

GUIDELINE FOR TAX INCENTIVE UNDER MALAYSIA MY SECOND HOME (MM2H) PROGRAMME

ANNOUNCEMENT FOR TAX INCENTIVE UNDER MM2H PROGRAMME

The Government has decided to abolish the tax incentive on the purchase of a new locally assembled vehicle or the import of a pre-owned private vehicle into Malaysia under MM2H Programme. Therefore, this tax incentive **will be terminated effective from 1 January 2018**. However, Ministry of Finance will give special consideration to MM2H participant with **first MM2H's Visa approved beginning 1 January 2017 until 31 December 2017** to submit complete application via MyCukai System at <http://mycukai.treasury.gov.my> **not later than 31 December 2018**.

TAX INCENTIVE UNDER MM2H PROGRAMME

An approved participant under the MM2H Programme, **with MM2H visa approved from 1 January 2017**, is eligible for:

- i. exemption of excise duty to purchase a new locally assembled vehicle (Completely Knocked-Down -CKD); OR
- ii. exemption of import duty and excise duty to import a pre-owned private vehicle (Completely Built-Up - CBU) into Malaysia.

TERMS AND CONDITIONS

An approved MM2H participant is eligible to enjoy this incentive, limited to RM150,000, for purchasing a new locally assembled vehicle (CKD) **OR** for importing a pre-owned private vehicle (CBU). This incentive is subject to the following terms and conditions as below:

- 1) The total value of exemption for excise duty to purchase a new locally assembled vehicle (CKD) is limited to RM150,000 **OR** the total value of exemption for import duty and excise duty exemption is limited to RM150,000 for importing a pre-owned private vehicle (CBU).
- 2) The application to purchase a new locally assembled vehicle (CKD) **OR** to import a pre-owned private vehicle (CBU) shall be made within 2 years from the commencement date of MM2H visa from the Immigration Department of Malaysia. If a participant fails to apply for the duty exemption within the stipulated period, no further extension will be provided.
- 3) For the purchase of a new locally assembled vehicle (CKD):
 - (i) the vehicle shall be obtained from the new stock of vehicles which have not been registered and duties have not been paid; and
 - (ii) the chassis number and engine number needs to be submitted during application.

- 4) For importing a pre-owned private vehicle (CBU):
 - (i) the vehicle shall be pre-owned for at least thirty-six (36) months by the MM2H applicant before the commencement of the MM2H visa; and
 - (ii) the vehicle shall be imported from the country of origin or last domicile country of the MM2H applicant.
- 5) A MM2H participant who has obtained duty exemption approval for the vehicle shall submit the approval letter to the Royal Malaysian Customs Department to obtain the duty exemption and to the Road Transport Department for the registration of the vehicle.
- 6) The approved vehicle shall be directly used by the MM2H participant for personal use only, while in Malaysia.
- 7) Each MM2H participant is entitled to enjoy the duty exemption for only one unit of vehicle. The types of vehicles entitled under this incentive are saloon cars, Multi-Purpose Vehicles (MPV), Sports Utility Vehicles (SUV) and Four-Wheel Drive (4WD) vehicles only.
- 8) Commercial vehicles such as lorries, vans, buses, limousines and other types of vehicles are not eligible for this tax incentive.
- 9) The approved MM2H participant shall reside and have a permanent address in Malaysia. A copy of the proof of purchase (Sales and Purchase Agreement); or rental residence (Tenancy Agreement); is required to be submitted for each application.
- 10) An MM2H participant is only allowed to sell/transfer ownership of the exempted vehicle after five (5) years from the date of registration of the vehicle with the consent of the Royal Malaysian Customs Department. The duties, based on the current evaluation determined by the Royal Malaysian Customs Department, need to be paid before the transfer of ownership takes place.
- 11) Any breach of the above conditions shall lead to the revocation of this incentive and the MM2H participant shall be required to refund to the Government of Malaysia, the amount of duties exempted for the said vehicle.
- 12) The application of participants will be rejected if they failed to comply with the said terms and conditions.

