech Malaysia.
 - b. Project's impacts to the environment i.e. GHG emission reduction, waste reduction, fuel savings, environmental improvement, energy consumption savings and water consumption savings.

(3) Verification for GITE Services

- GreenTech Malaysia's role is to verify the service provided by the applicant.

- The verification for GITA Services would be based on green services that are registered under the MyHIJAU Mark and listed under the MyHIJAU Directory with 100% income derived from green technology activities.

3.4 Approval

3.4.1 All GITA Project and GITE Services applications will be approved by the National Committee on Investment (NCI) MIDA before submission to GreenTech Malaysia. Once approved, a Conditional Letter of Approval will be issued by MIDA. Applicants then submit their applications together with the Conditional Letter of Approval to GreenTech Malaysia for verification on the green criteria. GreenTech Malaysia will issue a Validation Letter to the successful applications. A Notification Letter will be issued for the unsuccessful applications.

3.4.2 As for GITA Assets, applications are to submit to GreenTech Malaysia directly. GreenTech Malaysia will approve all GITA Assets application directly. A Validation Letter will be issued by GreenTech Malaysia for the successful applications before submission to IRB for tax claim or declaration. A Notification Letter will be issued for the unsuccessful applications.

3.5 Annual Verification

3.5.1 For the GITA Project, GreenTech Malaysia will conduct annual verification throughout of the incentive period (31st December 2020).

3.5.2 GreenTech Malaysia will verify on the approved application for GITA Project based on criteria as follows:

- 60% of main equipment/assets in the GITA Project must be recognised and registered under the MyHIJAU Mark or have product certification that is recognised and accepted by GreenTech Malaysia.
- Project's impacts to the environment i.e. GHG emission reduction, waste reduction, fuel savings, environmental improvement, energy consumption savings and water consumption savings.

3.5.3 Annual Verification fee to be charged to the applicants is based on the following table: -

Total Cost for Equipment/ Machinery (RM)	Annual Verification Fee (RM)	Additional Charges
Less than 500,000	2,500	Out-of-pocket Expenses (Site visit to the premise or project location if required)
500,000 – 1,000,000	4,000	
1,000,001 – 5,000,000	7,000	
More than 5,000,000	10,000	

Annual verification fees and additional charges must be paid upfront pending the task to be carried out.

4.0 GREEN INVESTMENT TAX ALLOWANCE (GITA) ASSETS

4.1 Features for GITA Assets

FEATURES	DESCRIPTION
Eligibility	<p>Companies that had incurred qualifying capital expenditure in green technology investment and complying ALL of the following criteria:-</p> <ul style="list-style-type: none">a) minimise the degradation of the environment or reduce greenhouse emission;b) promotes health and improvement of environment; andc) 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.
Rate of incentive	<ul style="list-style-type: none">• Green Investment Tax Allowance (GITA) of 100% of qualifying capital expenditure incurred on approved green technology asset from the year of assessment 2014 (date on which the first qualifying capital expenditure incurred is not earlier than 25th October 2013) until the year of assessment 2020.• The allowance can be offset against 70% of statutory income in the year of assessment.• Unutilised allowances can be carried forward until they are fully absorbed.
Interpretations	<ul style="list-style-type: none">• Qualifying capital expenditure means the purchase of approved green technology asset by a qualifying company that have been verified by GreenTech Malaysia.• Approved green technology asset means approved asset by MOF and that have been verified by GreenTech Malaysia and is listed under the MyHIJAU Directory.

	<ul style="list-style-type: none"> • Qualifying company means a company which is incorporated under the Companies Act, 1965 and a resident in Malaysia.
Commencement date	<ul style="list-style-type: none"> • The eligibility period would be for qualifying capital expenditure incurred from the date of application received by GreenTech Malaysia until the year of assessment 2020.
Other key features	<ul style="list-style-type: none"> • Companies would be allowed to claim GITA and other incentives (e.g. reinvestment allowance or ITA) in relation to different business source/activity as long as the same asset does not qualify for multiple incentives. • Where a particular asset is eligible to qualify for GITA and another incentive in relation to the same business source/activity, the company may only elect only one of the incentives applicable to the same asset. • GITA and GITE for use of green technology services would be mutually exclusive. • Companies currently enjoying energy efficient or renewable energy incentives would be able to qualify for the GITA asset provided that there would be additional investment and it is not in respect of the same asset. • Companies granted energy efficient or renewable energy incentives would be able to elect for GITA asset provided the company has not claimed the investment tax allowance on the approved energy efficient or renewable energy incentives in the tax computation.

