

Tax Incentives for Johor–Singapore Special Economic Zone ("JS–SEZ")

January 2025





INTRODUCTION

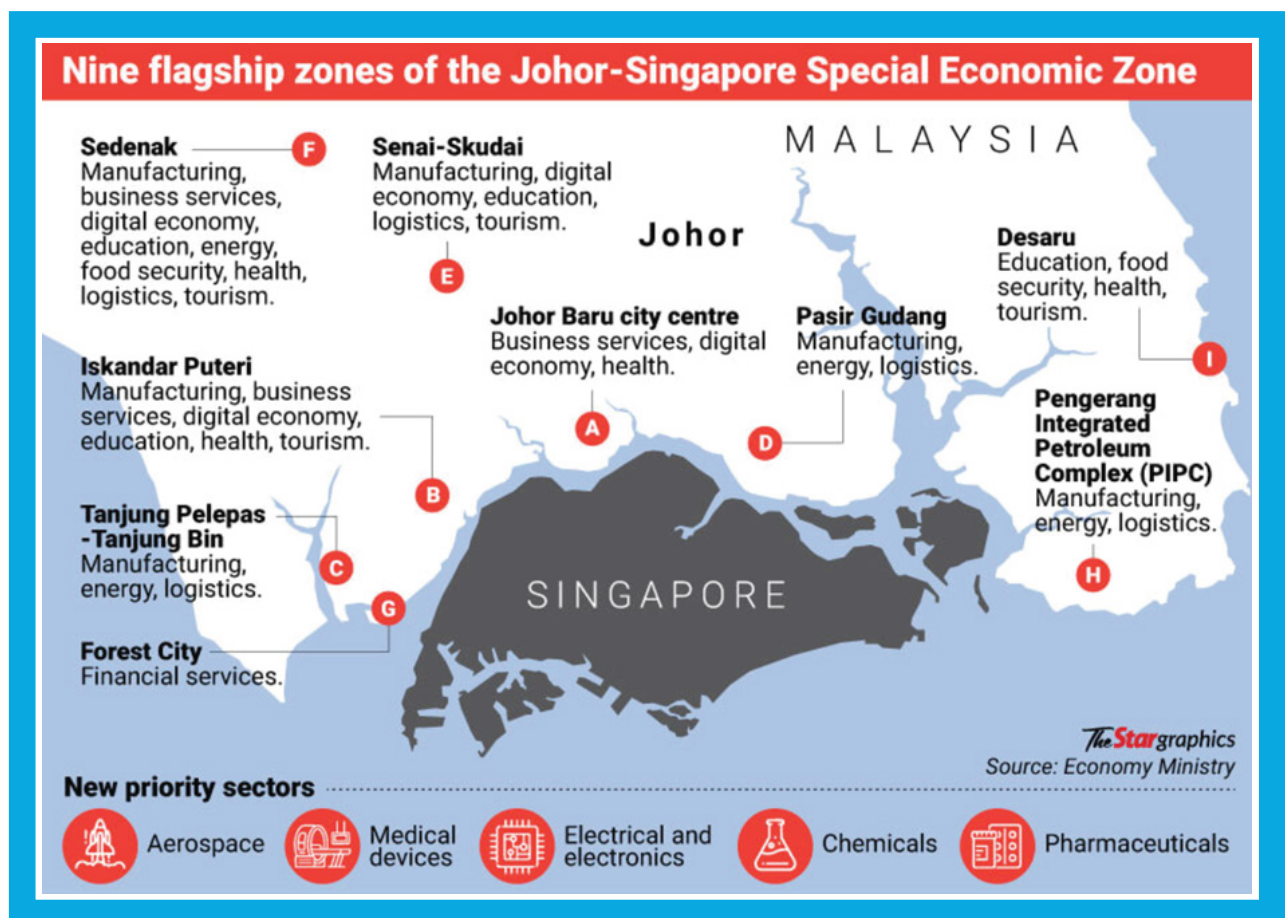
Following the signing of agreement for JS-SEZ on 7 January 2025, the Ministry of Finance (“MOF”) has announced the tax incentives for JS-SEZ which were effective 1 January 2025.

We are pleased to share with you some of the key highlights for your attention.

WHERE IS JS-SEZ?

JS-SEZ covers an area of 3,505sq km at the southern of the Johor state and is made up of nine (9) flagship zones (see screenshot below).

It is a joint effort between Malaysia and Singapore which aims to mutually promote the two countries and attract global investors.



Source: *The Star*



KEY HIGHLIGHTS

Tax Incentives(*)	Key Highlights
Special Corporate Tax Rate	<ul style="list-style-type: none"> Special tax rate of 5% for up to 15 years for companies undertaking new investment in qualifying manufacturing and services activities e.g. Artificial Intelligence, quantum computing supply chain, medical devices, aerospace manufacturing and global services hub.
Special Tax Rate for Knowledge Workers	<ul style="list-style-type: none"> Special tax rate of 15% for 10 years for knowledge workers working in JS-SEZ.
Flagship Development Focus	<ul style="list-style-type: none"> Additional tailored made incentives for businesses operating in certain flagship areas in JS-SEZ.

The Malaysian Government has set up the **Invest Malaysia Facilitation Centre Johor (“IMFC-J”) to coordinate and facilitate investment related processes in JS-SEZ such as applications and approvals, investment facilitation and reinvestment.*

More details are expected to be announced in the near future.

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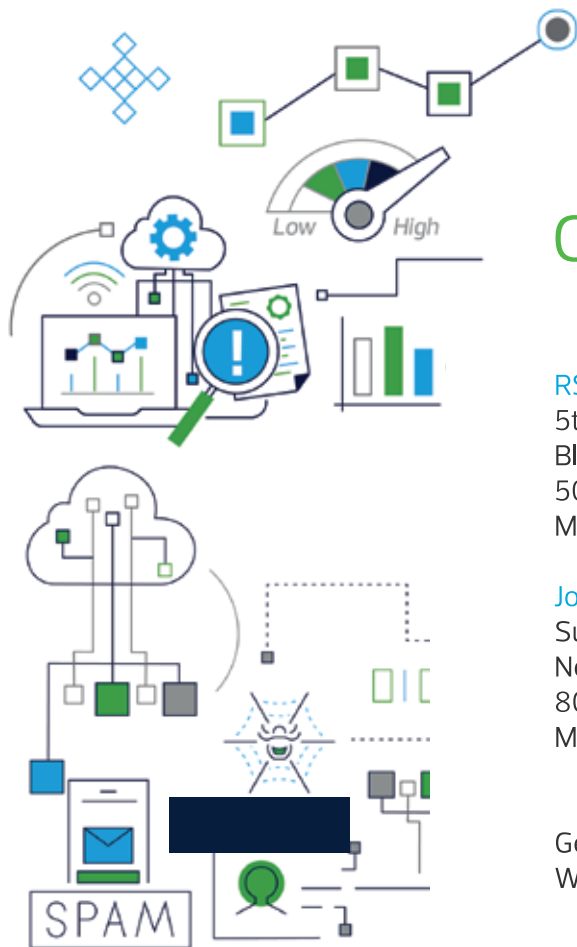
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