



UPM
UNIVERSITI PUTRA MALAYSIA
BERILMU BERSAKSI

PUTRA
PERTANIAN UNTUK RAKYAT

DOUBLE TAX DEDUCTION (DTD) INITIATIVE

Funding Section
Research Management Centre

Deputy Vice Chancellor
(Research & Innovation)
03-9769 1645

With Knowledge We Serve Agriculture • Innovation • Life



FACULTY, SCHOOL & INSTITUTE



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UNIVERSITI PUTRA MALAYSIA
ESTABLISHED 1984

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Fakulti

- Fakulti Pertanian
- Fakulti Sains
- Fakulti Kejuruteraan
- Fakulti Pengajian Pendidikan
- Fakulti Sains & Teknologi Makanan
- Fakulti Perhutanan & Alam Sekitar
- Fakulti Perubatan Veterinar
- Fakulti Ekologi Manusia
- Fakulti Bahasa Moden & Komunikasi
- Fakulti Rekabentuk & Senibina
- Fakulti Perubatan & Sains Kesihatan
- Fakulti Sains Komputer & Teknologi Maklumat
- Fakulti Bioteknologi & Sains Biomolekul
- Fakulti Sains Pertanian & Perhutanan (UPMKB)
- Fakulti Kemanusiaan, Pengurusan & Sains (UPMKB)

Institut

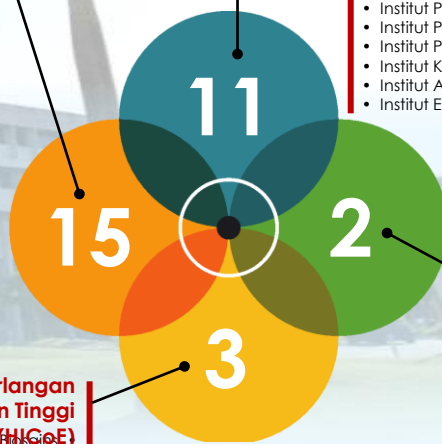
- Institut Biosains (IBS)
- Institut Nanosains & Nanoteknologi (ION2)
- Institut Pengajian Sains Sosial (IPSSAS)
- Institut Penyelidikan Penuaan Malaysia (MyAgeing™)
- Institut Penyelidikan Matematik (INSPEM)
- Institut Penyelidikan Produk Halal (IPPH)
- Institut Perhutanan Tropika & Produk Hutan (INTROP)
- Institut Pertanian Tropika & Sekuriti Makanan (ITAFOS)
- Institut Kajian Peradangan (IKP)
- Institut Antarabangsa Akuakultur & Sains Akuatik (iAQUAS)
- Institut Ekosains Borneo

Sekolah

- Sekolah Pengajian Siswazah
- Sekolah Perniagaan & Ekonomi

Pusat Kecemerlangan Pengajian Tinggi (UKAE)

- Institut Biosains
- Institut Perhutanan Tropika & Produk Hutan
- Institut Pertanian Tropika & Sekuriti Makanan



CONGRATULATIONS

81 UPM Researchers listed among
World's TOP 2% Scientists

Citation Impact in Single Year 2023
by Stanford University

DTD STATUS: APPROVED RESEARCH INSTITUTE (ARI), RESEARCH MANAGEMENT CENTRE (RMC), UPM



Definition of ARI :

An Institute that has been approved by the Minister of Finance to carry out research (in-house) by benefiting the institute itself or the company through research results and commercialization activities.





What is DTD?

“A LEGAL WAY to reduce corporate tax by contribution to ARI”

DOUBLE TAX DEDUCTION (DTD) INITIATIVE UNDER SECTION 34B ACP 1967



DTD Mechanism

Research Management Centre (RMC) UPM has been recognized as an Approved Research Institute (ARI) by the Ministry of Finance under Section 34B, Income Tax Act 1967. Through this status, the company is eligible to apply for the Double Tax Deduction (DTD) Initiative through RMC UPM.

How?

There are two permitted methods, namely:

- Cash contribution without purpose
- Payment of research service

Advantages to Reseachers

- Increase opportunities to obtain Private Research Grant

Advantages to Industry


- Increase the amount of allowed expenses (double the value)
- Reduce tax payments
- Solve the Company's problems through research at UPM
- Gain access to UPM researchers and research facilities
- Add value to the company's image

ELIGIBILITY CRITERIA FOR DTD



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- 
- 1 Registered under the Companies Commission of Malaysia (SSM)
 - 2 Using the services of an institute approved (IPYD) by the relevant Minister
 - 3 The financial source of R&D activities is from the Company's business and does not use Public Funds.
 - 4 R&D project related to the company's business.
 - 5 R&D activities that meet the definition of R&D, and the eligibility criteria.
 - 6 Cash donations without any conditions or payment for the research services to approved institutions (ARI).

