

Topic 1

GBI Updates & Incentives





Malaysia's International **Green** Benchmark

since 21 May 2009

Greening Malaysia one building at a time

worldwide buildings consume

17% of fresh water consumption



worldwide buildings consume

25% of wood harvest



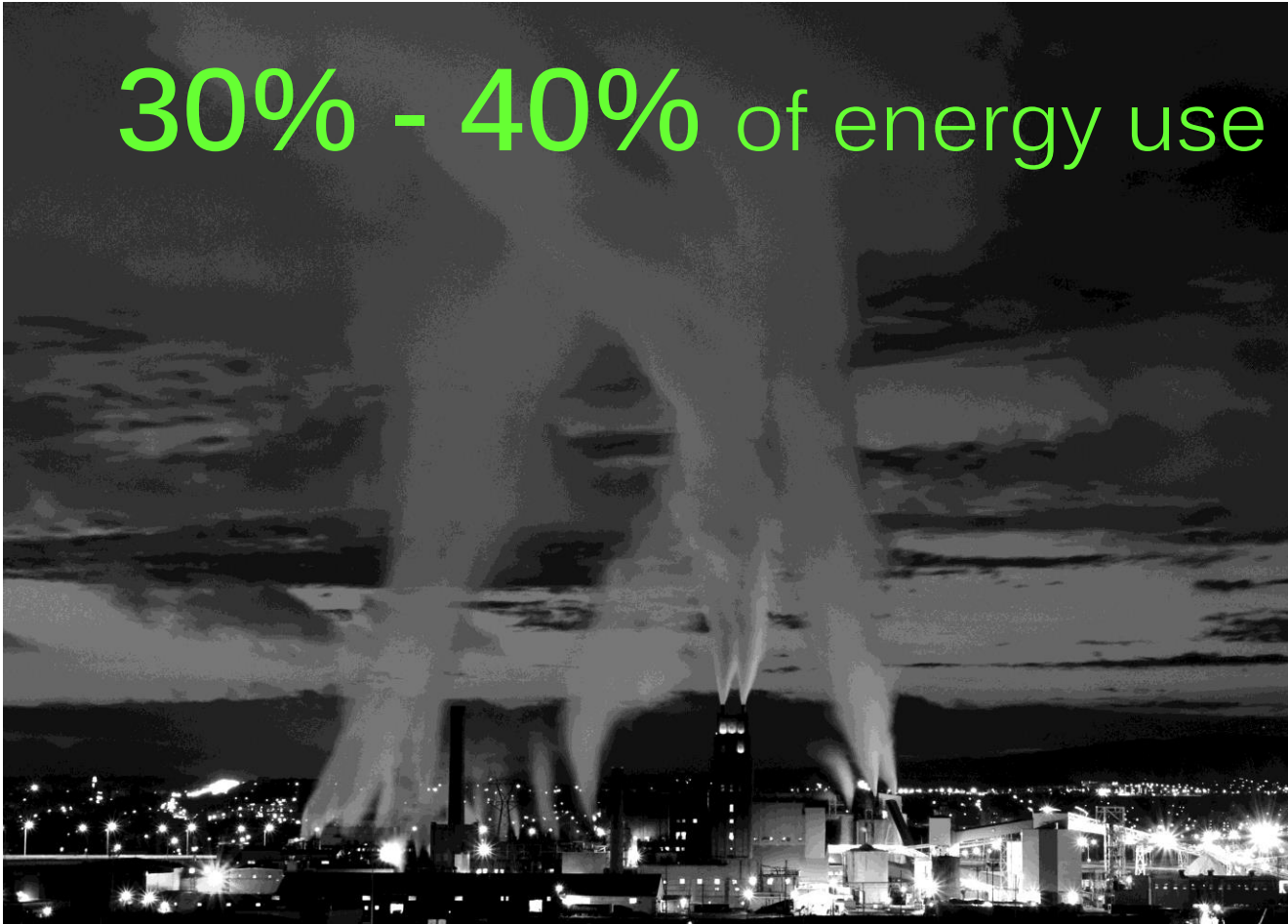
