

FLAGSHIP INCENTIVES ISKANDAR MALAYSIA (FIM) INFOSHEET AND GUIDELINES

The Flagship Incentives Iskandar Malaysia (FIM), are a set of investment incentives aimed at catalyzing new development projects in the following industry sectors:

No.	Industry Sector	Qualifying Activities
1.	Tourism Sector	New investment in four (4) star and above for hotel or resort projects
2.	Healthcare Sector	New Traditional Complementary Medicine (TCM) centers
3.	Education Sector	New private higher education institutions

Under this new incentive scheme, companies undertaking the above qualifying activities (new projects) in any of the five Flagship Zones of Iskandar Malaysia (Refer to map in Appendix II) will be eligible to apply for the following incentive items:

No.	Fiscal Incentive Item
1.	Five (5) year corporate tax exemption on 100% statutory income derived from qualifying activities; or Investment Tax Allowance (ITA) of 100% on qualifying capital expenditure incurred to be offset against 100% of statutory income for five (5) years
2.	Import duty and sales tax exemption on machinery and equipment used directly in the company's qualifying activities
	Non-Fiscal Incentive Item
3.	Flexibility to recruit and employ foreign knowledge workers
4.	Flexibility under the foreign exchange administrative rules set by the Central Bank of Malaysia

To enjoy the above incentives, companies and their projects must first meet the qualifying criteria listed in Appendix I; and submit a formal application to IRDA. Application forms are available on Iskandar Malaysia's web site: <http://www.iskandarmalaysia.com.my>

For application details, please do not hesitate to contact IRDA's Iskandar Service Center (ISC) at toll free number: 1800 88 3010 email: enquiries@irda.com.my or our Kuala Lumpur office: 03 2260 6777.

APPENDIX I – QUALIFYING CRITERIA FOR FLAGSHIP INCENTIVES ISKANDAR MALAYSIA (FIM)

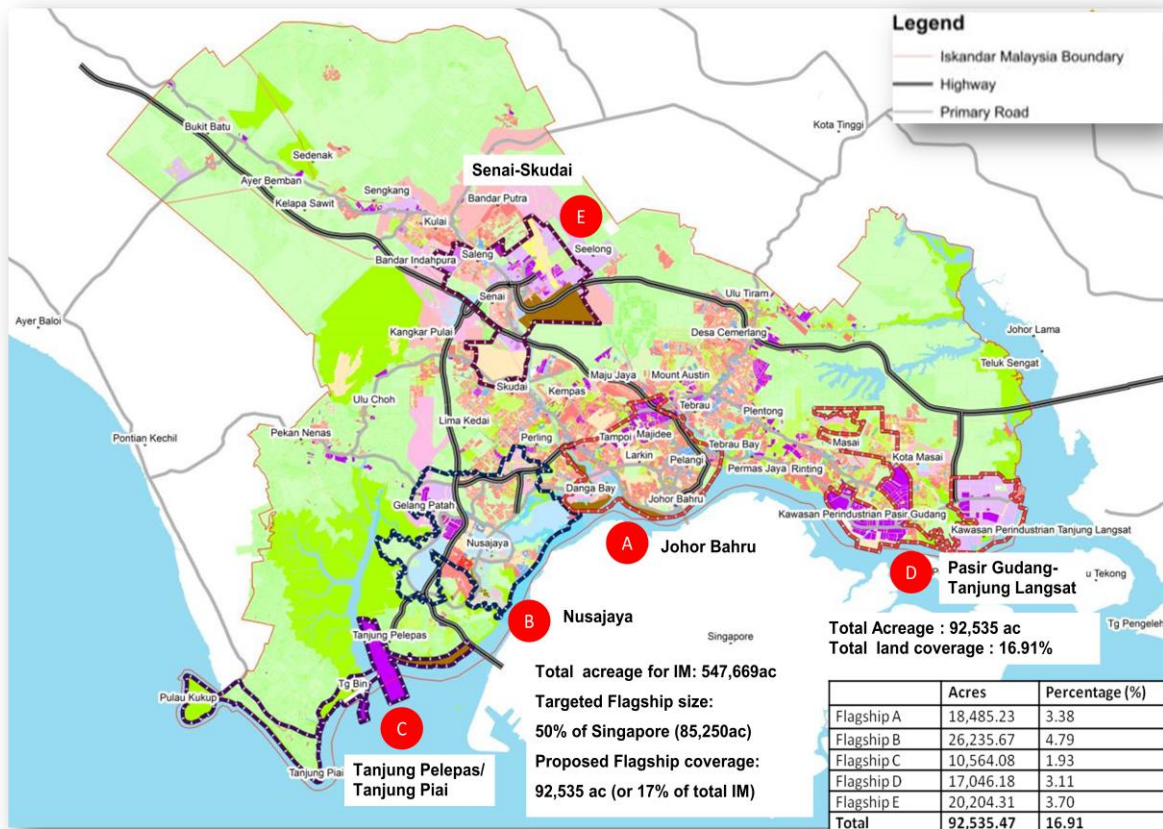
- The applicant must incorporate a new company under the Companies Act 1965
- The applicant must undertake new services related to the qualifying activities in the three service sectors, as listed below:

No.	Industry Sector	Qualifying Activities
1.	Tourism Sector	New investment in four (4) star and above for hotel or resort projects
2.	Healthcare Sector	New Traditional Complementary Medicine (TCM) centers
3.	Education Sector	New private higher education institutions

- The new services must be offered inside any of the five (5) Flagship Zones of Iskandar Malaysia approved by the relevant sector regulator
- The new services must be part of a minimum investment plan of RM 10 mil (excluding land cost)
- The applicant must submit a detailed cost benefit analysis, demonstrating strong merits of the new services / project for the Malaysian economy and local community
- The new services must commence anytime from the period 1 Jan 2011 – to 31 Dec 2015
- The statutory income eligible for corporate tax exemption is derived from the new services performed within the Flagship Zones of Iskandar Malaysia or out of Malaysia
- A nominal application fee of RM 2,000.00 will be imposed by IRDA to deter indiscriminate applications. The fee is refundable should the application be rejected by the final approving committee.

Prepared by:
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APPENDIX II – BOUNDARIES OF THE FIVE FLAGSHIP ZONES OF ISKANDAR MALAYSIA



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