PROCEDURE TO PURCHASE A NEW LOCALLY ASSEMBLED VEHICLE (CKD)

The supporting documents needed to obtain approval for exemption of excise duty that is limited to RM150,000 for the purchase of a new locally assembled vehicle (CKD) is as follows:

- 1) A copy of MM2H approval letter from Immigration Department of Malaysia;
- 2) A copy of MM2H participant's international passport (pages that display the identity of the applicant);
- 3) A copy of MM2H participant's international passport (pages that display clearly the multiple entry visa and MM2H visa);

- 4) A copy of the purchase order under MM2H applicant's name from the vehicle dealer;
- 5) Submission of chassis number and engine number of vehicle during application;
- 6) A copy of quotation, detailing the price, from the vehicle dealer;
- 7) A copy of the fixed deposit statement, bank statement and 3 month of salary slips;
- 8) A complete copy of Sales and Purchase (S&P) or Tenancy Agreement in Malaysia under the applicant's name; and
- 9) For representative/agent on behalf of MM2H applicant, a copy of license/permit approved from the Ministry Tourism and Culture of Malaysia or letter of authorization from MM2H applicant must be submitted together during application.

PROCEDURE TO IMPORT A PRE-OWNED PRIVATE VEHICLE (CBU) INTO MALAYSIA.

The supporting documents needed to obtain approval for exemption of import duty and excise duty that is limited to RM150,000 for the importation of a pre-owned private vehicle (CBU) into Malaysia is as follows:

- 1) A copy of MM2H approval letter from Immigration Department of Malaysia;
- 2) A copy of MM2H participant's international passport (pages that display the identity of the applicant);
- 3) A copy of MM2H participant's international passport (pages that display clearly the multiple entry visa and MM2H visa);
- 4) A copy of the vehicle registration card (to provide an English translation for information that is in a foreign language);
- 5) A copy of approval letter for the Approved Permit (AP) to import the vehicle, from the Ministry of International Trade and Industry (MITI);
- 6) A copy of the fixed deposit statement, bank statement and 3 month salary slips;
- 7) A complete copy of the Sales and Purchase (S&P) or Tenancy Agreement in Malaysia under the applicant's name; and
- 8) Representative/agent on behalf of MM2H applicant, a copy of license/permit approved from Ministry Tourism and Culture of Malaysia or letter of authorization from MM2H applicant must be submitted together during application.

The Ministry of Finance, from time to time, is entitled to request additional information, depending on the submission of the application. All documents mentioned above shall be signed and certified by Malaysian Government officers or the Commissioner of Oaths before being scanned and uploaded into the online system.

This duty exemption incentive application **should be submitted online** via <http://mycukai.treasury.gov.my>. Applicants are required to obtain an ID and password in with a fee. If the application is made through agents / representatives, the agents / representatives needs to obtain an ID and password for the applicant and attach a copy of the applicant's identity card and the authorization letter from the applicant.

ADDRESS AND CONTACT PERSON INCHARGE

Any enquiries please contact:

- 1) Ms. A'ina Iryani binti Dol Razlan
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For technical and online issues please contact:

MyCukai Helpdesk
Tel : +603 8890 6514
Email : mycukai_helpdesk@treasury.gov.my

Our Location:

Tax Division
Ministry of Finance Malaysia
7th Floor, Centre Block Presint 2,
Federal Government Administrative Centre
62592 Wilayah Persekutuan Putrajaya

Processing will take 14 working days upon submission of complete documents into the system.

OFFICE HOURS

Monday to Friday : 8.30 am to 4.30 pm
Lunch break : 1.00 pm to 2.00 pm (Monday to Thursday)
: 12.15 pm to 2.45 pm (Friday)

Office is closed on Saturday, Sunday and public holidays.