

Johor-Singapore Special Economic Zone (JS-SEZ)





JS-SEZ Economic Areas

9

Flagship Zones



I Forest City Special Financial Zone

Each zone will have its **own** targeted economic activity.

These zones are strategically designed to foster innovation and cater to high-growth sectors.

The tailored zones ensure that infrastructure and investments remain competitive and attractive to businesses.



JS-SEZ: Areas of Economic Co-Operation

11

Priority Sectors



Manufacturing



Logistics



Financial Services



Education



Healthcare



Digital Economy



Energy



Business Services



Travel & Tourism



Food Security



Green Economy

Criteria of Economic Sectors

- High-value and high growth industry/subsectors/activities which enhance economic complexity
- Digital vibrancy and technology adoption, including Industry 4.0 and Artificial Intelligence
- Net-zero aspirations

Malaysia-Singapore Joint Promotion Target



To jointly promote and facilitate expansion of **50 projects** within the first **five years and a cumulative 100 project** within the first 10 years.



Create **20,000** skilled job opportunities





JS-SEZ Initiatives to Promote & Facilitate Trade and Investment





QR Code Clearance



Initiative 1

QR Code Clearance



Commencement Date

Differentiating factor

1 June 2024 (Proof of concept)

Target to reduce immigration clearance time by up to 75%



Uses **QR** code technology with security features such as facial recognition and tracking



Reduce checkpoints clearance time for a bus full of passengers by over 75 per cent (clearing an average of 20 passengers in less than 5 minutes)





MyRentas application shortens the clearance time from 30 to 45 seconds. including less than five seconds for one user.



QR code system set to be expanded to car passengers by end of 2025.



Johor-Singapore Rapid Transit System (RTS Link)



Initiative 7

RTS Link





Commencement Date

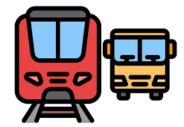
Differentiating factor

Q1 2027

Complemented
by the local public
transportation
network in Johor
Bahru and various
locations



Seamlessly connects Johor Bahru and Singapore, offering a stress-free and congestion-free mode of transportation



Integrates with various transport systems at both end stations for **enhanced connectivity**



Opens business opportunities for local companies to participate in the construction and operational supply chain, including The Wadi Hana Maintenance Depot



Creates approximately 1,500 job opportunities for locals during both the construction and operational phases



Acts as a **catalyst for further development** in Johor Bahru and its surrounding areas.



...cont'd (RTS Link)







4km in length (Malaysia: 2.7km and Singapore: 1.3km)



Number of Stations

2 stations (Malaysia: Bukit Chagar Station and Singapore: Woodlands North Station)



Train Capacity

10,000 passengers per hour per direction



Ridership

Estimated to carry 40,000 passengers per day upon opening



Journey Time

The estimated train journey time is 6 minutes between stations.



Frequency

3.6 minutes (Ultimate) during peak hour



Depot

RTS Link Maintenance Depot will be located at Wadi Hana, Johor Bahru.



Forest City Special Financial Zone (FC-SFZ)



Initiative 4



Forest City Special Financial Zone





Announcement Date

Differentiating factor

20 September 2024

Regional Financial Hub complementing Singapore

Forest City Special Financial Zone





- 1. Family Office;
- 2. Fintech/ Insurtech/ Regulatory fintech/ Islamic fintech;
- 3. Foreign payment system operators/ Mid office/ back office operations undertaken by Banking or Financial Institutions/ Capital market/ fintech;
- 4. Smart Logistics Complex;
- Global Services Hub/Relocation Incentive;
- Returning Expert Programme (REP);
- Knowledge worker; and
- 8. Stamp duty

Forest City as a **Duty-Free Island** To spur tourism and local economic activities.



