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# Deloitte TaxMax – The 51st series

## Building economic resilience through strategic tax reform

**Jo-Ann Tan | 20 November 2025**

# Tax Incentive

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# Tax Incentive

## Tax Incentive for Food Security Projects

| Current: Qualifying Company | Current: Tax Incentive | Proposed: Qualifying Company | Proposed: Tax Incentive |
|---|---|---|---|
| Investor companies | Tax deduction equivalent to the amount of investment | Companies undertaking new projects | i. 100% of income tax exemption on SI for 10 YAs<br>ii. Applicable to income from sales in domestic market |
| Companies undertaking food production projects | i. New project – 100% exemption on statutory income (SI) for 10 YAs<br>ii. Expansion project – 100% exemption on SI for 5 YAs | Companies undertaking expansion projects | i. 100% of income tax exemption on SI for 5 YAs<br>ii. Applicable to income from sales in domestic market |

**Effective: For applications received by Ministry of Agriculture and Food Security (KPKM) from 1 January 2026 to 31 December 2030**

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# Tax Incentive

## Streamlining of Tax Incentive for Automation of Agriculture Sector

**Current**

Tax incentive for chicken rearing in closed-house system

- 100% ACA on QCE;
- 100% income tax exemption on QCE; and
- Applications received by KPKM from 1 January 2023 to 31 December 2025.

Tax incentive for automation in agriculture sector

- 100% ACA on the first RM10 million of the QCE;
- 100% income tax exemption on QCE;
- Eligible activities: planting, livestock farming, apiculture, aquaculture and capture fisheries activities; and
- Applications received by KPKM from 1 January 2023 to 31 December 2027.

**Proposed**

Tax incentive for automation in agriculture sector

- To include rearing chicken in closed-house system
- Effective: Applications received by KPKM from 1 January 2026 to 31 December 2027.

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# Tax Incentive

Visit Malaysia Year 2026

Proposal

## Tour Operators

100% tax exemption on incremental income from inbound tourism packages effective from YA 2026 to YA 2027:

- ≥ 1,000 foreign tourists annually; and
- The incremental income is the increase in qualifying income from operating inbound tourism packages during the basis period compared to the income from the preceding basis period.

## Tourism Project Operators

- Tax deduction up to RM500,000 on qualifying expenditure incurred from 11 October 2025 to 31 December 2027 for undertaking renovation and refurbishment works of business premises for business purposes; and
- Registered with the Ministry of Tourism, Arts and Culture (MOTAC).

## Company, association or organisation that promotes and organises conferences

## Entity whose primary activity is other than promoting and organising conferences

- 100% income tax exemption on SI for organiser verified by MOTAC effective from YA 2026 to YA 2027
- Condition for participation of foreign participant per year:
  - Incentive trips ≥ 1,500 participants;
  - Conferences ≥ 2,000 participants; or
  - Trade exhibitions ≥ 3,000 participants.

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# Tax Incentive

## Visit Malaysia Year 2026

| Current: Qualifying Activities | Current: Tax Incentive | Proposed: Qualifying Activities | Proposed: Tax Incentive |
|---|---|---|---|
| Arts and cultural activities approved by MOTAC and held at Istana Budaya, National Visual Arts Gallery or Petronas Philharmonic Hall | • 50% income tax exemption on SI<br>• Effective: YA 2020 to YA 2025 | Arts and cultural activities approved by MOTAC | • Expanded to<br>➢ Tourism activities (excluding concerts); and<br>➢ Any location approved by MOTAC |
| International sports and recreational competitions approved by Ministry of Youth and Sports (KBS) | | International sports and recreational competitions approved by KBS | • Extended for 2 years |

**Effective: YA 2026 & YA 2027**

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# Tax Incentive

Tax Incentive for Venture Capital

## Venture Capital Company (VCC)

### Current

- Tax exemption on SI derived from all sources of income (**except** interest income from savings or fixed deposits and profits from Syariah-based deposits) up to a period of 5 YAs

Note

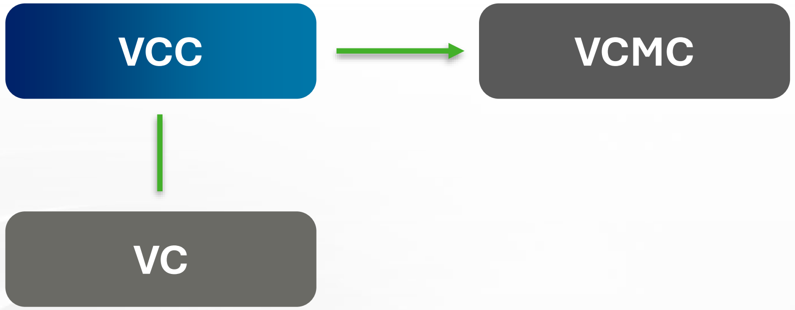
✓ VCC registered with SC latest by 31 December 2023

✓ First certification by SC latest by 31 December 2026

✓ At least 50% of its invested funds in the form of seed capital, start-up and early-stage financing in venture company (VC)

### Proposed

- 5% corporate tax imposed on all income **except** interest / profit income from savings, fixed deposits and deposits
- Minimum of 20% investment funds in local VC
- First certification by SC on or before 31 December 2035
- Tax incentive: 10 years / for the remaining life of the fund starting from the year the VCC obtains its first certification from SC
- Expanded to entities incorporated under the Limited Liability Partnerships Act 2012 and the Labuan Limited Partnerships and Limited Liability Partnerships Act 2010 which elect to be taxed under the ITA 1967

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# Tax Incentive

Tax Incentive for Venture Capital

## Venture Capital Management Company (VCMC)

### Current

- Tax exemption on share of profits, management fee and performance fee from VCC
- Until YA 2026

### Proposed

- A tax rate of 10% imposed on income derived from share of profits, management fees and performance fees

**Effective: YA 2025 to YA 2035**

VCC → VCMC

VC

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# Tax Incentive

Extension of Tax Incentive for Commercialisation of Research & Development (R&D) Findings

## Current

Tax deduction for company that invests in a subsidiary company which commercialises non-resourced based R&D findings by public research institutions, public or private higher education institutions.

## Proposed

Extended for 5 years.

**Effective: Applications received by Malaysian Investment Development Authority (MIDA) from 1 January 2026 to 31 December 2030**

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## Green Investment Tax Allowance (GITA)

### Proposed

100% of GITA granted to companies that use locally manufactured MyHIJAU Mark-certified green technology products for own use.

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