Conditions	<ul style="list-style-type: none"> • The green technology asset in the GITA Asset must be owned by the company. • The green technology asset must be used in the business carried out by the company in Malaysia. • The qualifying capital expenditure must be qualified asset by MOF that have been verified by GreenTech Malaysia and is listed under the MyHIJAU Directory.
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4.2 List of Qualifying Assets

4.2.1 The eligibility period would be for qualifying capital expenditure incurred from the year of assessment 2014 (date on which the first qualifying capital expenditure incurred is not earlier than 25th October 2013) until the year of assessment 2020.

NO.	SECTOR/ AREA	TECHNOLOGY	PRODUCT CATEGORIES
1	Energy Efficiency	Transformer	Energy Efficient transformer (up to 33kV)
2	Building	Energy efficient appliances	Solar air-conditioning equipment/system
3			Thermal energy storage equipment/system
4			Variable air volume (VAV) equipment/system
5			Variable-refrigerant-volume (VRV) equipment/system
6			Transport
7	Electric bus		
8	Electric MPV/truck		
9	Infrastructure	Electric Vehicle (EV) charging equipment/system	

4.2.2 As been announced during the Budget 2019, there will be additional asset to the current qualifying asset that eligible for the incentive. The eligibility period would be for qualifying capital expenditure incurred starting from 1st January 2019 until the year of assessment 2020.

NO.	SECTOR/ AREA	TECHNOLOGY	PRODUCT	APPLICATION TO
ENERGY				
1	Energy Efficiency	Chiller	Energy Efficient	GreenTech Malaysia
2		Heat operated Air Conditioners	High Efficiency Absorption and Adsorption Air conditioners	GreenTech Malaysia
3		Cooling Tower	High Efficiency Cooling Towers	GreenTech Malaysia
4		Air Compressor	High Efficiency Air Towers	GreenTech Malaysia
5		Industrial Furnaces	Energy Efficient Industrial Furnaces	GreenTech Malaysia
6		Cogeneration System	Cogeneration Systems	MIDA
7	Renewable Energy	Solar Thermal	Solar Thermal Systems and Collectors	MIDA
8		Biomass combustion/gasification/ Combined heat power	Biomass Gasification furnace/combustion chamber	MIDA

9		Biomass Gas Engine	MIDA
10		Biomass Reciprocating Engines	MIDA
11		Biomass Combustion/Gas Turbines	MIDA
12		Biomass Steam Turbines	MIDA
13		Biomass Oil Recovery System	MIDA
14		Biomass Fuel preparation system (Press & Shredding machine)	MIDA
15		Biomass Fuel feeding system (Rotary Drum/Conveyor Belt/Screw Conveyor)	MIDA
16		Biomass Heat Recovery System Generator	MIDA
17		Condensing Biomass Boiler	MIDA
18	Mini Hydro	Hydro Turbines	MIDA
19		Mini Hydro Generators	MIDA

20			Hydro pump and motors	MIDA
21			Penstock (pipe/tunnels)	MIDA
22		Biogas	Biogas pre-treatment system/biogas purifying system/biogas scrubber system	MIDA
23			Biogas dewatering system	MIDA
24			Biogas Digestion System (covered lagoon/digester tank/gas well)	MIDA
25			Biogas analyser	MIDA
26		Energy Storage	Battery	GreenTech Malaysia

BUILDING

27		Energy Management System	Building Energy Management System	MIDA
28			Single or double glazing systems	MIDA
29		Heat Barrier	Low radiation window curtain system	MIDA
30		Office equipment/furniture	Efficient server system	MIDA

31		Energy Saving Lighting	LED & Energy Saving Lighting	MIDA
WASTE				
32	Waste	Waste collection	Trash compactors with energy efficient motors	GreenTech Malaysia
33		Waste recycling/recovery	Energy efficient Balers	MIDA
34			Plastic recycling machines	MIDA
35			Magnetic separators	MIDA
36		Waste treatment	Composting equipment	MIDA
37			Energy efficient Incinerator	MIDA
38		Waste disposal	Energy efficient landfill compactors	MIDA
39			Methane gas recovery system	MIDA
40		Water		Energy efficient pumps

