



Unlocking value

Iskandar Malaysia



Unlocking value

Some questions you may want to consider

Formulate strategy and make decision	Feasibility study	<ul style="list-style-type: none">• Can my Malaysian principal be my Asian principal?
	Operations and business fit	<ul style="list-style-type: none">• What kind of presence should I have in Asia?• What type of functions should I have in Malaysia?
	Site location evaluation	<ul style="list-style-type: none">• Where do I locate my competency centre?• What are the opportunity costs?
Implement strategy and execute investment	Entry strategy	<ul style="list-style-type: none">• What type of organisation structure should I use?• Do I set up a new business or buy an existing one?
	Investment and licensing application	<ul style="list-style-type: none">• What government/regulatory approvals and documents do I need?• How long will it take to obtain relevant approvals?
	Tax planning	<ul style="list-style-type: none">• How do I maximise tax efficiency for funding my investments?

Here's how we can help you

1. **Work with you to address practical investment questions** - we bring in-depth local investment and business knowledge to get you up to speed with the Malaysian business environment.
2. **Adapt to the Malaysian business environment** - having previously advised many foreign investors, we can share their experiences of adapting to work and living in Malaysia. This brings you a practical perspective of what to expect from the Malaysian business environment.
3. **Make informed business decisions for a successful investment experience** - leveraging on our relationships built with regulators and government authorities, we'll bring the necessary expertise and resources to help you build a strong foundation for investment choices you make.

Let's chat

Whether you're looking to build, diversify or do something new with your business, come talk to us.



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What's inside?

- The 5 Cs of Iskandar Malaysia
- Attractive incentives
- Focus areas
- Unlocking value
- Let's chat

The 5 Cs of Iskandar Malaysia

Connectivity

Strategic location at the heart of Asia, accessible by air, land and sea



Catchment

Access to a population of 600 million in Southeast Asia



Capabilities

Competent multi-lingual and multi-cultural talent pool



Cost-competitive

Affordable real estate and talent with lower rental and salary levels



Conducive environment

Resilient economy, ease of doing business with various fiscal and non-fiscal incentives



Attractive incentives

There is a host of attractive incentives and support packages for Iskandar Malaysia such as those:

- applicable to qualifying entities¹ undertaking qualifying activities in the service sectors²
- available for the manufacturing sectors³
- available for projects of national and strategic importance⁴

Which sectors can enjoy these incentives?	Services sectors	Manufacturing sectors
Incentive and Support Package <ul style="list-style-type: none">• Tax exemption on certain income sources• Exemption from the requirement to withhold tax on certain payments to non-residents• Flexibilities under the foreign exchange administration rules• Exemption from Foreign Investment Committee Guidelines• Exemption from import duties, excise duties and sales tax in relation to the importation/purchase of cars (one car each) for personal use by approved foreign knowledge workers employed• RPGT exemption within approved nodes• Unrestricted employment of expatriate employees• Reduced tax rate of 15% for workers residing and working in qualifying activities within the 5 flagship zones	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>	<div></div> <div></div> <div></div> <div>✓</div> <div></div> <div>✓</div> <div>✓</div> <div></div>
Other incentives available in Malaysia e.g. pioneer status, investment tax allowance, MSC-Malaysia status, BioNexus Status, Operational Headquarters, International Procurement Centre, and Regional Distribution Centre	<div>✓</div>	<div>✓</div>

Notes:

¹ Qualifying entities include ‘approved developers’, ‘approved development managers’ and ‘Iskandar Development Regions (IDR)-status companies’ located in an approved node in Iskandar Malaysia. Medini is the first approved node. Other approved nodes may be announced in the future.

