



# TAX INCENTIVE

## INVESTMENT IN MACHINERY

**Royal Decree no. 690 and  
the Notification no. 366**

**Approved by the Cabinet  
on 28 January 2020**

From 21 January 2020

**Effective  
date**

The law is under  
consideration.

The cost paid for machinery is  
allowed to be treated as tax  
deductible expense for  
corporate income tax at  
**150%\*** of the actual cost incurred.

**Tax  
Incentive**

The cost paid for machinery is  
allowed to be treated as tax  
deductible expense for  
corporate income tax at **250%\*\***  
of the actual cost incurred.

From **1 September 2019**  
to **31 May 2020**

**Purchasing  
Period**

From **1 January 2020**  
to **31 December 2020**

\*being depreciation at 100% and 50% as deductible expense

\*\*being depreciation at 100% and 150% as deductible  
expense

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# TAX INCENTIVE

## INVESTMENT IN MACHINERY

### MACHINERY

- Article consisting of several parts designed to generate, convert, alter or transmit energy, whether by means of water-power, steam, fuel, air, gas, electricity or any power, jointly or severally
- Equipment, flywheel, pulley, belt, shaft, gear or anything which is arranged for relative performance of work
- But not including registered vehicles under vehicle laws

- The cost must be paid to invest in new machinery.
- The machinery must be in a ready for use condition by 31 December 2020.
- The cost must be paid according to contract, purchase order or other equivalent document.\*
- An investment project and payment plan must be submitted to the Director-General\*.

### CONDITIONS

### EXCEPTIONS

- Corporate entities carrying on leasing business or investing in machinery for leasing are not qualified for this incentive.
- Business which is already granted investment promotion or other tax incentives is not able to apply for this incentive.

\*This only apply to the investment under the Royal Decree no 690 as the Cabinet approval dated 28 January 2020 has not yet been enforced as a law.

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