

**GUIDELINES AND PROCEDURE FOR APPLYING TAX INCENTIVE  
UNDER THE PROMOTION OF INVESTMENTS ACT 1986  
FOR PROVIDING ENERGY CONSERVATION (EC) /  
ENERGY EFFICIENCY (EE) SERVICES**

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**I. INTRODUCTION**

Companies intending to undertake performance contracting service activities to conserve usage of energy are eligible to apply for:-

- Pioneer Status with tax exemption of 100% of statutory income for 10 years; or
- Investment Tax Allowance of 100% on qualifying capital expenditure incurred (on building, plant and machinery used for the purpose EC/EE activities) within a period of 5 years. The allowance can be offset against 100% of statutory income in each year of assessment. Unutilised allowances can be carried forward till fully absorbed.

**II. CRITERIA FOR ELIGIBILITY**

- (i) The company must be locally incorporated under the Companies Act, 1965.
- (ii) The company must carry out performance contracting services activities to conserve the use of energy. Performance Contracting Services is defined as:-

A company undertaking EC/EE projects on behalf of the client (including financing), on the basis of recovery of all costs from agreed sharing of EC/EE savings over a specified contract period based on performance contract. If the performance contracting services undertaken involve services like consultancy and advisory services (energy audit, training, energy management services, feasibility studies project) and project management (design and tendering, procurement, supervision and commissioning of the project), these services can also be taken into account for consideration of tax incentive.

- (iii) Applications received by 31 December 2010 are eligible for this incentive.

### III. EXPATRIATE POST(S)

Companies undertaking performance contracting service activities to conserve usage of energy may also apply for expatriate post(s). However, the company should endeavour to train Malaysians in the same field.

### IV. PROCEDURE FOR APPLICATION

- (i) Companies intending to provide energy conservation/energy efficiency services are required to submit their applications using Form **EE/JA**.
- (ii) The application should be submitted in four (4) copies to:

The Director General  
Malaysian Industrial Development Authority  
2<sup>nd</sup> Floor, Plaza Sentral  
Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
P.O. Box 10618  
50470 Kuala Lumpur  
(For the Attention of: Director  
Business and Other Services Division)

Tel No.: (603) 2267 6722  
Fax No.: (603) 2267 6655

**APPLICATION FOR TAX INCENTIVE UNDER THE PROMOTION OF  
INVESTMENT ACT 1986 FOR ENERGY CONSERVATION (EC) /  
ENERGY EFFICIENCY (EE) SERVICES PROJECTS**

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Application for: [tick ( / ) whichever is relevant ]

(i) Pioneer Status ( )

or

(ii) Investment Tax Allowance of 60% ( )

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**A. PARTICULARS OF APPLICANT/COMPANY**

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1. Name of applicant/company and correspondence address

\_\_\_\_\_  
\_\_\_\_\_

Telephone No

Fax. No

Contact Person

Designation

\_\_\_\_\_  
\_\_\_\_\_

2. Is company a member of Malaysian Association of Energy Service Companies (MAESCO)?

( ) Yes

Member No. \_\_\_\_\_

( ) No.

3. (i) Name of company which will undertake the energy conservation service project:

\_\_\_\_\_

(ii) Date of incorporation: \_\_\_\_\_

(iii) Company Registration No.: \_\_\_\_\_

(iv) Company Income Tax No.: \_\_\_\_\_

(v) Income Tax Branch Office: \_\_\_\_\_

(vi) Address of registered office:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

4. Particulars of Directors

NAME AND RESIDENTIAL ADDRESS	NATIONALITY	% SHARE HELD IN THE COMPANY

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**B. ENERGY CONSERVATION & EFFICIENT ACTIVITIES**

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Please elaborate on EC/EE projects to be undertaken

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**C. PROJECT COST**

		<b>JUMLAH TOTAL (RM)</b>
1	Fixed Assets	
a	Land (specify area): .....	
b	Office building (specify built-up area): .....	
c.	Test equipment, machinery and appliances (Please list details in Section D)	
<b>Total Fixed Assets</b>		
2	Pre-operational Expenditure	
3	Working Capital	
<b>Total</b>		

Note: If the land, factory building, plant and machinery are to be rented/leased, indicate the annual cost of rental/lease.

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**D. MAJOR MACHINERY AND EQUIPMENT**

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Description	Unit	New or used	Fungsi	Country of origin	Cost (RM)

**E. FINANCING**

	<b>RM</b>	<b>%</b>
1. Authorised capital		
2. (i) Paid-up capital		
(a) Malaysian individuals		
Bumiputra		
Non-Bumiputra		
(b) Companies incorporated in Malaysia *		
_____		
(c) Foreign individual/company (Specify name and country)		
_____		
<b>Total (a), (b) dan (c)</b>		100

\* For 2 (b), provide equity structure as follows:-

Name of Company: .....%

Name of Company: .....%

Bumiputra: .....%

Bumiputra: .....%

Non Bumiputra: .....%

Non Bumiputra .....%

Foreigner: .....%

Foreigner: .....%

	RM	%
3. Loan		
Domestic		
Foreign		
4. Other sources		
<b>Total</b>		100

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**F. PROJECT FINANCIAL PLAN**

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Please state your project financing:

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**G. ENERGY EFFICIENCY INFORMATION**

Sector	Energy Type	Energy					
		Current consumption		Estimated Savings		% Savings	
		Unit	RM	Unit	RM	Unit	RM
Industrial							
Commercial							

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**H. MANPOWER**


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Category	Full-time employment		
	Malaysian	Foreign	Total
1 Managerial staff with: a. Technical qualification/experience b. Other qualification/experience			
2 Technical and supervisory staff with: a. Technical qualification/experience b. Other qualification/experience			
3 Sales, clerical and other staff			
<b>Total</b>			

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**I. DETAILS OF EXPATRIATE POSTS**


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**1. New/additional posts applied for**

Designation*	Type of post (key/term post)	Number	Duration (years)

**Note:**

\* Please list according to priority

For each expatriate post applied for, please submit the following details:

- (a) Job function
- (b) Minimum academic/professional qualification required
- (c) Minimum period of experience required
- (d) Justification for request
- (e) Proposed training scheme for Malaysian personnel to fill the relevant posts

**2. Existing/approved posts (if any)**

Designation	Name and nationality	Duration approved	Date post filled	Expiry date

For each existing/approved expatriate post, please submit the following details:

- (a) Name of Malaysian who has taken over/will take over the post
- (b) If the post has not been/will not be Malaysianised, state reasons and the company's plan on the post.

3. Please attach the organisational structure of the company indicating the positions of the expatriate posts.

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**J. DECLARATION**

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I ..... hereby declare that to the best of my knowledge and belief the particulars furnished in this application are true.

.....  
(Signature of applicant)

.....  
(Designation)

.....  
(Company's Chop)

Date: .....