4.3 Schematics of the Application Process

PROCESS	DESCRIPTION
<pre> graph TD A[Applicant checks on qualifying asset] --> B{Listed under MyHIJAU Directory?} B -- No --> C[Applicant notifies the manufacturer/supplier to register under MyHIJAU Mark] C --> A B -- Yes --> D[Applicant submits application form & processing fee] D --> E[MGTC verify the application] E --> F{Application approval by MGTC} F -- Not Approved --> G[Notifies to the Applicant] F -- Approved --> H[MGTC Issue a Validation Letter to the Applicant] H --> I[Applicant submits tax form to IRB with the Validation Letter] </pre>	<ul style="list-style-type: none"> Applicant must check the qualifying asset in the MyHIJAU Directory for GITA Assets application. If the asset is not listed under the MyHIJAU Directory, the Applicant shall notify the manufacturer or supplier to register under the MyHIJAU Mark. GreenTech Malaysia receive information and data submitted by the Applicant as per GreenTech Malaysia GITA/A Form (Refer to website at www.myhijau.my or www.greentechmalaysia.my). Processing fee (RM1,000 per application) must be received upfront by GreenTech Malaysia via online banking, cash deposit or bank draft. GreenTech Malaysia evaluate and verify the information and supporting documents submitted. If the information or supporting documents provided are incomplete, the Applicant will be notified via email. The Applicant needs to respond within seven (7) days from the date of such notification. The approval of the application shall be subjected to GreenTech Malaysia’s successful evaluation. If approved, a Validation Letter will be issued. If not approved, GreenTech Malaysia will notify the Applicant with a Notification Letter. GreenTech Malaysia issue the Validation Letter to the successful Applicant. Applicant submits tax form to IRB together with the Validation Letter from GreenTech Malaysia for tax claim or declaration.

5.0 GREEN INVESTMENT TAX ALLOWANCE (GITA) PROJECT

5.1 Features for GITA Project

FEATURES	DESCRIPTION
Eligibility	<ul style="list-style-type: none">• Companies which undertakes a qualifying green technology project and complying ALL of the following criteria:-<ol style="list-style-type: none">a) minimise the degradation of the environment or reduce greenhouse emission;b) promotes health and improvement of environment; andc) 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.• Applicable for applications received by MIDA between 25 October 2013 to 31 December 2020.• Projects must obtain a Conditional Approval Letter from MIDA.
Rate of incentive	<ul style="list-style-type: none">• Green Investment Tax Allowance (GITA) of 100% of qualifying capital expenditure incurred on green technology project from the date of application received by MIDA until the year of assessment 2020.• The allowance can be offset against 70% of statutory income in the year of assessment.• Unutilised allowances can be carried forward until they are fully absorbed.
Interpretations	<ul style="list-style-type: none">• Qualifying capital expenditure means capital expenditure incurred by a qualifying company whereby the capital expenditure has been verified and used in Malaysia.

	<ul style="list-style-type: none"> • Approved Project by MIDA for the purposes of this incentive means the Project which obtained the Conditional Approval Letter from MIDA. For this purpose, GreenTech Malaysia acts as the agency to evaluate and verify the green technology technical aspect of the project based on Project Assessment Criteria. • Main Equipment/Assets means major components that are necessary for the performance of the project and the cost is reasonable. • Qualifying company means a company which is incorporated under the Companies Act, 1965 and a resident in Malaysia.
<p>Commencement date</p>	<ul style="list-style-type: none"> • The eligibility period would be for qualifying capital expenditure incurred from the year of assessment 2013 (date on which the first qualifying capital expenditure incurred is not earlier than 25th October 2013) until the year of assessment 2020.
<p>Other key features</p>	<ul style="list-style-type: none"> • In respect of Companies that undertakes green technology project for own consumption, such companies would be allowed to claim GITA and other incentives (e.g. reinvestment allowance or ITA) in relation to different business source/activity as long as the same equipment/asset do not qualify for multiple incentives. • Where a particular equipment/asset is eligible to qualify for GITA and another incentive in relation to the same business source/activity, the company may only elect only

