

Extension of Green Investment Tax Allowance (GITA) & Green Income Tax Exemption (GITE) until 2023

Green Investment Tax Allowance – GITA (Project) :

- GITA Investment Tax Allowance (GITA) of 100% of qualifying capital expenditure (QCE) incurred from the date of application received by MIDA until the year 2023 which comprises of Renewable Energy, Energy Efficiency, Green Building, Green Data Centre and Integrated Waste Management Activity.

Green Income Tax Exemption – GITE (Services) :

- 100% of statutory income from the year of assessment where the date of application received by MIDA until the year 2023 which encompasses Renewable Energy, Energy Efficiency, Green Building, Green Data Centre, Green Township, Certification/Verification Bodies and Electric Vehicles (EV).
- A 70% income tax exemption of up to 10 years will be given to companies undertaking solar leasing activities.

Qualifying Activities related to SEDA:

1. Renewable Energy

Commercial and industrial business entities which undertake generation of energy in the form of electricity, steam, heat and chilled water using renewable energy resources such as:

- a) Solar Power (including NEM)
- b) Biomass
- c) Biogas
- d) Mini hydro
- e) Geothermal

*Note: Projects which have been approved with Feed-in-Tariff (FiT) for solar by SEDA are not eligible for the Investment Tax Allowance.

2. Energy Efficiency

Companies investing in energy efficient equipment or technologies and invest in energy saving equipment.

For any latest **Procedures, Guidelines and Forms** kindly download from [MIDA's website](#).

Green Technology Financing Scheme 2.0 (GTFS 2.0)

As part of the effort to ensure continuous supports toward Green Technology projects, the Ministry of Finance has agreed to the recommendation proposed by Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), with several enhancement and improvement to the scheme and known as GTFS 2.0.

GTFS 2.0 also offer a financial support (subject to only to the green technology/component cost finance by Participating Financial Institutions (PFIs)) for Producer, User and also offer a financial support to a new category, which is for Energy Services Companies (ESCOs) also offer a rebate of 2% on interest/profit, is to accelerate the expansion of green investments by providing easier access to funding via financing from Participating Financial Institutions (PFIs) with a total funding earmarked up to RM2.0 billion. The new category is to support ESCOs to finance investment or assets related to energy efficient project and/or energy performance contracting.

All applications of the Scheme are channeled to Malaysian Green Technology Corporation (GreenTech Malaysia) on which conducts the initial screening and certification prior to applying financing from financial institutions. The Scheme is made available until 31 December 2020 or upon reaching a total financing/funding approval amount of RM2.0 billion whichever is earlier or any subsequent extension on the availability date expected to facilitate the growth of local green businesses and generates new markets and job creation.

Malaysian Green Technology Corporation (GreenTech Malaysia), Credit Guarantee Corporation Malaysia Berhad (CGC) are the agencies tasked with administering the Scheme. GreenTech Malaysia is responsible for the promotion, assessment, certification and monitoring to Producers, Users & ESCOs under the Scheme, while CGC administers the rebate payments.

In April 2018, the MOF had approved an extension of the GTFS known as GTFS 2.0 with a financing amount earmarked up to RM 5.0 billion. The Scheme was later launched on 3rd May 2018 in Kudat, Sabah. However, after the 14th General Election in May 2018, the new Government administration had decided to discontinue the Scheme. Later, on 6th March 2019, MOF had approved to reinstate GTFS 2.0 with the allocation of RM 2.0 billion for the period of January 2019 until the end of 2020. The Scheme which will last for two (2) years will be offering a 2% p.a. interest/profit rate subsidy for the first seven years with 60% government guarantee on the financing.

For more information please visit : <https://www.gtfs.my/>