



## Johor-Singapore Special Economic Zone Trusted. Transformational. Together.

Greetings from your Tax & Legal team at Deloitte Singapore.

We are pleased to update you on the following:

### **Johor-Singapore Special Economic Zone (JS-SEZ)**

On 7 January 2025, the formal agreement for the JS-SEZ was finally signed and sealed, marking a significant milestone in regional collaboration and economic development aimed at attracting high-value investments to the region.

#### **Strategic objectives of JS-SEZ**

According to the Joint Statement at the 11th Malaysia-Singapore Leaders' Retreat, the JS-SEZ aims to foster economic collaboration between Singapore and Johor by enhancing cross-border trade, investment, and connectivity. Key objectives include the following:

- Attracting both foreign and local investment
- Enhancing industrial capacity, infrastructure, and technological innovation
- Promoting sustainability

Strategically designed to attract investors seeking to establish or expand operations in promoted sectors in the zone, the JS-SEZ has set targets to:

- create 20,000 jobs and develop 50 projects within its first five years;  
and
- a total of 100 projects within 10 years

These targets provide a clear framework to measure the JS-SEZ's progress and success.

Enhanced features and support

- **Renewable energy and logistics:** The JS-SEZ will support renewable energy project development and enhance the movement of people and goods through talent development initiatives and streamlined business operations.
- **Flagship zones in JS-SEZ:** Spanning 357,128 hectares, the JS-SEZ encompasses 9 flagship zones, each focused on specific industries:



Targeted economic sectors

The JS-SEZ aims to promote and facilitate investments across 11 economic sectors and 4 new priority sectors:

Economic sectors	New priority sectors
<ul style="list-style-type: none"><li>• Business services</li><li>• Digital economy</li><li>• Education</li><li>• Energy</li><li>• Financial services</li><li>• Food security</li><li>• Green economy</li><li>• Healthcare</li><li>• Logistics</li><li>• Manufacturing</li><li>• Tourism</li></ul>	<ul style="list-style-type: none"><li>• Artificial Intelligence (AI) and quantum computing supply chain</li><li>• Aerospace</li><li>• Global services hub</li><li>• Medical devices</li></ul>

Tax incentives and benefits

Starting 1 January 2025, the Malaysia Ministry of Finance has introduced a range of tax incentives to attract investments and talent, including the following:

- **Special corporate tax rate:** Companies undertaking new investments in qualifying manufacturing and service activities, such as AI, quantum computing supply chains, medical devices, aerospace manufacturing, and global service hubs, will enjoy a special corporate tax rate of 5% for up to 15 years.
- **Flagship development focus:** Tailored incentives for businesses operating in designated flagship areas within the JS-SEZ.

- **Special tax rate for knowledge workers:** Special tax rate of 15% for 10 years for eligible knowledge workers working in the JS-SEZ.
- **Entertainment duty reduction:** Effective January 1, 2025, entertainment duties will be reduced to foster a business-friendly environment.

As further details on the development of the JS-SEZ would be announced in due course, do stay tuned!

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## Contacts

Should you have any comments or questions arising from this newsletter, please contact either the listed contacts below, or any member of the [Singapore Tax & Legal team](#).



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