worldwide building consume

40% - 50% of raw materials used



worldwide buildings consume

30% - 40% of energy use



worldwide buildings contribute

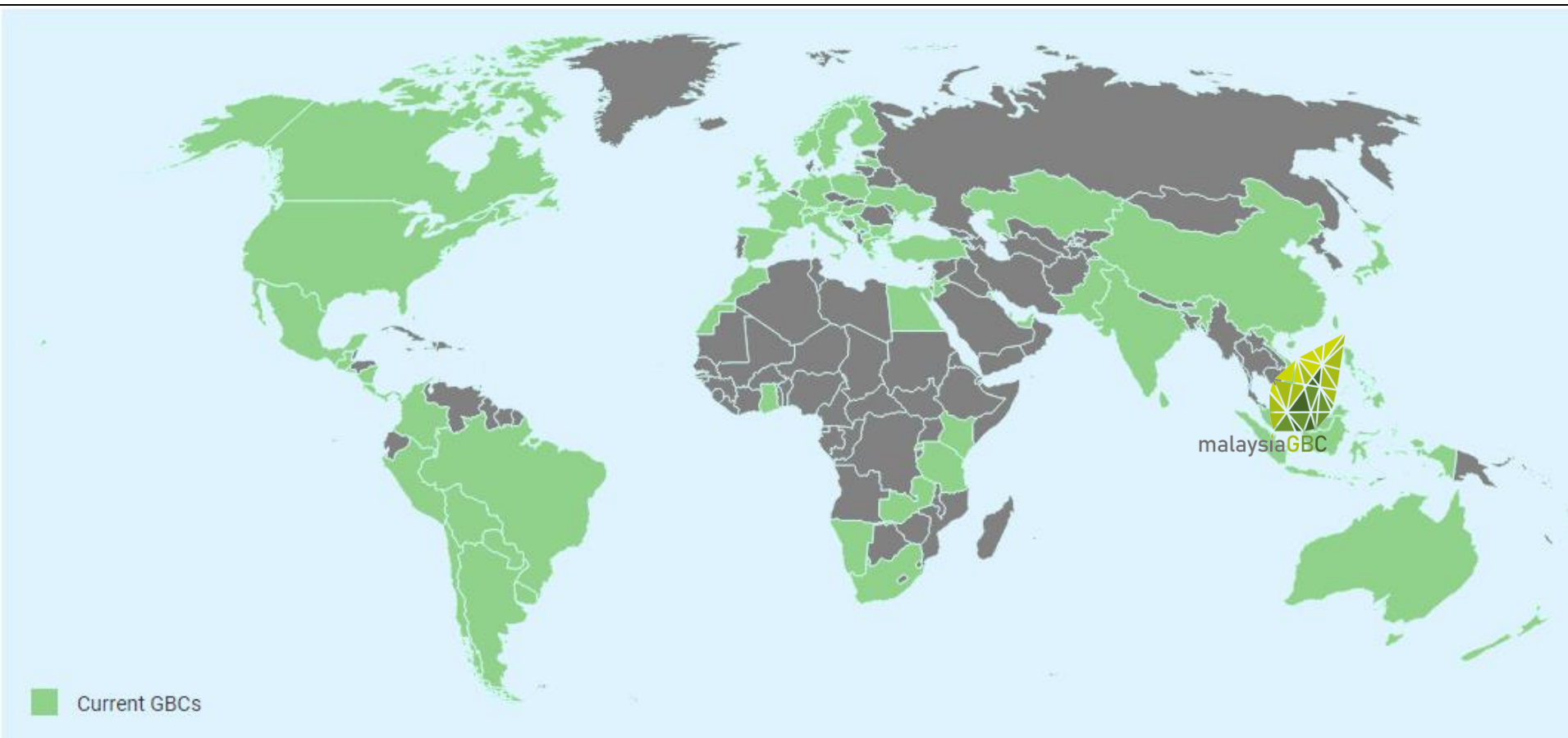
33% of CO2 emissions





We can't save our
Poor Mother Earth
without Decarbonizing
the Building Sector!