ELIGIBILITY CRITERIA FOR R&D PROJECT



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Eligible

1. Have the objectives to
 - i. acquire a new knowledge
 - ii. create a new product/process or
 - iii. improvement of existing product and process
2. Novelty or having a technical risk
3. Systematic, Investigative and Experimental (SIE) study in a field of Science or Technology



Ineligible

1. Quality control of products or routine testing of materials, devices, or products
2. Research in the social sciences or humanities
3. Data collection
4. Survey or management studies
5. Market research or sales promotion
6. Periodical or routine modification of materials, tools, products or methods of production

DTD EXPENSES



Allowed

1. Raw Material
2. Manpower:
 - allowance for researchers and research assistants
3. Professional service:
 - Fees for testing, data analysis (limited to 30% for service payments abroad)
4. Travel Expenses
 - daily allowance limited to RM400/day
5. Transportation cost
6. Maintenance cost
7. Rental
8. Others(utilities, printing report, etc)



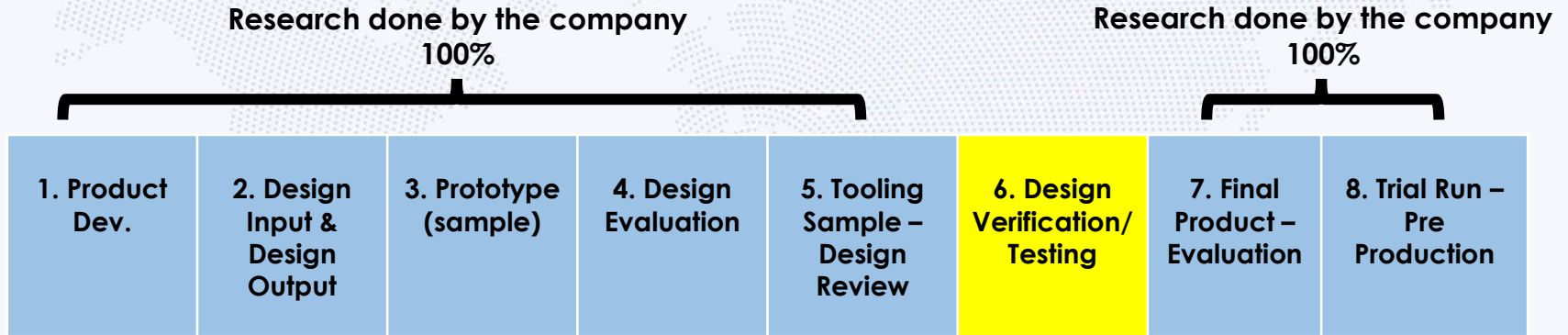
NOT Allowed

1. **Capital expenditure (asset and inventory)**
2. Procurement between the paymaster and subsidiary
3. Expenditures that are not related to achieving the objectives of the R&D project
4. Expenditure related to market research
5. Expenditure related to copyright protection (patent, copyright, etc.)
6. Expenditures related to commercialization activities

EXAMPLE 1: SITUATION



STU Company has conducted internal R&D activities on a project. The company has sent test samples for quality control and stability test purposes (at a cost of RM 30,000) at RMC, UPM.