	<p>one of the incentives applicable to the same equipment/asset.</p> <ul style="list-style-type: none"> • Companies carrying out Approved Project which is granted GITA and subsequently purchase qualifying asset (which did not form a part of the initial project cost which was approved as GITA Project) would be able to qualify for GITA Asset. • GITA and GITE for use of green technology services would be mutually exclusive. • Companies currently enjoying energy efficient or renewable energy incentives would be able to qualify for the GITA Asset provided that there would be additional investment and it is not in respect of the same asset. • Companies granted energy efficient or renewable energy incentives would be able to elect for GITA Asset provided the company has not claimed the investment tax allowance on the approved energy efficient or renewable energy incentives in the tax computation.
<p>Conditions</p>	<ul style="list-style-type: none"> • Equipment/assets in the GITA projects must be owned by the company. • Main equipment/assets in the GITA projects must be recognised and registered under the MyHIJAU Mark or have product certification that is recognised and accepted by GreenTech Malaysia. • Renewable Energy projects which have been approved with Feed-in Tariff (FiT) for solar energy by the Sustainable Energy Development Authority (SEDA) are not eligible for the incentive. • For green building or green data centre projects, the companies must be awarded with green building certificates from locally developed rating tool/certification body approved by GreenTech Malaysia.

	<ul style="list-style-type: none"> • For green building projects only, consumable (fixture & fitting) costs are eligible to be included in the qualifying capital expenditure. These costs will be determined by the rating tool/certification body and verified by GreenTech Malaysia. • All building materials and consumable (fixture & fittings) in the green building projects must be registered under the MyHIJAU Mark that have been verified by GreenTech Malaysia and listed under the MyHIJAU Directory. • GreenTech Malaysia will conduct annual verification for the following year of assessment until the tax allowances are fully absorbed. Annual verification fee will be charged to the company.
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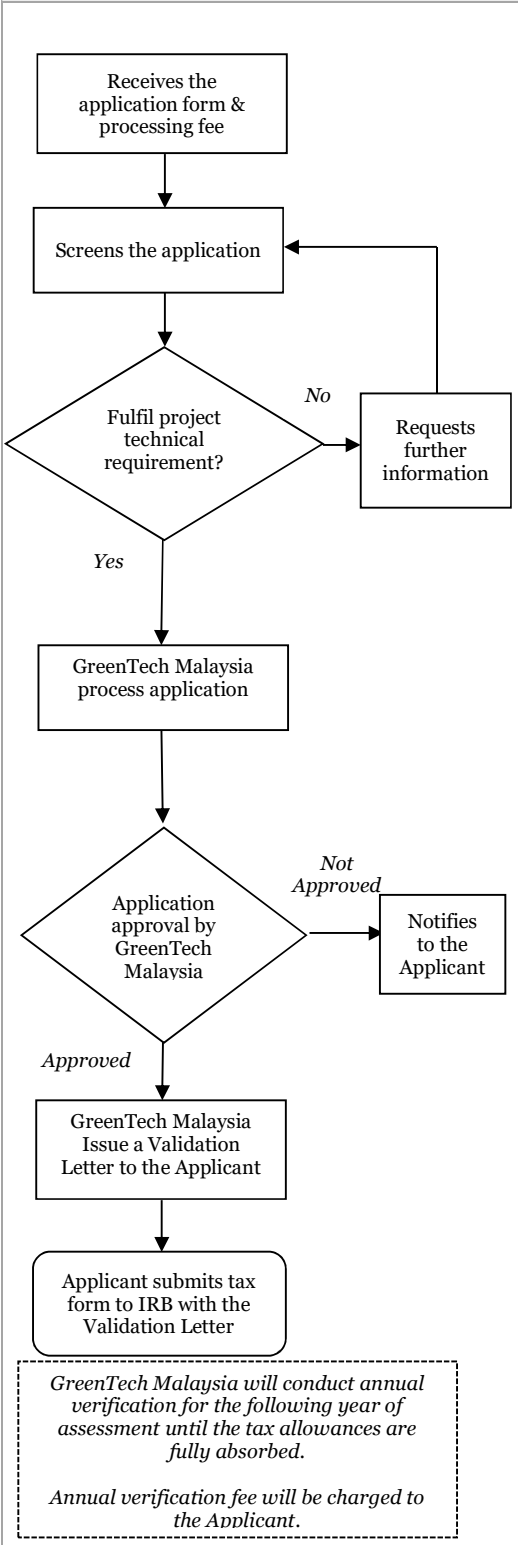
5.2 List of Qualifying Activities