World Green Building Council (WGBC)

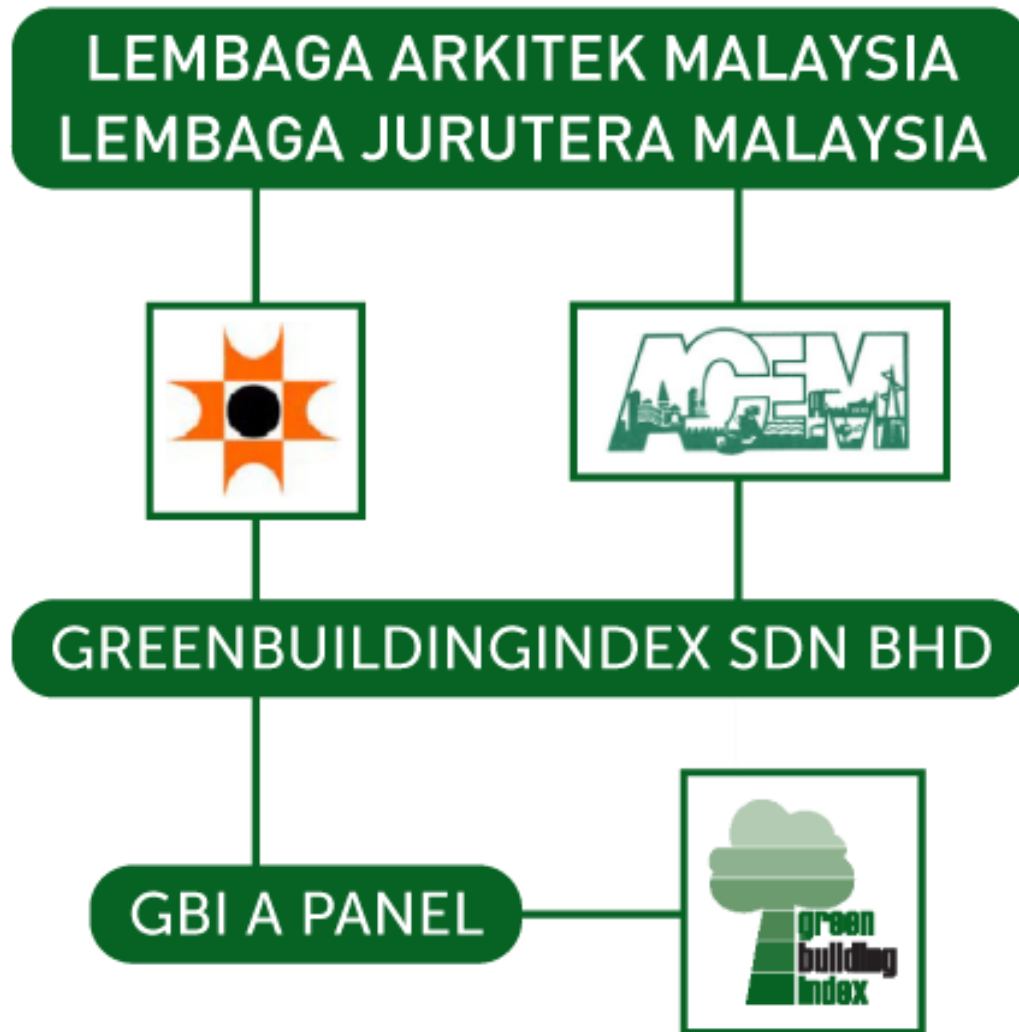


Global Green Building Councils

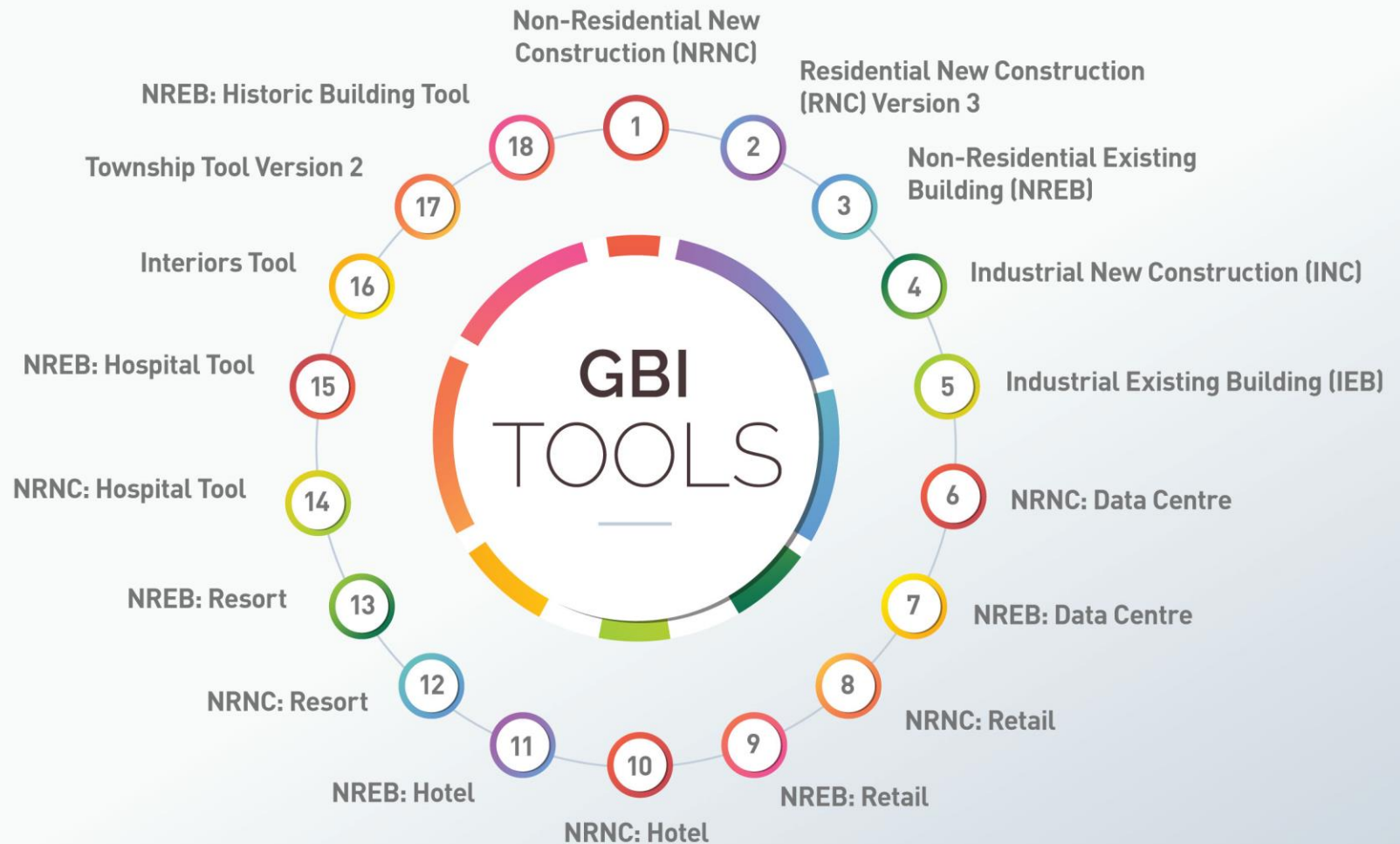
Global Green Rating Tools listed by WGBC

1. ARZ rating system
2. BEAM Plus
3. BERDE
4. BREEAM-LV, BREEAM-NOR, BREEAM
5. Casa (Colombia)
6. CASBEE
7. CEDBIK-Konut Green building certification system
8. DGNB System
9. EDGE
10. GBC Brasil CASA
11. GreenShip
- 12. Green Building Index**
13. Green Key
14. GreenSL
15. Green Star, Green Star SA, Green Star SA Kenya
16. Homestar
17. GBC Home, GBC Historic Building, GBC Quartieri, GBC Condomini
18. GRESB
19. Home Performance Index

