

## **GUIDELINES AND PROCEDURES**

### **APPLICATION FOR IMPORT DUTY, EXCISE DUTY AND/OR SALES TAX EXEMPTION ON MACHINERY, EQUIPMENT AND MATERIALS FOR SELECTED SERVICES SUB-SECTORS**

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#### **INTRODUCTION**

- 1. MIDA is currently responsible for the processing of import duty, excise duty and/or sales tax exemption applications for selected services sub-sectors.**

#### **ELIGIBLE SERVICES**

- 2. The following services are eligible for consideration of import duty, excise duty and/or sales tax exemption on machinery, equipment and materials:**
  - Transport Services;**
  - Haulage Services;**
  - Seaport and airport operations;**
  - Operational Headquarters;**
  - Integrated Logistics Services;**
  - Integrated Market Support Services;**
  - Integrated Centralised Utility Facilities;**
  - Cold Chain Facilities and Services;**
  - Public Utility Services;**
  - Telecommunication Services;**
  - Research and Development Activities;**
  - Institutions of Higher Learning/Training Institutes;**
  - Broadcasting, Production and/or Post Production Services;**
  - Hotels; and**

- **Tourism Projects**
  - **Recreational centres**
  - **Theme parks**
  - **Camping sites**
  - **Marinas**
  - **Marine parks.**

### **CRITERIA FOR EXEMPTION**

3. **Machinery, equipment and materials, which are not produced locally and are imported directly or purchased locally can be considered for import duty and/or excise duty and/or sales tax exemption if they are:-**
  - i) **used directly in the activity**
  - ii) **used for purposes of**
    - **controlling environmental pollution**
    - **recycling of materials**
    - **product testing and quality control**
  - iii) **used as spare parts/replacement parts and consumables**
  - iv) **used for the purpose of enhancing the attractiveness of hotel and tourism projects**
4. **For the haulage sector, companies are only eligible for sales tax exemption for locally produced new prime movers and trailers.**

### **CONDITIONS FOR APPLICATION**

5. **Application for import duty, excise duty and sales tax exemption will be considered if the following conditions are fulfilled;**
  - i) **Machinery, equipment and materials, which are imported or purchased locally, are for company's own use. Importation or purchase through third party is not considered.**

- ii) **Application must be submitted prior to importation and customs clearance or purchase of machinery, equipment and materials. Applicants are advised to submit their applications at least three (3) months before importation or purchase to avoid delay in the processing of applications.**
- iii) **Applications with total duty or tax value of less than RM1,000.00 (per submission) will not be considered for exemption.**
- iv) **Applicants must submit complete information as required in the application form including supporting documents.**

#### **DURATION OF EXEMPTION**

- 6. **Exemption can be considered for a period of up to two (2) years from the date of application received by MIDA.**

#### **PROCEDURES FOR APPLICATION**

- 7. **Applicants are allowed to import machinery, equipment and materials by using Bank Guarantee pending the decision on exemption from the Ministry of Finance. Applicants would require an acknowledgement letter from MIDA confirming the receipt of application forms before applying for a Bank Guarantee. The Bank Guarantee is valid for six (6) months.**
- 8. **A company applying for duty exemption for the first time should also submit a copy of the following documents: -**
  - i) **Memorandum and Articles of Association or Business Registration Certificate; or**
  - ii) **Documents pertaining to the purchase/installation/construction and lease of premise, machinery and equipment, or Service Tax License from the Royal Customs Malaysia (if applicable);**
  - iii) **Company's Registration number from the Department of Occupational Safety and Health (DOSH) or an acknowledgement letter from DOSH.**

9. Three (3) copies of Application Forms (PC Services) with additional four (4) copies of Appendix I and/or II (where applicable) should be submitted to: -

Director-General  
Malaysian Industrial Development Authority (MIDA)  
5<sup>th</sup> Floor, Block 4, Plaza Sentral  
Jalan Stesen Sentral 5  
50470 Kuala Lumpur

OR

Director-General  
Malaysian Industrial Development Authority (MIDA)  
P.O. Box 10618  
50720 Kuala Lumpur  
Malaysia

10. For enquiries and clarifications, please refer to MIDA'S CUSTOMER SERVICE CENTRE at :-

Tel : 603-22673633  
Fax : 603-22747970 / 22734204  
E-mail : [investmalaysia@mida.gov.my](mailto:investmalaysia@mida.gov.my)  
Website : [www.mida.gov.my](http://www.mida.gov.my)