Incentives for Forest City

No.	Activities/Projects	Details of Incentives	Agency
1.	Family Office	 Special tax rate of 0% for 1st 10 years (subjected to condition which may apply based on prevailing law); Extension of special tax rate for another 10 years (subjected to condition which may apply based on prevailing law); Full exemption from stamp duty on instruments of transfer of property into the single family office vehicle (SFOV) during the initial establishment phase. 	Suruhanjaya Sekuriti Securities Commission Malaysia For applications received by 1 September 2024 to 31 December 2034 Operating on Pulau 1 of Forest City.
2.	Fintech/ Insurtech/ Regulatory fintech/ Islamic fintech	 Special tax rate of 5% for 10 years (subjected to condition which may apply based on prevailing law); Extension of special tax rate for another 10 years (subjected to conditions which may apply based on prevailing law). 	TM
3.	Foreign payment system operators/ Mid office/ back office operations undertaken by Banking or Financial Institutions/ Capital market/ fintech	 Special tax rate of 5% for 10 years (subjected to condition which may apply based on prevailing law); Extension of special tax rate for another 10 years (subjected to conditions which may apply based on prevailing law). 	For applications received by 1 September 2024 to 31 December 2034 Operating on Pulau 1 of Forest City.



...cont'd

No.	Activities/Projects	Details of Incentives	Agency
4.	 Financial Institutions Insurance/Takaful institutions Capital market institution Family Office Fintech/ Insurtech/ Regulatory fintech/ Islamic fintech Foreign payment system operators/ Mid office/ back office operations undertaken by Banking or Financial Institutions/ Capital market/ fintech 	 A one-off tax deduction of up to RM500,000 for the relocation of part or all of the company's business operations to Pulau 1 Forest City effective from 1 September 2024 to 31 December 2034; A 50% stamp duty exemption on ad-valorem instruments for transfer of property and loan/financing agreements related to the purchase of unsold commercial/residential properties on 1 September 2024 in Pulau 1 Forest City. This exemption applies to sale and purchase agreements completed between 1 September 2024 and 31 December 2034; Industrial building allowance of 10% for a period of 10 years on qualifying building expenditure in Pulau 1 Forest City; Withholding tax exemption for a period of 10 years. Qualifying condition for incentive: Operating on Pulau 1 of Forest City. The company must commence qualifying activities on Pulau 1 of Forest City no later than 31 December 2034. 	MALAYSIA



...cont'd

No.	Activities/Projects	Details of Incentives	Agency
5.	Smart Logistics Complex	Investment Tax Allowance (ITA) of 100% qualifying capital expenditure for 5 years. The allowance can be offset against 100% of the statutory income.	MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY
6.	Global Services Hub/ Relocation Services	A special tax rate of 5% for 10 years, subject to substantive conditions such as local operating expenses, number of key personnel, number of knowledge workers, and ESG commitments, which will be negotiated. An additional 10-year extension is subject to the company achieving at least a 30% increase in these substantive conditions.	For applications received by 1 September 2024 to 31 December 2034 Operating on Forest City Mainland. The details of the incentive will be based on the guidelines pending approval by the Ministry of Finance (MOF).
7.	Returning Expert Programme (REP)	A flat tax rate of 15% for a period of 5 years.	TalentCorp ATTRACT · NURTURE · RETAIN For applications received by 31 December 2027





No.	Activities/Projects	Details of Incentives	Agency
8.	Knowledge worker	A flat tax rate of 15% for knowledge workers, subjected to the following condition: Qualifying condition for incentive: Working in Forest City Possess relevant work experience in qualifying activities; and Applicants must not have received any employment income in Malaysia for at least two years before starting work in Forest City.	TalentCorp ATTRACT · NURTURE · RETAIN For applications received by 31 December 2034
9.	Stamp duty	A 50% stamp duty exemption on ad-valorem instruments for the transfer of property and loan agreements for the purchase of unsold commercial/residential properties on 1 September 2024 in Pulau 1 Forest City. This exemption applies to sale and purchase agreements completed between 1 September 2024 and 31 December 2034.	LHDN M A L A Y S I A



...cont'd

No.	Activities/Projects	Details of Incentives			Agency
10.	Real Property Gains Tax (RPGT)	The RPGT rate for the City, by non-citizen rate applicable to agreements executing the new RPGT rate	individuals will be s citizens for sale and ted no later than 3	l purchase 1 July 2034.	
		Disposal	Citizens/ Permanent Resident	Non-Citizens/ Permanent Resident	LHDN MALAYSIA
		Within 3 years	30%	30%	
		Within 4 years	20%	20%	
		Within 5 years	15%	15%	
		Within 6 years and onwards	0%	0%	



JS-SEZ Special Incentives



Initiative 5

JS-SEZ Special Incentives



















Announcement Date

Differentiating factor

8 Jan 2025

The much-needed stimulus to elevate Johor's standing on the global investment map

1

Special Corporate Tax Rate

Companies undertaking **new investments in qualifying manufacturing and services activities** such as AI, quantum computing, medical devices, aerospace manufacturing, and global services hubs will benefit from a **5% corporate tax rate** for **up to 15 years**.

