

## **APPLICATION FOR 15% TAX RATE SCHEME FOR KNOWLEDGE WORKERS IN ISKANDAR MALAYSIA**

### **INSTRUCTIONS FOR FORM 15A**

*Important – Please read this information carefully before you complete your application. Once you have completed your application we strongly advise that you keep a copy for your records.*

#### **A. Who should use this form?**

1. Genuine knowledge workers commencing employment with a designated company in Iskandar Malaysia from the period 24 Oct 2009 to 31 Dec 2015.
2. Designated companies in Iskandar Malaysia wanting to qualify their knowledge workers under the 15% personal income tax scheme.

#### **B. What are the requirements for Knowledge Workers, in the context of this incentive?**

1. You have academic background and professional work experience that meet the definition of a “knowledge worker” or has any other qualification or in fulfilment of any other criteria as determined by the Minister\*.
2. You commence employment in a qualifying activity (Schedule I) conducted by a designated company between 24 Oct 2009 – 31 Dec 2015.
3. You have not derived any form of employment income in Malaysia three years prior to the date of application for this incentive.
4. You reside in Iskandar Malaysia.

#### **C. How is a Knowledge Worker defined?**

1. A “Knowledge Worker” is defined as an individual:
  - i. in possession of a Bachelor’s or Master’s degree from a recognised university\* and has at least 10 years of professional work experience in a qualifying activity or
  - ii. in possession of a PhD from a recognised university and has at least 5 years of work experience in a qualifying activity; or
  - iii. has any other qualification or in fulfilment of any other criteria as determined by the Minister.

\*Recognised university – any university accredited by the Public Services Department of Malaysia or the Malaysian Qualification Agency. A listing of universities for this purpose can be found at::

a) Public Services Dept of Malaysia

(<http://www.interactive.jpa.gov.my/>)

b) Malaysian Qualification Agency (MQA)

(<http://www.mqa.gov.my/>)

#### **D. What are the requirements for a Designated Company?**

1. A “Designated Company” is:
  - i. a Bionexus / MSC / IDR status company; or
  - ii. a company incorporated under the Companies Act 1965.
2. The designated company undertakes any of the eight qualifying activities (Refer to Schedule I) in any of the five Flagship Zones in Iskandar Malaysia.
3. The designated company should fulfil other conditions (Refer to Schedule II) as determined by the Minister.

4. Part A must be signed by the applicant while Part B by an authorised person in the designated company. An unauthorised person may not sign on behalf nor will a power of attorney be accepted.

**E. How do you compute the chargeable income of a knowledge worker who qualifies?**

1. Where a qualifying knowledge worker has income in respect of employment with a designated company in the basis period for a year of assessment, the chargeable income of the worker shall be ascertained with the following formula:

$$\frac{A}{B} \times C$$

A is the gross income from employment with designated company

B is the total gross income from all sources

C is the chargeable income from all sources

**F. Misrepresentation of information**

1. The Iskandar Regional Development Authority (IRDA) is committed to maintaining the integrity of this incentive program. This application will be rejected in the event the Authority finds any information provided is untrue or false.

**G. How to apply?**

1. Applications can be made at:  
Iskandar Service Center  
Iskandar Regional Development Authority (IRDA)  
#G-01 Block 8 Danga Bay  
Jln Skudai  
80200 Johor Bahru  
OR  
Suite 5-3 5 Floor Block 3B  
Plaza Sentral  
50450 Kuala Lumpur

Toll free number: 1800 88 3010

Kuala Lumpur number (office hours only Mon-Fri 8.30am – 5.30 pm): 03 2260 6777

Email: [enquiries@irda.com.my](mailto:enquiries@irda.com.my)

**H. How much does it cost to apply?**

1. Each application will be charged a non refundable fee of RM 500.00.

**I. What happens if an application needs to be resubmitted e.g. in the event of a rejection?**

1. The application fee is a one off charge imposed for a fresh application. In the event of a resubmission of an application concerning the same knowledge worker, then no additional fee shall be charged. A 'cooling off' period of 30 working days is set against a resubmission of application i.e. a resubmission cannot be done for the same knowledge worker before the expiry of a 30 day 'cooling off' period.

