

PROMOTION OF INVESTMENTS (CRITERIA FOR THE GRANT OF PIONEER STATUS TO A SMALL COMPANY) ORDER 2013

PU (A) 139
15 April 2013

IN exercise of the powers conferred by subsection 6(1A) of the Promotion of Investments Act 1986 [Act 327], the Minister makes the following order:

CITATION AND COMMENCEMENT

- 1(1) This order may be cited as the **Promotion of Investments (Criteria for the Grant of Pioneer Status to a Small Company) Order 2013**.
- 1(2) Subsubsubparagraph 2(1)(a)(i) and subsubparagraph 2(1)(b) are deemed to have come into operation on 2 March 2012.
- 1(3) Subsubsubparagraph 2(1)(a)(ii) and subsubparagraphs 2(1)(c) are deemed to have come into operation on 3 July 2012

INTERPRETATION

2(1) The criteria for the grant of pioneer status to a small company shall be as follows:

- (a) in relation to equity ownership:
 - (i) small companies with shareholders' fund of up to five hundred thousand ringgit with at least sixty per cent Malaysian equity ownership; or
 - (ii) small companies with shareholders' fund of above five hundred thousand ringgit and not exceeding two million five hundred thousand ringgit with one hundred per cent Malaysian equity ownership;
- (b) for small companies with shareholders' fund of five hundred thousand ringgit and less and engaged in promoted activities or producing promoted products mentioned in the Promotion of Investments (Promoted Activities and Promoted Products for Small Scale Companies) Order 2012 [*P.U. (A) 63/2012*] and the Promotion of Investments (Promoted Activities and Promoted Products) Order 2012 [*P.U. (A) 62/2012*]—
 - (i) the company shall achieve at least twenty five per cent value added in its activity or product;
 - (ii) the company shall employ at least twenty per cent of their workers at the managerial, technical and supervisory staff level; and
 - (iii) either—
 - (A) twenty per cent and above of the paid-up capital in respect of ordinary shares of the company cannot be directly or indirectly owned by a related company having shareholders' funds of more than five hundred thousand ringgit;

- (B) twenty per cent and above of the paid-up capital in respect of ordinary shares of the related company cannot be directly or indirectly owned by the first mentioned company having shareholders' funds of more than five hundred thousand ringgit; or
 - (C) twenty per cent and above of the paid-up capital in respect of ordinary shares of the first mentioned company and the related company cannot be directly or indirectly owned by another company having shareholders' funds of more than five hundred thousand ringgit;
- (c) for small companies with shareholders' fund of above five hundred thousand ringgit and up to two million five hundred thousand ringgit and engaged in promoted activities or producing promoted products mentioned in the Promotion of Investments (Promoted Activities and Promoted Products for Small Scale Companies) Order 2012 [*P.U. (A) 63/2012*]—
 - (i) the company shall achieve at least twenty five per cent value added in its activity or product;
 - (ii) the company shall employ at least twenty per cent of their workers at the managerial, technical and supervisory staff level; and
 - (iii) either—
 - (A) twenty per cent and above of the paid-up capital in respect of ordinary shares of the company cannot be directly or indirectly owned by a related company having shareholders' funds of more than two million five hundred thousand ringgit;
 - (B) twenty per cent and above of the paid-up capital in respect of ordinary shares of the related company cannot be directly or indirectly owned by the first mentioned company having shareholders' funds of more than two million five hundred thousand ringgit; or
 - (C) twenty per cent and above of the paid-up capital in respect of ordinary shares of the first mentioned company and the related company cannot be directly or indirectly owned by another company having shareholders' funds of more than two million five hundred thousand ringgit, and
- (d) for small companies with shareholders' fund of above five hundred thousand ringgit and less than two million five hundred thousand ringgit and engaged in promoted activities or producing promoted products mentioned in the Promotion of Investments (Promoted Activities and Promoted Products) Order 2012 [*P.U. (A) 62/2012*]—
 - (i) the prevailing rates on the value added index as determined by the Minister with concurrence in writing of the Minister of Finance shall be applicable;
 - (ii) the prevailing rates on the Managerial, Technical and Supervisory Staff index as determined by the Minister with concurrence in writing of the Minister of Finance shall be applicable; and
 - (iii) either—
 - (A) twenty per cent and above of the paid-up capital in respect of ordinary shares of the company cannot be directly or indirectly owned by a related company having shareholders' funds of more than two million five hundred thousand ringgit;
 - (B) twenty per cent and above of the paid-up capital in respect of ordinary shares of the related company cannot be directly or indirectly owned by the first mentioned company having shareholders' funds of more than two million five hundred thousand ringgit; or

(C) twenty per cent and above of the paid-up capital in respect of ordinary shares of the first mentioned company and the related company cannot be directly or indirectly owned by another company having shareholders' funds of more than two million five hundred thousand ringgit.

2(1) In this Order, "value added" means total gross sales less cost of raw materials.

REVOCATION

3 The Promotion of Investments (Criteria for the Grant of Pioneer Status to a Small Company) Order 2008 [*P.U. (A) 459/2008*] is revoked.