

GBI Incentives Announced in Budget 2010 (Excerpts from PM Speech):

(under the Heading DEVELOPING GREEN TECHNOLOGY, Item 56 on GBI)

On Promoting Construction of Green Buildings

To expand the use of green technology, the Government launched the Green Building Index (GBI) on 21 May 2009. GBI is a green rating index on environmentally friendly buildings. Green buildings save utility costs and preserve the quality of the environment. To promote green technology, the Government proposes that:

First: Building owners obtaining GBI Certificates from 24 October 2009 until 31 December 2014 be given income tax exemption equivalent to the additional capital expenditure in obtaining such Certificates; and

Second: Buyers purchasing buildings with GBI Certificates from developers be given stamp duty exemption on instruments of transfer of ownership. The exemption amount is equivalent to the additional cost incurred in obtaining the GBI Certificates. This exemption is given to buyers who execute sales and purchase agreements from 24 October 2009 until 31 December 2014.

(under the same Heading, Item 54 & 55 on Pusat Tenaga Msia)

54. Green technology has the potential to become an important sector in economic development. Towards this, the Government launched the National Green Technology Policy in August. The objective of the policy is to provide direction towards management of sustainable environment. To further promote the development of green technology activities, the Government will: First: Restructure the Malaysia Energy Centre as the National Green Technology Centre tasked with formulating a green technology development action plan. This Centre will function as the focal point to set standards and promote green technology. To intensify green awareness activities and practise environment-friendly lifestyle, an allocation of RM20 million will be provided; Second: Organise an international exhibition on green technology in April 2010. The exhibition is expected to attract internationally renowned companies and experts in green technology; Third: Develop Putrajaya and Cyberjaya as pioneer townships in Green Technology, as a showcase for the development of other townships; and Fourth: Give priority to environment-friendly products and services that comply with green technology standards in Government procurement.

55. To promote green technology, the Government will establish a fund amounting to RM1.5 billion. This fund will provide soft loans to companies that supply and utilise green technology. For suppliers, the maximum financing is RM50million and for consumer companies RM10 million. The Government will bear 2% of the total interest rate. In addition, the Government will provide a guarantee of 60% on the financing amount, with the remaining 40% by banking institutions. Loan applications can be made through the National Green Technology Centre. This scheme will commence on 1 January 2010 and is expected to benefit 140 companies.