2

Flagship Development Focus

Additional **tailor-made incentives** for businesses operating in certain **flagship areas** within JS-SEZ.

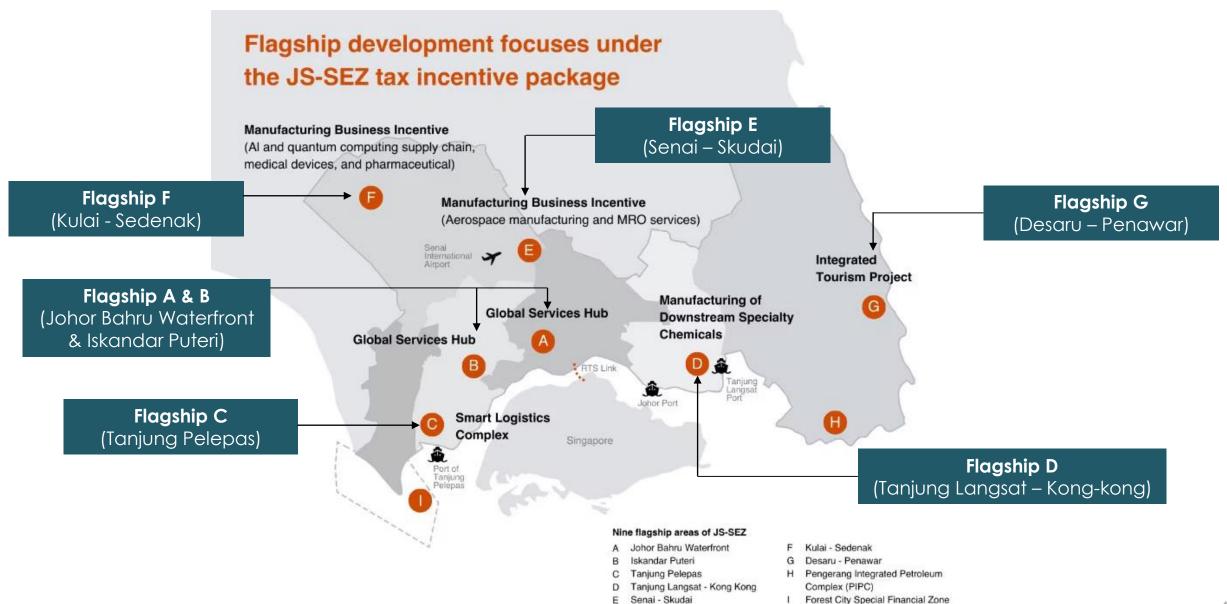
3

Special tax rate for knowledge workers

15% for 10 years for eligible **knowledge workers** employed in JS-SEZ.



JS-SEZ Tax Incentives: Flagship Development Focus







- 1. Flagship A (Johor Bahru Waterfront)
- 2. Flagship B (Iskandar Puteri)

·		TAX INCENTIVE				
Qualifying Services Eligibility Criteria		on Trading and Services Income; <u>or</u> Services Income	Special Tax Rate of 5% 15 Years		Special Tax Rate of 5%	S
		ligibility Criteria	Eliį		Qualifying Services	
 i. Regional P&L and ii. Strategic Business Planning; and iii. Corporate Development; and iv. Regional or Global Treasury and Fund Management conducting cash pooling activities via onshore intermediaries ii. Annual operating expenditure of at least RM50 mi iii. Company must serve and control of at least 10 Net iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual operating expenditure of at least RM50 mi iii. Annual sales turnover of at least RM50 mi iii. Annual sales turnover of at least RM50 mi iii. Annual sales turnover of at least RM50 mi 	h a d by full-	rve and control of at least 10 Networld of high-value positions (with a lary of RM10,000) shall be filled by full oployees; over of at least RM500 million and	ii. Company must serve Companies; iii. A minimum of 50% of minimum basic salar time Malaysian empion. Annual sales turnover	ii	Strategic Business Planning; and Corporate Development; and Regional or Global Treasury and Fund Management conducting cash pooling	ii. S iii. C iv. R