2 Qualifying activities for the 6 services sectors

Tourism

- Hotels
- Theme parks, amusement and family entertainment centres and cultural centres
- Conference and exhibition centres
- Regional operation of hotel and leisure services

Healthcare and related services

- Hospitals and alternative medicine centres
- Integrated dental and orthodontic services
- Healthcare R&D
- Integrated laboratory services

Financial advisory and consulting services

- Islamic financial services
- Business process outsourcing/offshoring
- Corporate consultancy and advisory service

Educational services

- Universities
- Colleges
- Skills training institutions
- R&D institutions
- Regional training centres

Creative industry and related services

- Creative and design services
- Creative talent management services
- Film and television
- Games and animation
- Online and mobile content generation and advertising, aggregation and enablers
- Creative R&D
- Distribution and marketing of creative content
- Visual and performing arts
- Integrated media and content services
- Regional training centres

Logistics and related services

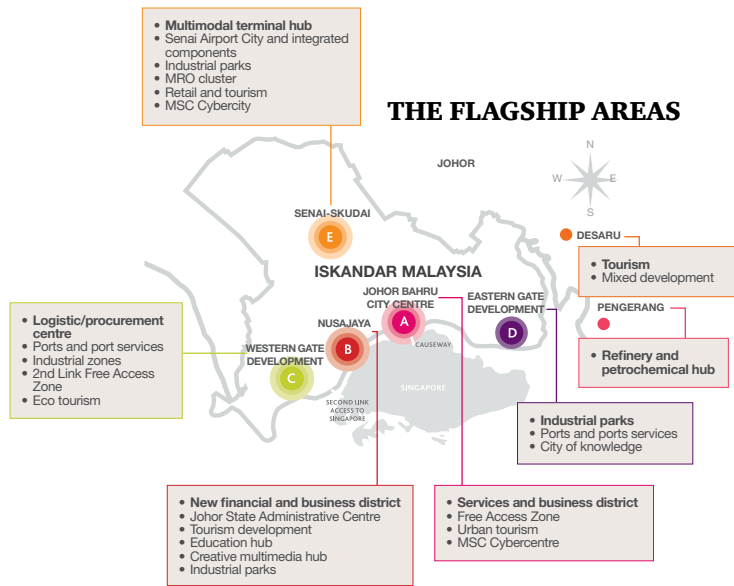
- Integrated supply chain services
- High value supply chain services and solutions

3 The 3 promoted manufacturing sectors

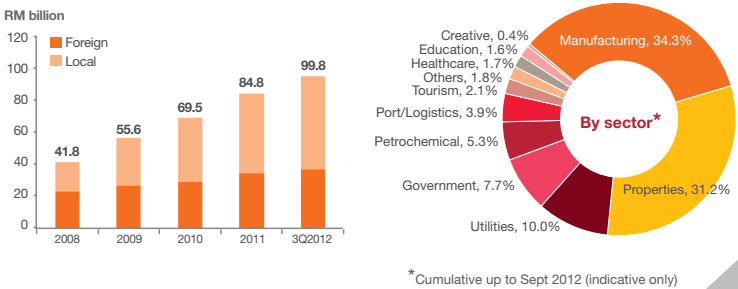
- Electrical & electronics industry
- Petrochemical & oleochemical industry
- Food & agro processing

⁴ Applications for special incentive schemes can be made through Iskandar Regional Development Authority (IRDA) for the Ministry of Finance’s consideration. Applications will be evaluated based on the merits of each case and approval for requested incentives are at the discretion of the Ministry of Finance.

Focus areas



CUMULATIVE COMMITTED INVESTMENTS



Source: Economic Report 2012/2013; IRDA newsletters

TARGETS



RM47 bln investments

2010

RM99.8bln investments achieved (as at 3rd Quarter 2012)

2012

#RM73 bln investments

2015

#RM107 bln investments

2020

#RM155 bln investments

GDP (PPP): US\$ 93.3 bln

GDP per capita: US\$ 31100

Population: 3.0 mln

Labour force: 1.5 mln

2025

Original Masterplan targets

The list of incentives above is non-exhaustive. For further details, do refer to the Iskandar Malaysia Investment Guide for each sector available at <http://www.iskandarmalaysia.com.my/iskandar-malaysia-brochures>