(1) Not Eligible for DTD under Section 34B ACP

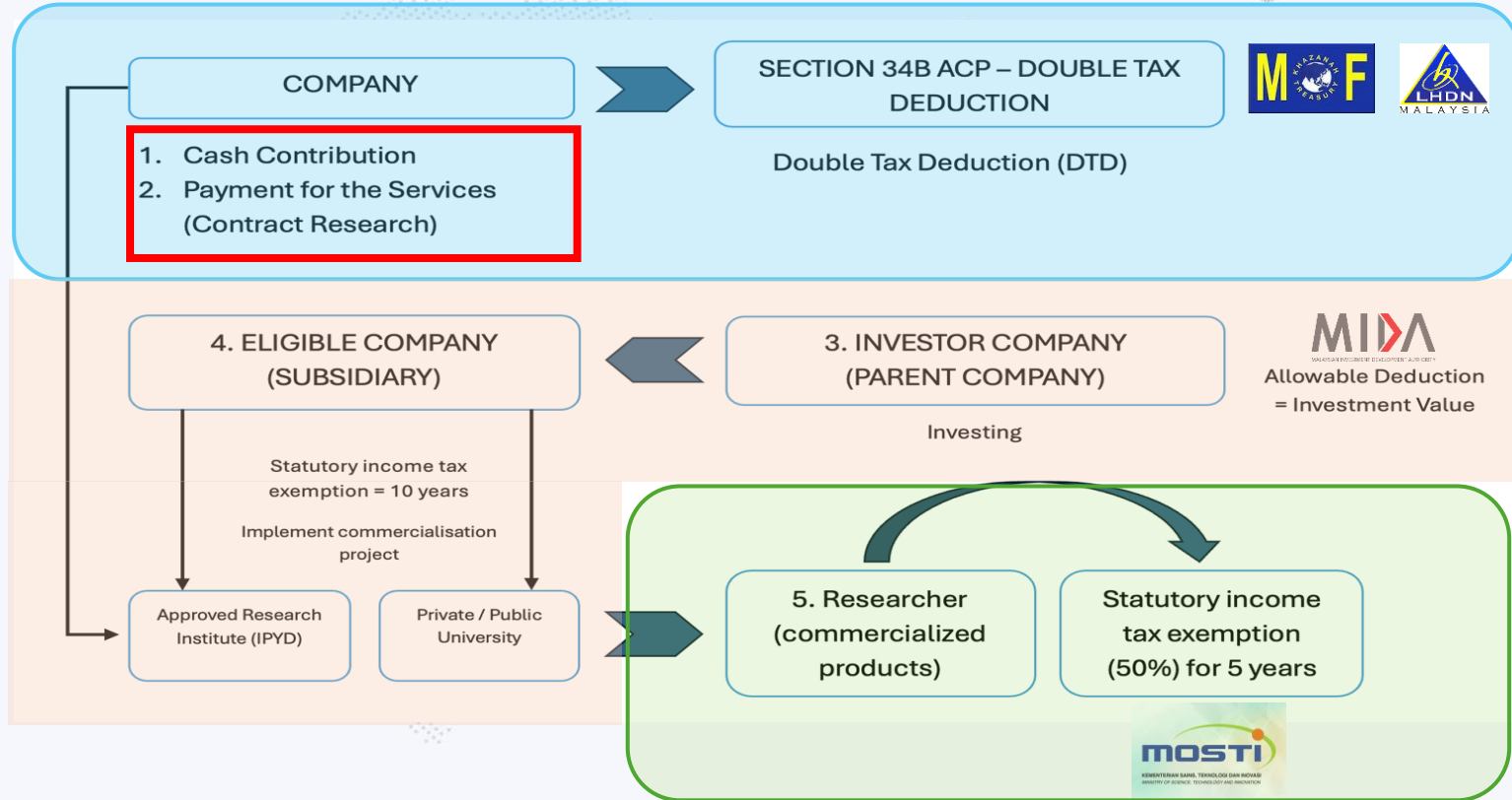


EXAMPLE 2: DTD CALCULATION

In the years of assessment (“YA”) 2024 and 2025, Company A outsources research to a research institute with a cash contribution of RM200,000 each year.

	YA 2024 (Contribution to R&D institutes that are NOT approved), RM	YA 2025 (Contribution to approved R&D institutes), RM
Net profit	2,000,000	2,000,000
Add: Research expenses	200,000	200,000
	2,200,000	2,200,000
Less: Double Deduction claim on research expenses under Section 34B of the ITA	-	(400,000)
Adjusted income	2,200,000	1,800,000
Tax @ 24%	528,000	432,000
Reduced Tax		96,000

R&D AND COMMERCIALIZATION INITIATIVES



IN-Putra Matching Grant



(i) IN-Putra Matching Grant

an initiative to encourage research collaboration between UPM researchers and industry as well as highly reputable international & local institutions.

(ii) Collaboration with Industry

collaboration between industry and UPM that provides good returns to both parties such as the potential to produce intellectual property and technology licensing that can help solve industry problems.

Industry Contribution (RM)	Padanan Matching (RM)*
RM10,000 & - RM20,000	Maximum RM20,000
> RM20,000	Matching 1:1 subject to maximum RM50,000

* UPM's matching value is subject to the proposal and project impact.



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Thank You

**FUNDING SECTION
RESEARCH MANAGEMENT CENTRE**

Deputy Vice Chancellor (Research & Innovation) Office)

03-9769 1645

rmc.up@upm.edu.my