NO.	SECTOR/ AREA	ACTIVITIES
1	Renewable Energy	<p>Commercial and industrial business entities which undertake generation of energy using renewable energy resources such as :</p> <ul style="list-style-type: none"> • Biomass • Biogas • Mini Hydro • Geothermal • Solar power <p><i>Note: Projects which have been approved with Feed-in Tariff (FiT) for solar by the Sustainable Energy Development Authority (SEDA) are not eligible for the incentive.</i></p>

2	Energy Efficiency	Companies investing in energy efficiency equipment or technologies and invest in energy saving equipment.
3	Green Building	Building owners of the commercial/industrial building that have been awarded green building certificates from locally developed rating tool/certification body approved by the Government.
4	Green Data Centre	Companies that purchased any energy efficient product or solution for data centre which have been awarded green building certificates from locally developed rating tool/certification body approved by the Government.
5	Waste Management	Companies which undertake/invest in waste recycling or waste recovery or waste treatment and additional activities such as composting or store or collection or disposal.

5.3 Schematics of the Application Process

PROCESS	DESCRIPTION
<pre> graph TD A[Applicant checks on qualifying project] --> B[Applicant submits application form (MIDA GT/JA) & supporting documents to MIDA] B --> C{Complete & fulfil GITA Project?} C -- No --> D[MIDA request further information] D --> B C -- Yes --> E[MIDA process the application] E --> F[MIDA prepare an Evaluation Report] F --> G{Application approval by NCI} G -- Not Approved --> H[MIDA issue a Rejection Letter to the Applicant] G -- Approved --> I[MIDA issue a Conditional Letter to the Applicant] I --> J[Applicant submits the application form & Conditional Letter to GreenTech Malaysia] </pre>	<ul style="list-style-type: none"> Applicant must check the qualifying project with MIDA or GreenTech Malaysia. Applicant submits an application to MIDA with the MIDA GT/JA form (Refer to website at www.mida.gov.my). MIDA will request further information for uncompleted application. MIDA process and evaluate the application based on the available information related to green technology project as provided by the Applicant. MIDA prepare an Evaluation Report to be presented during the National Committee on Investment (NCI). MIDA present the Evaluation Report during NCI for approval. If approved, a Conditional Letter will be issued. If not approved, MIDA will issue a Rejection Letter to the Applicant. MIDA issue the Conditional Letter to the successful Applicant. Applicant submits the certified true copy of application form (MIDA GT/JA), the Conditional Letter and supporting documents to GreenTech Malaysia for project validation. <p><i>CONTINUE WITH THE NEXT PAGE</i></p>

PROCESS	DESCRIPTION
 <pre> graph TD A[Receives the application form & processing fee] --> B[Screens the application] B --> C{Fulfil project technical requirement?} C -- No --> D[Requests further information] D --> B C -- Yes --> E[GreenTech Malaysia process application] E --> F{Application approval by GreenTech Malaysia} F -- Not Approved --> G[Notifies to the Applicant] F -- Approved --> H[GreenTech Malaysia Issue a Validation Letter to the Applicant] H --> I[Applicant submits tax form to IRB with the Validation Letter] </pre> <p data-bbox="277 1625 716 1801" style="border: 1px dashed black; padding: 5px;"> <i>GreenTech Malaysia will conduct annual verification for the following year of assessment until the tax allowances are fully absorbed. Annual verification fee will be charged to the Applicant.</i> </p>	<p data-bbox="792 275 1273 306"><i>CONTINUE FROM THE PREVIOUS PAGE</i></p> <ul data-bbox="792 352 1385 1770" style="list-style-type: none"> • GreenTech Malaysia receive the application form with the Conditional Letter and supporting documents from MIDA. Processing fee (<i>refer to item 3.2.2, page 7</i>) must be received upfront by MGTC via online banking, cash deposit or bank draft. • GreenTech Malaysia screen all the documents and information for technical evaluation. If the information or supporting documents provided are incomplete, the Applicant will be notified via email. The Applicant needs to respond within fourteen (14) days from the date of such notification. • The approval of the application shall be subjected to GreenTech Malaysia’s successful evaluation. If approved, a Validation Letter will be issued. If not approved, GreenTech Malaysia will notify the Applicant with a Notification Letter. • GreenTech Malaysia issue the Validation Letter to the successful Applicant. • Applicant submits tax form to IRB together with the Validation Letter from GreenTech Malaysia for tax claim or declaration. • GreenTech Malaysia will conduct annual verification for the following year of assessment until the tax allowances are fully absorbed. • Annual verification fee will be charged to the Applicant (<i>refer to page 10</i>).