Applications shall be made online at https://investmalaysia.mida.gov.my from 1 January 2025 until 31 December 2034





Smart Logistics Complex

Flagship C (Tanjung Pelepas)

TAX INCENTIVE				
	0% qualifying capital expenditure. The allowance can be statutory income for each year of assessment.	5 Years		
Qualifying Services	Eligibility Criteria			
Smart logistic operator who invests in development of smart logistics and carry out any of the eligible logistic activities: i. Regional Distribution Hub ii. Integrated Logistics Services iii. Dangerous Goods Storage iv. Cold Chain Facilities	 i. Investment in capital expenditure (excluding land) of million; ii. The total built-up area of the smart warehouse completence o	lex must be at least ling elements ques i.e. achieving a s been set by the Malaysian citizens. ith a minimum basic		

Applications shall be made online at https://investmalaysia.mida.gov.my from 1 January 2025 until 31 December 2034





Downstream Specialty Chemicals

Flagship D (Tanjung Langsat – Kong-kong)

TAX INCENTIVE				
Special Tax Rate for a company with capital investment (excluding land) of at least RM500 million:	11. 1. 10	Eligibility Product	Eligibility Criteria	
i. Tier 1: 5% Special Tax Rate	Up to 10 years (5 years + 5 years)	Chemical and petrochemical product(s) as follows:	i. A new company or an existing company undertaking	
ii. Tier 2: 10% Special Tax Rate		i. Base chemical –	diversification activities	
Income tax exemption equivalent to Investment Tax Allowance (ITA) for a company with capital investment (excluding land) of at least RM500 million:		Methanol, Ethylene, Propylene, Benzene, Aromatics	in relation to the eligible activities/products under this cluster.	
i. Tier 1: Income tax exemption equivalent to Investment Tax Allowance (ITA) of 100% on the qualifying capital	Up to 10 years	ii. Organic intermediates – C1 to C6	ii. The company is required to have a	
investment (excluding land). The allowance can be offset against up to 100% of statutory income for each	(5 years + 5 years)	iii. Specialty chemical	minimum paid-up capital of RM2.5	
assessment year.		iv. Fertilisers	million.	
ii. Tier 2: Income tax exemption equivalent to Investment Tax Allowance (ITA) of 60% on the qualifying capital investment		v. Polymers/ plastics		
(excluding land). The allowance can be offset against up to 100% of statutory income for each assessment year.		vi. Oleochemical/ biochemical		

)





Manufacturing Business Incentive Scheme

- Flagship E (Senai Skudai)
- 2. Flagship F (Kulai Sedenak)

TAX INCENTIVE				
New	New investment in the manufacturing sector with capital investment (excluding land) above RM1 billion		15 years	
Company	New investment in the manufacturing sector with capital investment (excluding land) between RM500 million to RM1 billion	Tax Rate of 5%	10 years	
Existing Company	New investment in the manufacturing sector with capital investment (excluding land) above RM500 million for existing company in Malaysia relocating overseas facilities (for a new business segment not expansion of existing products) into Malaysia.	Income tax exemption equivalent to Investment Tax Allowance of 100% on the qualifying capital investment (excluding land) incurred within 5 years. The allowance to be offset against 100% statutory income	5 years	

Qualifying Activities

- i. Al and Quantum Computing Supply Chain (Flagship F);
- ii. Medical Devices (Flagship F);
- iii. Pharmaceutical (Flagship F); or
- iv. Aerospace Manufacturing and MRO Services (Flagship E)

Applications shall be made online at https://investmalaysia.mida.gov.my from 1 January 2025 until 31 December 2034







Flagship G (Desaru – Penawar)

TAX INCENTIVE

Investment Tax Allowance (ITA) of 100% qualifying capital expenditure. The allowance can be offset against 70% of the statutory income for each year of assessment.

