

FACT SHEET: INCENTIVES FOR PIONEER STATUS

The Federal Government of Malaysia has developed a number of incentives for those that qualify for Pioneer status. For more information on the Federal incentives, please refer to the [Malaysian Investment Development Authority \(MIDA\)](#) website.

In addition to the Federal incentives, Sarawak has also created additional incentives to attract businesses to SCORE.

Any company awarded Pioneer status in West Malaysia will, for a period of 5 years, only have to pay tax on 30% of its statutory income. This incentive begins from the date production begins.

However in Sarawak, companies with Pioneer status enjoy a 100% exemption on statutory income for a total of 5 years, from the date production starts.

Furthermore, selected industries are entitled to Pioneer status or Investment Tax Allowances in Sarawak even if the incentives are no longer available in West Malaysia.

Manufacturers in Sarawak that intend to market products in Sarawak are entitled to full exemption on import duties for raw materials, components and parts that are not available in the State.

Exporters can also apply for double deduction on freight charges incurred on the export of rattan and wood-based products (except plywood, sawn timber and veneer).

Those companies awarded Pioneer status and choose to make Sarawak their base, are also entitled to own industrial land. In addition, the State offers companies with Pioneer status, generous rebates on any land acquisition costs, flexible payment terms and minimal deposits.

Pioneer status allows companies to channel funds that may have gone to the government into other areas such as for operating expenses within Sarawak or to be paid as a dividend.