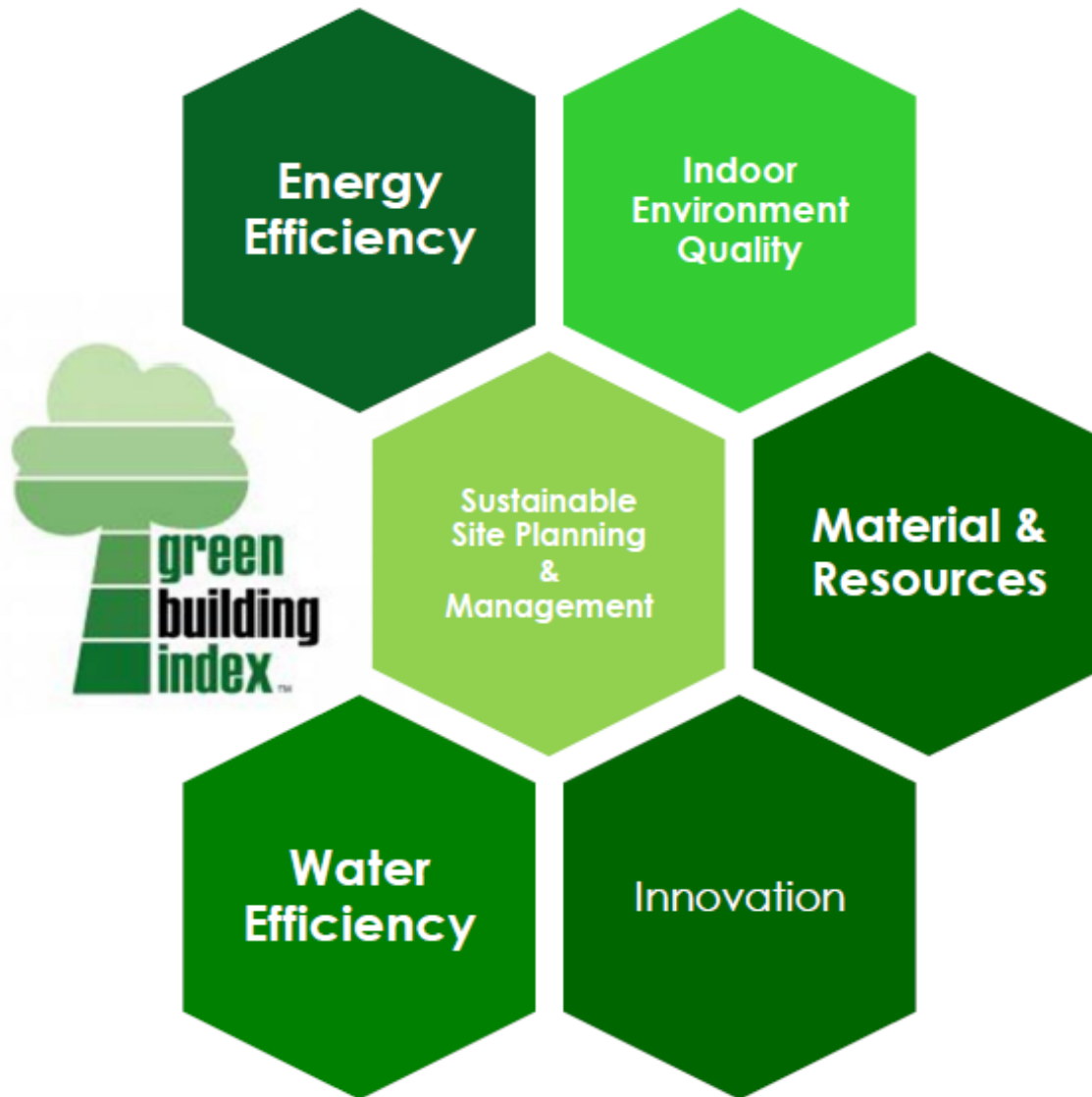
20. HQE
21. ICP
22. IGBC
23. Korea Green Building Certification
24. LOTUS
25. LEED
26. NABERSNZ
27. OMIR
28. Pakistan Green Building Guideline (PGBG) BD+C
29. Parksmart
30. PEARL (Abu Dhabi)
31. PEER
32. Singapore Green Building Product/Services Certification
33. SITES
34. Swiss DGNB System




