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What incentives is Malaysia offering to biotech firms?

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Malaysia is attracting companies for all over the world to establish their businesses on its shores. The Government of Malaysia and Malaysian Industry Development Authority (MIDA) offer several benefits for firms that are looking to venture into Malaysia.

A biotechnology company, which has received BioNexus Status from the Malaysian Biotechnology Corporation is eligible for several incentives. They are exempted from payment of tax on 100 percent statutory income for 10 years of assessment, from the first year that the company derived statutory income from the new business or for five years of assessment from the first year the company derived statutory income from the existing business and expansion project.

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Moreover, an exemption of 100 percent statutory income, derived from a new business or an expansion project that is equivalent to an allowance of 100 percent of qualifying capital expenditure incurred for five years, is also given to the firm. A BioNexus status company is entitled to a concessionary tax rate of 20 percent on statutory income, from qualifying activities for 10 years, upon expiry of the tax exemption period.

Furthermore, tax exemption is given on dividends distributed by a BioNexus status company, such a firm is given exemption of import duty and sales tax on raw materials/components and machinery and equipment. Also, buildings used solely for the purpose of biotechnology activities are eligible for Industrial Building Allowance, which can be claimed over a period of 10 years.