

FACT SHEET: INCENTIVES FOR STRATEGIC INDUSTRIES

Incentives for strategic projects are consistent across all states in Malaysia. Strategic projects are generally defined as integrated activities of national importance that require the following:

- Major capital investments.
- Require high levels of technology.
- Generate extensive linkages.
- Will have a distinct and significant impact on the economy.
- Require a long set up period.

Companies looking to work in such strategic projects qualify for Pioneer status and income tax exemption of 100% of the firm's statutory income for a period of 10 years.

Furthermore, unabsorbed capital allowances as well as accumulated losses incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company. For more information on Pioneer status, please download the [Incentives for Pioneer Status fact sheet](#).

If the company doesn't qualify for Pioneer status, it will automatically qualify for Investment Tax Allowance (ITA) of 100% on the qualifying capital expenditure incurred within five years from the date the first qualifying capital expenditure is incurred. For more information on the Investment Tax allowance please download the [Investment Tax allowance fact sheet](#).

Once again, this allowance can be offset against 100% of the statutory income for each year of assessment. And any unutilised allowances can be carried forward to subsequent years until fully utilised.