**RECOGNISED
BY LHDN
FOR GREEN
COST TAX
EXEMPTION**









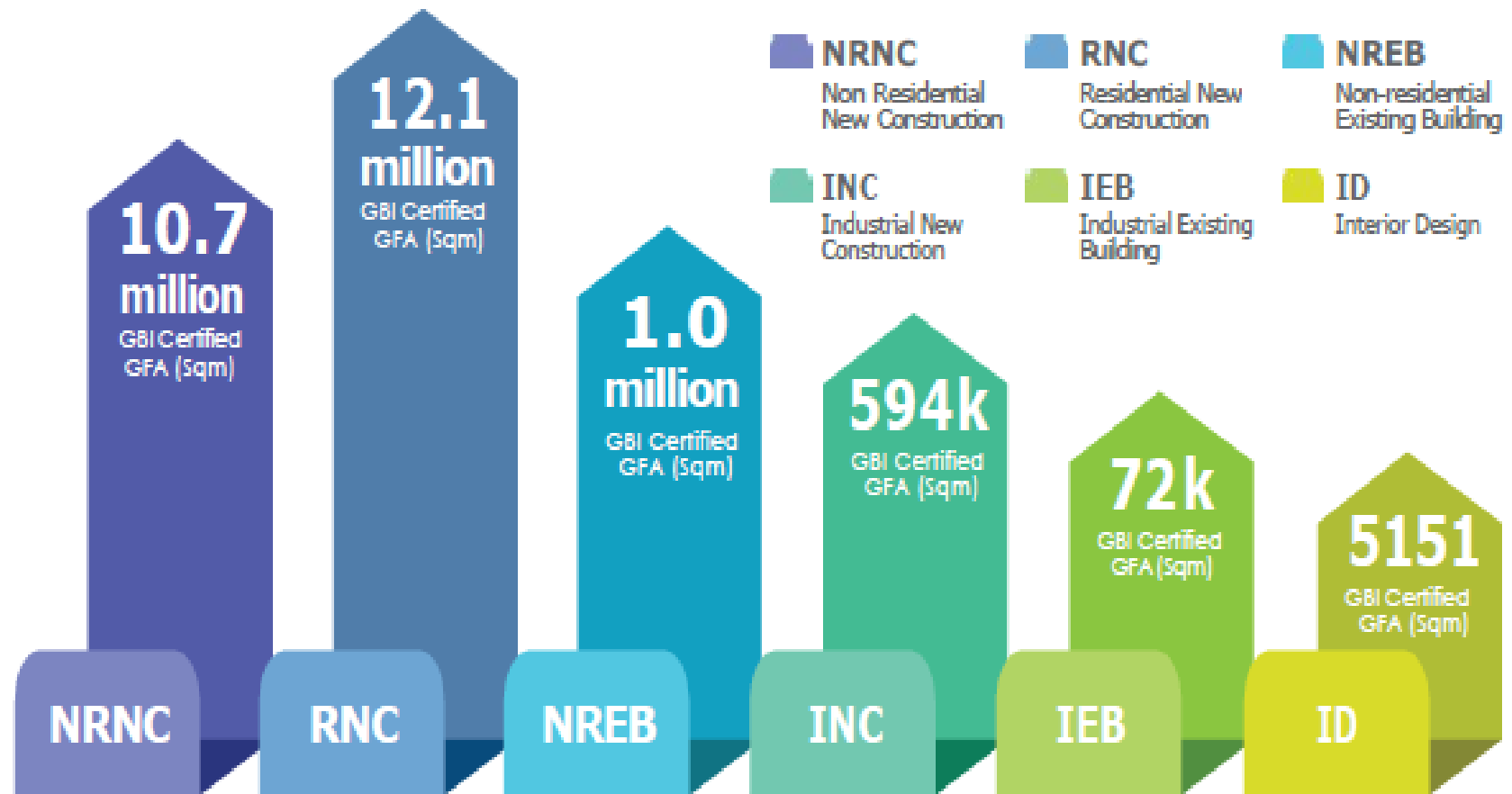
GBI Project Register - by Categories

Stage	Applied	Registered	Total Certified	Provisional Certification DA/PA	Final Planning Certification FPA	Final Certification CVA	Renewal Certification RVA
NRNC	550	510	291 (52%)	209	N/A	62	20
RNC	354	335	209 (37%)	135	N/A	74	-
NREB	42	39	20 (3%)	6	N/A	10	4
INC	45	39	19 (3%)	12	N/A	4	3
IEB	8	7	4 (1%)	1	N/A	2	1
ID	8	8	3 (1%)	1	N/A	2	-
T	24	23	14 (2%)	12	2	-	-
Total as of 31 October 2020	1,031	961	560 (100%)	376	2	154	28

DA - Design Assessment, CVA - Completion & Verification Assessment
RVA - Renewal Verification Assessment