6.0 GREEN INCOME TAX EXEMPTION (GITE) SERVICES

6.1 Features for GITE Services

FEATURES	DESCRIPTION
Eligibility	<ul style="list-style-type: none">• Green Income Tax Exemption given to qualifying companies which provides green technology services which have been verified by GreenTech Malaysia and been listed under the MyHIJAU Directory.• For a company which undertakes green technology services activities, the company must meet the criteria of green technology service providers as follows:<ul style="list-style-type: none">a) At least one competent/qualified personnel in the respective green technology*;b) Must have a green policy related to the environmental or sustainability**; andc) 100% income must be derived from the respective green technology services. <p>Note :</p> <ul style="list-style-type: none">• <i>*Competent personnel are defined as holding a certificate of competency as a service provider in the related field of green technology. The certificate must be recognised by the Government or a Professional Body in Malaysia.</i>• <i>**Green Policy is a statement about the commitment to sustainability and environment management by the company.</i>• The application must be submitted to MIDA before 31 December 2020.
Rate of incentive	<ul style="list-style-type: none">• 100% of statutory income from the date of application received by MIDA until the year of assessment 2020

	(maximum period is 5 years from the date of commencement).
Interpretations	<ul style="list-style-type: none"> • Qualifying company means a company which is incorporated under the Companies Act, 1965 and a resident in Malaysia and provides approved green technology services which have been verified by GreenTech Malaysia. • This incentive would not be applicable to existing green technology services before the date of commencement (25th October 2013).
Commencement date	<ul style="list-style-type: none"> • Depending on the nature of the business activity, the commencement date for the incentive shall be determined by MIDA (up to the year of assessment 2020).
Other key features	<ul style="list-style-type: none"> • Companies would be allowed to enjoy this income tax exemption and other incentives (e.g. reinvestment allowance, ITA and GITA) in relation to different business activities. • This incentive and GITA (Asset and Project) are mutually exclusive in relation to the same business activity.
Conditions	<ul style="list-style-type: none"> • Companies must obtain verification from GreenTech Malaysia and listed under the MyHIJAU Directory. • Companies would need to have at least one (1) competent/qualified personnel in the respective green technology services throughout the incentive period. • Companies must have policy related to the environmental or sustainability.

	<ul style="list-style-type: none"> Companies' income must be 100% from the respective green technology services.
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6.2 List of Qualifying Activities

NO.	SECTOR/ AREA	ACTIVITIES
1	Renewable Energy	Services related to renewable energy project such as system design and feasibility study, advisory and consultancy, testing and commissioning.
2	Energy Efficiency	Services related to energy efficiency such as advisory and consultancy, energy audit and management, measurement and verification, testing and commissioning.
3	Electric Vehicle (EV)	<ul style="list-style-type: none"> (i) Services related to installation, maintenance and repair of EV charging equipment, infrastructure and EV charging station. (ii) Services related to operation of the EV charging station. (iii) Services related to maintenance, repair and overhaul of EV.
4	Green Building	Services related to testing and commissioning of green building equipment and system, and services related to green building design and consultancy services.
5	Green Data Centre	Services related to system design and feasibility study, advisory and consultancy, testing and commissioning of green data centre or ICT infrastructure.

6	Green Certification and Verification	Services related to green certifications of products, equipment and buildings.
7	Green Township	Services related to advisory and consultancy, design and feasibility study in Green Township and low carbon cities planning.

