



Turbocharge Your Profits: Unlock 200% Tax Savings with Automation Capital Allowance

Is your manufacturing or services company ready for the future? The Malaysian government offers a powerful incentive to reward your commitment to a smarter, more productive operation. Don't just upgrade - **benefit from up to 200% capital allowance on qualifying automation investments.**

Book your eligibility check and machine shortlisting today.

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The Automation CA has been significantly enhanced to offer maximum benefits:



Total Capital Allowance
200% on Qualifying Capital Expenditure (QCE)



Maximum QCE Claimable
Up to RM10 million (per company)



Eligible Sectors
Manufacturing and Services sectors



Scope Expansion
Includes machinery/equipment/software with adaptation of Industry 4.0 elements

Imagine the Savings: A RM1 million investment in eligible automation could be treated as RM2 million in capital allowance for tax purposes, resulting in substantial savings on your corporate tax bill.

What is the Automation Capital Allowance (Automation CA)?

- The Automation Capital Allowance (Automation CA) is a massive tax incentive designed to accelerate the adoption of automation and Industry 4.0 technologies in Malaysia. It is your chance to claim a 200% tax deduction on qualifying capital expenditure (QCE) for eligible automation projects.
- This incentive, managed by the Malaysian Investment Development Authority (MIDA), helps manufacturing and service sectors boost productivity, reduce reliance on manual labour, and enhance efficiency.

Who Qualifies to Claim?

To secure the 200% Automation CA, your company must generally meet these key criteria:

- It must be incorporated under the Companies Act 2016 and be a Malaysian tax resident.
- It must have been in operation for at least **36 months**.
- It must be engaged in eligible manufacturing or services activities.
- The automation project must contribute to productivity enhancement, such as reducing man-hours or increasing efficiency.
- The investment must demonstrate automation capability and may include Industry 4.0 elements such as IoT, AI, or Cloud Computing, where applicable.
- It is The same qualifying expenditure cannot be claimed concurrently under Pioneer Status, ITA, or RA in the same Year of Assessment.
- The application must be received by MIDA between 1 January 2023 and 31 December 2027.

Strategic Advantage: Automation CA + Smart Tech Up Grant

Companies can also combine incentives! While the Automation CA is a tax deduction, it can be synergised with other funding. For instance:

The qualifying expenditures for the Automation CA incentive are based on the amount of investment that is **not covered** under a government grant.

This means you can leverage both:

- Smart Tech Up Grant (up to RM500,000)** to partially fund the machine/software purchase.
- Automation CA (200% Deduction)** on the remaining, non-grant-funded portion of the total qualifying capital expenditure (up to the RM10 million limit).

A Smart Investment Strategy: Use the matching grant to reduce your upfront cost, and then benefit from up to 200% capital allowance on the capital you actually invested.

Act Fast! The incentive is for applications received until **31 December 2027**. Apply early to secure your eligibility and maximise your tax savings

Eligibility and approval are subject to MIDA and SIRIM assessment.

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Email: cservice@hias.co
Phone/WhatsApp: +60 11-2180 1150
Visit: www.hias.co

Address: DagangAsia Network Holding Sdn. Bhd. (1344481-V)
D-06-11, Menara Suezcap Tower 1, KL Gateway, Jalan Kerinchi,
59200 Kuala Lumpur, Wilayah Persekutuan KL, Malaysia



Limited allocation-apply early to secure funding.