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Issue 2 - 2025 | 8 January 2025

Johor-Singapore Special Economic Zone Incentive Package

Following the recent signing of the Johor-Singapore Special Economic Zone (JS-SEZ) agreement between Malaysia and Singapore, the Ministry of Finance and the Johor State Government have issued a joint media release today to announce the tax incentive package for the JS-SEZ.

The following incentives are available from 1 January 2025 for investors in the JS-SEZ:

1. **Special corporate tax rate of 5% for up to 15 years** for companies undertaking new investment in qualifying manufacturing and services activities, such as AI and quantum computing supply chain, medical devices, aerospace manufacturing and Global Services Hub.
2. **Flagship development focus** which involves tailor-made incentives for businesses operating in nine flagship areas in JS-SEZ, which are Johor Bahru city centre, Iskandar Puteri, Tanjung Pelepas, Pasir Gudang, Senai, Sedenak, Forest City, Pengerang Integrated Petroleum Complex (PIPC) and Desaru.
3. **Special tax rate for knowledge workers** of 15% for 10 years for eligible knowledge workers working in JS-SEZ.
4. **Lower entertainment duties** will be introduced by the Johor State Government from 1 January 2025.

To facilitate investment applications, the Invest Malaysia Facilitation Centre Johor (IMFC-J) has been established as the one-stop centre for applications and approvals, investment facilitation, and reinvestment.

Further details on the tax incentives are expected to be announced in due course.

Have questions?

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