6.3 Schematics of the Application Process

PROCESS	DESCRIPTION
<pre> graph TD A[Applicant checks on qualifying activities] --> B[Applicant submits application form (MIDA GT/JA) & supporting documents to MIDA] B --> C{Complete & fulfil GITE Services?} C -- No --> D[MIDA request further information] D --> B C -- Yes --> E[MIDA process the application] E --> F[MIDA prepare an Evaluation Report] F --> G{Application approval by NCI} G -- Not Approved --> H[MIDA issue a Rejection Letter to the Applicant] G -- Approved --> I[MIDA issue a Conditional Letter to the Applicant] I --> J[Applicant submits the application form & Conditional Letter to GreenTech Malaysia] </pre>	<ul style="list-style-type: none"> Applicant must check the qualifying activities with MIDA or GreenTech Malaysia. Applicant submits an application to MIDA with the MIDA GT/JA form (Refer to website at www.mida.gov.my). MIDA will request further information for uncompleted application. MIDA process and evaluate the application based on the available information related to green technology services as provided by the Applicant. MIDA prepare an Evaluation Report to be presented during the National Committee on Investment (NCI), MIDA. MIDA present the Evaluation Report during NCI for approval. If approved, a Conditional Letter will be issued. If not approved, MIDA will issue a Rejection Letter to the Applicant. MIDA issue the Conditional Letter of Approval to the successful Applicant. Applicant submits the certified true copy of application form (MIDA GT/JA), the Conditional Letter and supporting documents to GreenTech Malaysia for the validation of green technology service provider. <p><i>CONTINUE WITH THE NEXT PAGE</i></p>

PROCESS	DESCRIPTION
<pre> graph TD A[Receives the application form & processing fee] --> B[Screens the application] B --> C{Fulfil service provider requirement?} C -- No --> D[Requests further information] D --> B C -- Yes --> E[GreenTech Malaysia process the application] E --> F{Application approval by GreenTech Malaysia} F -- Not Approved --> G[Notifies to the Applicant] F -- Approved --> H[Issues a Validation Letter to the Applicant] H --> I[Applicant submits tax form to IRB with the Validation Letter] </pre>	<p><i>CONTINUE FROM THE PREVIOUS PAGE</i></p> <ul style="list-style-type: none"> GreenTech Malaysia receive the application form with the Conditional Letter and supporting documents from MIDA. Processing fee (RM2,000 per application) must be received upfront by MGTC via online banking, cash deposit or bank draft. GreenTech Malaysia screen all the documents and information for the validation of green technology service provider. If the information or supporting documents provided are incomplete, the Applicant will be notified via email. The Applicant needs to respond within fourteen (14) days from the date of such notification. <p><i>Note: The Applicant must be registered under the MyHIJAU Mark Service for tax eligibility.</i></p> <ul style="list-style-type: none"> The approval of the application shall be subjected to GreenTech Malaysia’s successful validation. If approved, a Validation Letter will be issued. If not approved, GreenTech Malaysia will notify the Applicant with a Notification Letter. GreenTech Malaysia issue the Validation Letter to the successful Applicant. Applicant submits tax form to IRB together with the Validation Letter from GreenTech Malaysia for tax claim or declaration.

7.0 SUBMISSION FOR APPLICATION FORMS

7.1 Application for GITA Assets

The application should be submitted in one (1) set of MGTC GITA/A Form to:

Chief Executive Officer

Malaysian Green Technology Corporation

No. 2 Jalan 9/10

Persiaran Usahawan Seksyen 9

43650 Bandar Baru Bangi

Selangor Darul Ehsan

(Attn.: Green Technology Tax Incentive)

7.2 Application for GITA Projects and GITE Services

The application should be submitted in three (3) sets of MIDA GT/JA Forms to:

Chief Executive Officer

Malaysian Investment Development Authority (MIDA)

MIDA Sentral, No. 5

Jalan Stesen Sentral 5

Kuala Lumpur Sentral

50470 Kuala Lumpur

(Attn.: Director, Clean Technology and Environment Management Division)

8.0 ENQUIRIES

- 8.1 All enquiries and clarification regarding MyHIJAU Mark, MyHIJAU Directory and GITA Assets are to be addressed to GreenTech Malaysia at the following address:

Green Technology Tax Incentive

Malaysian Green Technology Corporation (GreenTech Malaysia)

No. 2, Jalan 9/10

Persiaran Usahawan, Seksyen 9

43650 Bandar Baru Bangi

Selangor Darul Ehsan

Tel. No.: (603) 8921 0800

Fax: No. (603) 8921 0801

Website: www.myhijau.my or www.greentechmalaysia.my

- 8.2 All enquiries and clarification regarding GITA Project and GITE Services are to be addressed to MIDA at the following address:

Director

Clean Technology and Environment Management Division

Malaysian Investment Development Authority (MIDA)

MIDA Sentral, No. 5

Jalan Stesen Sentral 5

Kuala Lumpur Sentral

50470 Kuala Lumpur

Tel. No.: (603) 2267 3633

Fax: No. (603) 2274 8470

Website: www.mida.gov.my