



NOTICE

AUTOMATION CAPITAL ALLOWANCE PROVIDED BY THE MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY (MIDA)

The Malaysian Investment Development Authority ("MIDA") has shared with the Malaysian Communications and Multimedia ("MCMC") on the availability of the following incentive:

Automation Capital Allowance ("Automation CA")

The Automation Capital Allowance ("Automation CA") incentive for services sector was introduced in the National Budget 2020, which was expanded to the services sector in order to drive the services sector towards automation. This incentive falls under the First Thrust of the Budget 2020: Driving Economic Growth in the New Economy and Digital Era.

The Automation CA allocates a capital allowance of 200% on the first RM2 million expenditures incurred for the year of assessment 2020 until the year of assessment 2023¹. For the services sector, the company must be incorporated under the Companies Act 1965/2016 and has the licenses issued by the relevant Ministry or agency. The application for this incentive is open until **31 December 2023**.

Interested licensees may refer to the following link:

<https://www.mida.gov.my/forms-and-guidelines/services-sector/automation-capital-allowance/>

For enquiries and clarification, please refer to:

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www.mcmc.gov.my

¹ Note: "Incurred" refers to machinery or equipment purchased and used directly for the purpose of the business in the approved Year of Assessment ("YA").