

Application Kit: Venture Capital Tax Incentives

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Suruhanjaya Sekuriti
Securities Commission
Malaysia

APPLICATION KIT: VENTURE CAPITAL TAX INCENTIVES

Effective Date upon 1st Issuance	28 June 2022
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LIST OF REVISIONS

Revision Series	Revision Date	Effective Date of Revision
1 st Revision	28 Nov 2022	28 Nov 2022

Application Kit for Venture Capital (VC) Tax Incentives

1. This Application Kit outlines the relevant information and documents for the purpose of submitting an application to the Securities Commission Malaysia (SC) for certification under the VC Tax Incentive Guidelines (Application).
2. Defined terms used in the Venture Capital Tax Incentives Guidelines shall be used in this Application Kit, unless expressly stated otherwise.
3. The information in relation to the applicant and timing of submission is set out in Table 1. The relevant documents that must be submitted to the SC as part of the Application are set out in Table 2.
4. Certification Forms referred to in Table 2 below are available on the SC's website at www.sc.com.my.
5. Applications must be made to the SC via e-mail at vcpecontact@seccom.com.my.
6. The e-mail, including attachments, must not exceed 10 MB in size. Should submissions exceed this limit, please reach out to vcpecontact@seccom.com.my for assistance.
7. Where applicable, letters or any hardcopies of information or documents should be addressed to:

**Investment Management Development Department
Securities Commission Malaysia
3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur**

6. In considering the Applications, the SC may request additional documentation or information from time to time. Any amendments to the information submitted in the Certification Form must be made by submitting a new Certification Form.
7. Once the applicant has obtained a certification from the SC, the applicant must attach the letter of certification to the income tax return form for submission to the Inland Revenue Board.

TABLE 1: Applicant and timing for submission of Application

<i>Type of Incentive</i>	<i>Applicant</i>	<i>When to submit</i>
Tax exemption for Venture Capital Company (VCC)*	Venture Capital Management Company (VCMC)**	After close of each financial year or the year of assessment in which the applicant intends to claim tax exemption. The application for first certification must be received by the SC no later than 30 June 2026.
Tax exemption for VCMC*	VCMC	
Tax deduction – Investments in VCC	VCMC**	After 3-year holding period for investments
Tax deduction – Direct investments in a qualified venture company	Investor	After 3-year holding period for investments

Notes:

* The submission for Applications for tax exemption for VCC and VCMC must be submitted concurrently to the SC.

** In the case of single-entity setups (i.e. VCC with no appointed VCMC), the Applications shall be made by the VCC.

TABLE 2: Documents to be submitted as part of the Application

Note: Where a certified true copy of a document is required, the document must be certified by a notary public, solicitor or company secretary.

<i>Incentive</i>	<i>Required documents</i>
<p>Tax Exemption for VCC:</p> <p>a. First application and registration</p>	<ul style="list-style-type: none"> • VC Tax Incentive Certification Form: Tax Exemption for VCC (Kindly note that for first-time submission, fund information must be filled in the form) • Certified true copy of the VCC’s latest Companies Commission of Malaysia (CCM) Annual Return form • Copy of marketing/promotional materials on the VCC, including Information Memorandum or its equivalent • Certified true copy of share subscription agreement for each venture company mentioned in the Certification Form • Where applicable, certified true copy of certification letter or letter of award by the relevant authorities for venture company(s) whose business activities are listed under either one of the following: <ul style="list-style-type: none"> ➤ Activities or products promoted under the Promotion of Investments Act 1986; ➤ Activities or products developed under the research & development scheme approved by the Ministry of Science, Technology and Innovation (MOSTI); or ➤ Activities, products or services developed under research, development and commercialisation grant scheme approved by the Malaysia Digital Economy Corporation Sdn Bhd (MDEC).

<i>Incentive</i>	<i>Required documents</i>
<p>b. Subsequent Applications after receiving first certification from the SC</p>	<ul style="list-style-type: none"> • VC Tax Incentive Certification Form: Tax Exemption for VCC • Certified true copy of share subscription agreement for each venture company mentioned in the Certification Form • Where applicable, certified true copy of certification letter or letter of award by the relevant authorities for venture company(s) whose business activities are listed under either one of the following: <ul style="list-style-type: none"> ➤ Activities or products promoted under the Promotion of Investments Act 1986; ➤ Activities or products developed under the research & development scheme approved by MOSTI; or ➤ Activities, products or services developed under research, development and commercialisation grant scheme approved by MDEC.
<p>Tax Exemption for VCMC</p>	<ul style="list-style-type: none"> • VC Tax Incentive Certification Form: Tax Exemption for VCMC • Certified true copy of the VCMC's latest CCM Annual Return form • Copy of the VCMC's audited financial statements for the year(s) of assessment (YA) being applied for tax exemption

<i>Incentive</i>	<i>Required documents</i>
<p>Tax Deduction for investment into VCC</p>	<ul style="list-style-type: none"> • VC Tax Incentive Certification Form: Tax Deduction for Investments into VCC (Kindly note that for first-time submission, fund information must be filled in the form) • Certified true copy of the VCC's latest CCM Annual Return form • Copy of marketing/promotional materials on the VCC, including Information Memorandum or equivalent • Copy of bank transaction slips (for wire transfer of funds into the VCC) • Copy of capital call letters, including dates and itemised information on use of monies for each capital call • Certified true copy of Form of Return of Allotment of Shares (for allotment of shares in VCC) • Copy of audited financial statements of the VCC (three years latest, up to YA of application) • Where applicable, certified true copy of certification letter or letter of award by the relevant authorities for the VCC's venture company(s) whose business activities are listed under either one of the following: <ul style="list-style-type: none"> ➤ Activities or products promoted under the Promotion of Investments Act 1986; ➤ Activities or products developed under the research & development scheme approved by MOSTI; or ➤ Activities, products or services developed under research, development and commercialisation grant scheme approved by MDEC.

<i>Incentive</i>	<i>Required documents</i>
<p>Tax Deduction for direct investments in qualified venture company</p>	<ul style="list-style-type: none"> • VC Tax Incentive Certification Form: Tax Deduction for Direct Investments into Venture Companies • Certified true copy of latest CCM Annual Return form for each venture company • Certified true copy of share subscription agreement between investor and venture company(s) • Where applicable, certified true copy of certification letter or letter of award by the relevant authorities for the VCC's venture company(s) whose business activities are listed under either one of the following: <ul style="list-style-type: none"> ➤ Activities or products promoted under the Promotion of Investments Act 1986; ➤ Activities or products developed under the research & development scheme approved by MOSTI; or ➤ Activities, products or services developed under research, development and commercialisation grant scheme approved by MDEC.