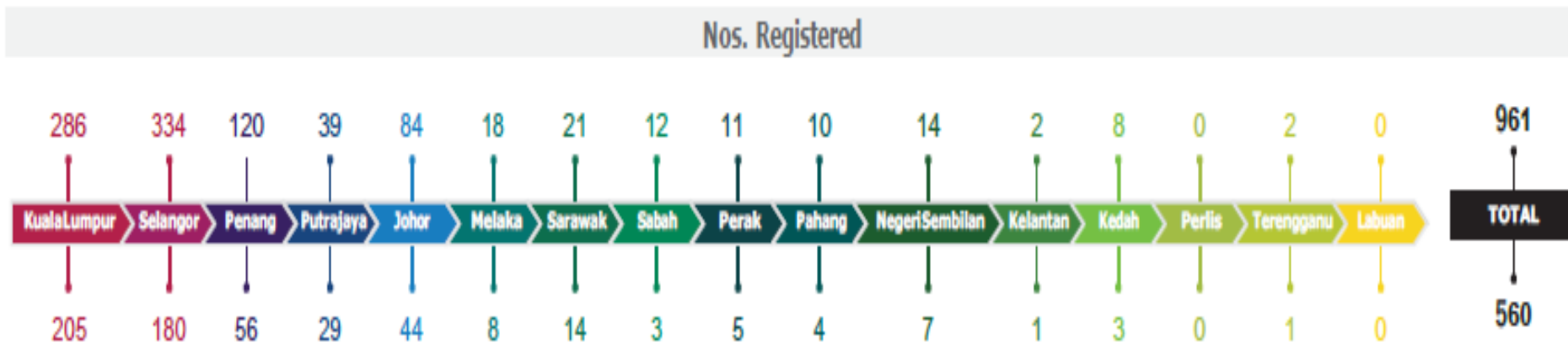


Gross Floor Area (GFA) of GBI Rated Buildings



Total as of 31 October 2020 : **24.6 million (264.9 millionsqft)**

GBI PROJECTS BY STATE/TERRITORIES





GBI Project Registry - by Rating Level

RATING LEVEL					Total Certified
NRNC	13	65	39	174	291
RNC	6	41	19	143	209
NREB	1	2	2	15	20
INC	-	2	2	15	19
IEB	-	1	-	3	4
ID	-	2	-	1	3
T	1	3	5	5	14
Total as of 31 October 2020	21 (4%)	116 (21%)	64 (12%)	356 (63%)	560



Incremental Cost of Going Green

Data from GBI

GBI MALAYSIA	CERTIFIED	SILVER	GOLD	PLATINUM
GBI POINTS	50 - 65	66 - 75	76 - 85	86 - 100
INCREMENTAL CONSTRUCTION COST				
AVERAGE	2.83%	3.67%	7.92%	8.70%
CORRECTED AVG	1.18%	3.67%	6.80%	8.70%
RNC ALONE	1.20%	2.90%	3.40%	10.70%
LOWEST NRNC	1.10%			
LOWEST RNC	0.70%			
GBI RANGE	0.7 - 2.0%	2.0 - 4.0%	3.5 - 8.0%	6.5 - 11.0%
LEED AVERAGE FOR LARGE BLDG	1.0%	3.0%	5.0%	8.0%

Green Building Index Malaysia 2016

Notes: Corrected Average due to case studies which distort averages

1.Omit NRNC Case Study 6 – exceptionally high EE1 cost for Gold

2.Omit NRNC Case Study 7 – exceptionally high EE1 cost for Certified

Latest Cost Data from GBI Nov 2018

Average NRNC green cost = 0 to 2%

Average RNC green cost = 0 to 1%

GBI Incentives



GBI Incentive | MBPP (before 1.1.2022)

For All New Building:

- (1) A total **2/3 rebate of development charges** (original RM15/sqft – Residential; RM21/sqft – Commercial) for project obtains GBI CVA Gold or Platinum rating.

Process of development charges rebate:

- i. Stage 1: 1/3 of total rebate to developers at CCC stage with GBI CVA Gold or Platinum Certificate.
- ii. Stage 2: 1/3 of total rebate to developers after 1 year of Stage 1.
- iii. Stage 3: 1/3 of total rebate to developers after 1 year of Stage 2.

- (2) **10% discount on annual assessment fees** to Applicants with GBI CVA Gold or Platinum rating within the Certificate validity period.

- (3) **GBI Renewal Fees will be absorbed** by the State Government upon successfully GBI renewal by application to the Stage Government.

GBI Incentive | MBPP (from 1.1.2022)

For All New Building:

- (1) A total **1/3 rebate of development charges** (original RM15/sqft – Residential; RM21/sqft – Commercial) for project obtains GBI CVA Gold or Platinum rating.

Process of development charges rebate:

- i. Stage 1: 1/3 of total rebate to developers at CCC stage with GBI CVA Gold or Platinum Certificate.
- ii. Stage 2: 1/3 of total rebate to developers after 1 year of Stage 1.
- iii. Stage 3: 1/3 of total rebate to developers after 1 year of Stage 2.