5 years

Eligibility Criteria

- i. Company which does not have an existing entity or related entity undertaking same hotel or tourism project in Malaysia.
- ii. Paid-up capital of at least RM2.5 million;
- iii. Investment in capital expenditure (excluding land) of at least RM500 million.
- iv. Company undertaking integrated tourism project which consists of the following:
 - a) Hotel with minimum number of rooms of 80 which consists of standard, superior, deluxe and suite; and
 - b) Minimum 1 tourist attractions (i.e. water park, outdoor park consists of rides and/or games, convention centre with capacity minimum of 3,000 participants, or outdoor sport excluding golf course and driving range).

Applications shall be made online at https://investmalaysia.mida.gov.my from 1 January 2025 until 31 December 2034







All Flagship

TAX INCENTIVE 15% flat tax rate on chargeable employment income 10 years Eligibility Criteria i. Malaysian/Non-Malaysian citizen; ii. Not generating employment income in Malaysia 24-months prior iii. Salary abroad/in Malaysia >RM20,000 per month iv. Subject to academic qualifications / years of professional work experience v. Subject to MyCOL profession and JS-SEZ qualifying sectors

Applications shall be made to **TalentCorp** from 1 January 2025 until 31 December 2034







Flagship	Incentives
Flagship A (Johor Bahru Waterfront)	40% stamp duty exemption on the instrument of transfer/financing agreement for the purchase of a commercial property in Flagship A and B that remains unsold as at 31st December 2024. The stamp duty exemption to be provided under Section 80(1) under the Stamp Act 1949.
Flagship B (Iskandar Puteri)	LHDN MALAYSIA
Flagship G (Desaru – Penawar)	A deduction equivalent to amount not exceeding RM1 million for each year assessment in respect of cash contribution or contribution in-kind by qualifying person who sponsors a hallmark event.
	The hallmark event referred to is an event of regional or international significance which is carried on in Flagship G and supported/verified by MOTAC. For contribution made between 1 January 2025 to 31 December 2034.



...cont'd (Additional Incentives)

Flagship	lı	ncentives
All Flagships	Accelerated Capital Allowance (ACA) in respect of renovation costs incurred on a building or part of a commercial building located in Flagship A-G for the purpose of qualifying company's business. Qualifying companies are companies that have been approved any tax incentives under PIA 1986 or ITA 1967 between 1 January 2025 - 31 December 2034 and operating in Flagship A-G. This incentive to be utilised only once throughout their business operation in JSSEZ. To include expenses on:	
	General electrical installation	False ceiling and cornices
	• Lighting	Ornamental features or decorations excluding fine art
	Gas system	Canopy or awning
	Water system	Recreation room for employee
	Kitchen fittings	Air-conditioning system
	Sanitary fittings	Day care centre for employees' children
	 Door, gate, window, grill and roller shutter 	• Surau
	Fixed partitions	Reception area
	 Flooring (including carpets) 	Green elements, smart solutions systems
	 Wall covering (including paint work) 	
	Initial allowance: 20%, Annual Allowance:	40%

Summary of JS-SEZ and FC-SFZ Special Incentives





Activities/Projects

Al and Quantum Computing Supply Chain







Medical Devices



Johor Bahru Waterfront



Pharmaceutical



Iskandar Puteri



Aerospace Manufacturing & MRO Services



Forest City

Flagship Zones/Area



Global Services Hub



Tanjung Pelepas



Integrated Tourism Project

G



Kulai-Sedenak



Smart Logistics Complex

Forest City





Manufacturing downstream specialty chemicals

Pengerang (PIPC) D



40% stamp duty exemption for transfer/ financing agreement for purchase of commercial property

Desaru-Penawar G



RM1 million deduction for cash contribution/ contribution in-kind for sponsoring a hallmark event

G















ACA for renovation costs

Forest City



Financial services



Invest Malaysia Facilitation Centre Johor (IMFC-J)



Initiative 3

IMFC – Johor







Commencement Date

Differentiating factor





Q4 2024

First outside of Kuala **Lumpur and with** participation from **State Government** Agencies

The establishment of IMFC-J is a continuation of the success of IMFC at MIDA Kuala Lumpur in facilitating investor-related matters.

