



IMPORTANT UPDATES ON MALAYSIA DIGITAL TAX INCENTIVE

Dear Esteemed Clients,

We are pleased to provide you with an update following our previous announcement on 11 January 2023 regarding the Malaysia Digital (MD) Tax Incentive. The new MD Tax Incentive is currently being reviewed and expected to be finalized by this year.

The MD Tax Incentive aims to provide competitive and progressive incentives to accelerate the growth of the MD Status companies. The upcoming MD Tax Incentive will be offered to eligible MD Status company that undertakes the qualifying activity by utilizing MD promoted tech enablers. Under this new incentive, eligible MD Status company may enjoy either reduced tax rate on qualifying intellectual property income and non intellectual property income for up to 10 years or investment tax allowance for 5 years.

Be assured that we will continue to share updates on the MD Tax Incentive as we move forward. Your continued support and trust are greatly appreciated.

Please feel free to reach out to our team at clic@mdec.com.my for further information.

**ISSUED BY MALAYSIA DIGITAL ECONOMY CORPORATION SDN BHD (MDEC)
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