

## FACT SHEET: REINVESTMENT ALLOWANCE

Companies that are already active in Malaysia but have only been in operation for less than a year or have incurred capital expenditure on machinery, factory building, plant etc that is used in Malaysia to expand or improve production capacity or facilities, modernisation and/or diversification into related products or automation of production facilities, can claim Reinvestment Allowance (RA).

The RA is an allowance of 60% of capital expenditure incurred for the expansion, modernisation and upgrading of production facilities and/or diversification into related products. The allowance can be utilised to offset against 70% of the statutory income in the year of assessment.

However for companies investing in Sarawak, this figures rises to 100% of the statutory income for the year of assessment.

For more information on this Federal incentive, please refer to the [Malaysian Investment Development Authority \(MIDA\)](#) website.

For more information on the RA in Sarawak, please talk to your account manager.