IMFC-J Objectives



One-stop centre to provide advisory services for investment-related matters within the JS-SEZ, including land and development matters



Accelerate various approval processes



Reducing bureaucracy in the delivery of public services



Consolidate various **Ministries and Government** Agencies under one roof for the convenience of investors



Position the JS-SEZ as a prime investment destination that is investor-friendly and business-friendly, in line with the National **Investment Aspiration**

...cont'd (IMFC-J)



IMFC-J Governance Structure

Ministries/Agencies/Departments from both the Federal and State Governments under one roof



Role of Account Manager to facilitate investor-related matters/ approval process







Invest Malaysia Facilitation Centre Johor (IMFC-J)

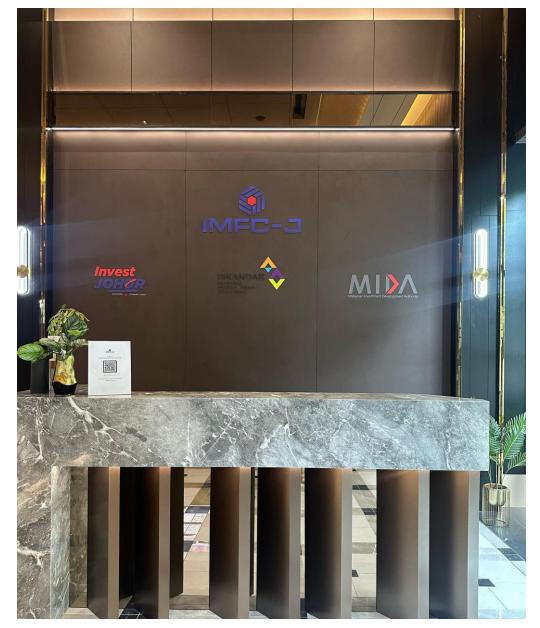
Ground Floor 01-05 & 01-06, Menara Delima Satu, Jalan Forest City 1, Johor

Tel: +607 233 3000

Email: info@imfc-i.com.mv



...cont'd (IMFC-J)













Johor Talent Development Council (JTDC)



Initiative 6

Johor Talent Development Council



Launch Date

Differentiating factor

4 Nov 2024

Dedicated body
on talent
development
programmes in JSSEZ, serving as a
bridge between
the industry and
academia

Johor Talent Development Council (JTDC)



Strengthen the ecosystem for technical and vocational education and training (TVET)



Expanding partnerships with industries and higher education institutions in research, equipment provision, and expertise sharing



high-skilled careers, thereby implementing premium wages in Johor, particularly in the JS-SEZ



Realign all educational and training courses to meet industry demands



To increase direct career placement schemes and industrial training









Johor Human Capital Strategic Unit

No. 2, Jalan Iskandar Putri 1/3, Taman Nusantara Prima, Gelang Patah, Johor Tel: +(607) 266 7272

Email: unitsmi@johor.gov.my

...cont'd (JTDC)





Methods for JTDC to determine the employability of a sector in the job market



Labour market research



Analysing employment trends



Discussion with industry stakeholders



Assessing economic growth factors



Obtaining feedback from employers and data on job vacancies and skills shortages.



Role of Industry Players in JTDC



Providing insights into current industry needs



Offering industry training opportunities



Participating in the curriculum development process



Committing to recruiting graduates from the JTDC workforce pipeline



Provide funding and resources to support talent development initiatives e.g. scholarships/ grants/ investing in training facilities and equipment



Partnership with industry players, educational institutions and training providers to develop students' skills



Industrial training



Work-based learning (WBL)



Apprenticeship programs



On-the-job training programs



Align curricula and training programs to industry needs



Joint Investment Promotion



Initiative 2

Joint Investment Forum (JIF)



Dialogues

Seminars/Webinars

- Forums
- Workshops



Objective: To jointly promote and attract investments into the JS-SEZ. Potential activities include:

Investment Promotion Activities

- Investment Expos
- Marketing Campaigns
- Investment Promotion Materials
- Trade and Investment Missions

Commencement Date

Differentiating factor

TBC

Joint promotion of investments into the JS-SEZ by Malaysia & Singapore





Thank You

