

PM: Expect more incentives for KLIFD

MalaysiaKini.com

July 30, 2012

By Aidila Razak

The government will add further incentives to the already generous tax breaks offered to those set up shop in the upcoming Kuala Lumpur International Financial District - or the Tun Razak Exchange (TRX) as it was christened today.

While launching the TRX project at Kuala Lumpur today, Prime Minister Najib Abdul Razak said that further incentives are "in the pipeline, building on those... announced last year".

He, however, did not provide details as to what these incentives are.

Last year, Najib announced that the incentives include 100 percent tax exemption for 10 years, stamp duty exemption on loan and service agreements, industrial building allowance and accelerated capital allowance and a 70 percent income tax break for five years for eligible property developers.

According to project developers 1Malaysia Development Bhd, the TRX is set to be a international financial hub and further the development of Malaysia's successful Islamic finance industry.

In his speech, Najib also announced that the government is also doing a "comprehensive review of business regulations" to assist ease of business.

"Our logic behind this review is simple: Anything that contributes to future progress stays, anything that is outdated goes," he said at the glitzy event.

According to the PM, the TRX project which reportedly costs about US\$8 billion (RM25 billion) has already attracted foreign investment worth RM3.5 bil from a strategic partner.

"There will be a special ceremony in September to mark this during which the identity and details will be announced," he said.

70 acre haven

He added that some 250 global companies are expected to locate their businesses at TRX and creating a 500,000 jobs directly and indirectly.

Located just off Jalan Tun Razak, minutes from the Petronas Twin Tower without traffic jams - the TRX will also be a sustainable area, employing green technology and connection to public transport such as the soon-to-be completed MRT.

The TRX's Signature Tower's design will be picked form an ongoing international competition organised by Pertubuhan Arkitek Malaysia and International Union of Architects.

"The TRX is a 70 acre haven for new investment opportunities, estimated to generate a gross development value of RM26 bil," he said.

The project, developed by 1Malaysia Development Bhd (1MDB) and Abu Dhabi's Mubadala Development Corporation will be overseen by a special task force led by the Minister in the Prime Minister's Department in charge of the Economic Planning Unit Mohamed Nor Yakcop.

Earlier, 1MDB chairperson Lodin Wok Kamaruddin said that the wholly government-owned company is also working with the Forest Research Institution Malaysia (Frim) to identify and preserve trees located within the vicinity.

"Some of these magnificent trees are 50 years old; they have witness the city grow around them. It is only right that they usher us into the new future," he said.

A third of the development is allocated as a green area, which includes a sprawling 14 acre park at the centre of TRX.

Besides offices, the development will also consist of residence, retail, hospitality and public institutions.