**SCHEDULE I – Qualifying Activities in the Eight Promoted Sectors**

<b>1. Creative Sector</b>	<ul style="list-style-type: none"> <li>a. Creative and design services</li> <li>b. Creative talent management services</li> <li>c. Film and television (pre production, production, post production, distribution)</li> <li>d. Games and animation (content creation, production, post production, distribution)</li> <li>e. Online and mobile content generation and advertising</li> <li>f. Online and mobile content aggregation and enablers</li> <li>g. Creative research and development</li> <li>h. Distribution and marketing of creative content</li> <li>i. Integrated media and content services</li> <li>j. Visual and performing arts</li> </ul>	<b>2. Education Sector</b>	<ul style="list-style-type: none"> <li>a. Universities</li> <li>b. Colleges</li> <li>c. Skills training institutions</li> <li>d. R &amp; D institutions</li> <li>e. Regional training centres</li> </ul>
<b>3. Financial Services, Advisory Services and Consulting Services Sector</b>	<ul style="list-style-type: none"> <li>a. Islamic financial services</li> <li>b. Business process outsourcing / off-shoring</li> <li>c. Corporate consultancy and advisory services</li> </ul>	<b>4. Healthcare Sector</b>	<ul style="list-style-type: none"> <li>a. Hospitals and traditional complementary medicine centers</li> <li>b. Integrated dental and orthodontic services</li> <li>c. Healthcare research and development</li> <li>d. Integrated laboratory services</li> </ul>
<b>5. Logistics Sector</b>	<ul style="list-style-type: none"> <li>a. Integrated supply chain services</li> <li>b. High value supply chain services and solutions</li> </ul>	<b>6. Tourism Sector</b>	<ul style="list-style-type: none"> <li>a. Hotels</li> <li>b. Theme parks, amusement and family entertainment centres and cultural centres</li> <li>c. Conference centres and exhibition centres</li> <li>d. Regional operation of hotel and leisure services</li> </ul>

**SCHEDULE I – Qualifying Activities in the Eight Promoted Sectors (Continued)**

7. Biotechnology Sector	8. Green technology Sector
<ul style="list-style-type: none"> <li>a. Agri biotechnology               <ul style="list-style-type: none"> <li>i. Crop biotechnology</li> <li>ii. Natural product discovery and commercialisation</li> <li>iii. Livestock biotechnology</li> <li>iv. Aquaculture and marine biotechnology</li> <li>v. Contract research service (CRS) providers in agriculture</li> </ul> </li> <li>b. Industrial biotechnology               <ul style="list-style-type: none"> <li>i. Biofuel</li> <li>ii. Bioremediation</li> <li>iii. Biocatalyst and enzymes</li> <li>iv. Fine and specialty chemicals</li> <li>v. Biomaterials</li> <li>vi. Bioreactors</li> </ul> </li> <li>c. Healthcare biotechnology               <ul style="list-style-type: none"> <li>i. Contract manufacturing organisation for healthcare biotechnology sector</li> <li>ii. Contract research organisation (CRO)                   <ul style="list-style-type: none"> <li>✓ Clinical research organisations</li> <li>✓ Contract research &amp; manufacturing services (CRAMS)</li> </ul> </li> <li>iii. Biopharmaceuticals and pharmaceuticals</li> <li>iv. Drug discovery and drug delivery systems</li> <li>v. Medical devices and in vitro diagnostics</li> <li>vi. Stem cell, tissue engineering and genetic engineering</li> <li>vii. Vaccines</li> <li>viii. Bioinformatics</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>a. Energy Sector               <ul style="list-style-type: none"> <li>i. Energy supply sector:                   <ul style="list-style-type: none"> <li>✓ power generation</li> <li>✓ renewable energy</li> <li>✓ supply side management</li> <li>✓ co-generation</li> </ul> </li> <li>ii. Energy utilization sector                   <ul style="list-style-type: none"> <li>✓ energy efficiency</li> <li>✓ demand side management</li> </ul> </li> </ul> </li> <li>b. Buildings Sector               <ul style="list-style-type: none"> <li>i. Design</li> <li>ii. construction</li> <li>iii. management and maintenance</li> <li>iv. demolition of buildings</li> </ul> </li> <li>c. Water &amp; waste management Sector               <ul style="list-style-type: none"> <li>i. management and utilization of water resources</li> <li>ii. waste water treatment,</li> <li>iii. solid waster and sanitary landfill</li> </ul> </li> <li>d. Transportation Sector               <ul style="list-style-type: none"> <li>i. transportation infrastructure</li> <li>ii. vehicles</li> <li>iii. biofuels</li> <li>iv. Public road transport</li> </ul> </li> </ul>

**SCHEDULE II – Additional criteria imposed by the Minister on designated company**

Qualifying Sector	Biotech	Green Tech	Education	Creative	Healthcare	Financial	Logistics	Tourism
Minimum standards	Bionexus Status	Pusat Teknologi Hijau Malaysia to endorse company	Principle approval by MOHE	MSC Status / IDR Status	Principle approval by MoH	Operating license from Sec Com or BNM if applicable	License from SPAD or related sector regulator	4 star rating or above by Motour (for hotels)
Minimum investment		NIL	NIL		NIL			RM 50mil for theme parks, amusement / family and convention centres
Minimum paid up capital	RM 500,000	RM 500,000	As determined by MoHE	RM 500,000	As determined by MoH	As determined by Sec Com or BNM	RM 500,000	RM 500,000 for regional operations of hotel and other tourism projects