- (2) **10% discount on annual assessment fees** to Applicants with GBI CVA Gold or Platinum rating within the Certificate validity period.

- (3) **GBI Renewal Fees will be absorbed** by the State Government upon successfully GBI renewal by application to the State Government.

GBI Incentive | MBPP (from 1.1.2022)

For All Existing Building:

- (1) **100% discount on annual assessment fees** to Applicants with GBI CVA Gold or Platinum rating within the Certificate validity period upon CCC.
- (2) 10% discount on annual assessment fees to Applicants with GBI Renewal Gold or Platinum within the Certificate validity period.
- (3) **GBI Renewal Fees will be absorbed** by the State Government upon successfully GBI renewal by application to the State Government.

GBI Incentive | MBSP (Batu Kawan EcoCity)

For All Development (only applicable at Batu Kawan Eco City):

GBI Rating	MBSP Incentives
Certified (50 – 65 points)	Minimum. Mandatory submission to GBI for residential and commercial development.
Silver (66 – 75 points)	20% increase of development density/ plot ratio.
Gold (76 – 85 points)	30% increase of development density/ plot ratio.
Platinum (86 and above)	40% increase of development density/ plot ratio.

GBI Incentive | Malaysia – MIDA

Renewable Energy Policy

National Target



- Reduce GHGs emission by 45% by 2030



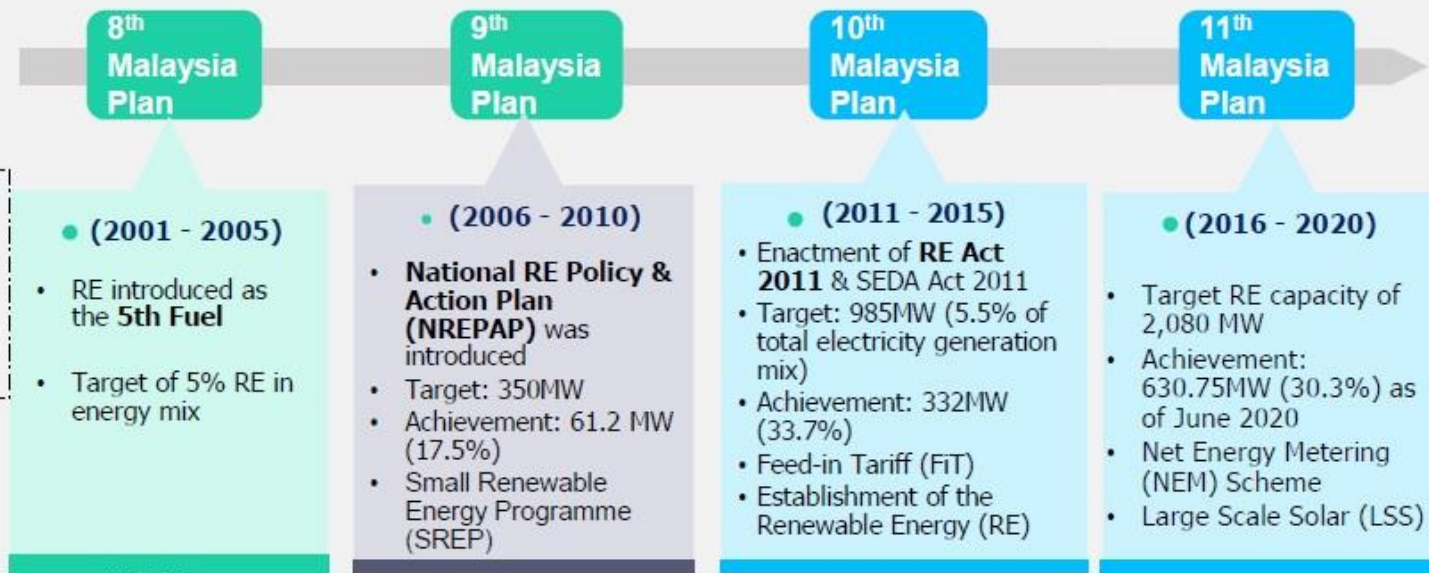
MALAYSIA

National Green Agenda

Achieving 20% Renewable Energy (RE) capacity mix by 2025. Additional 4,000MW (equivalent to 18%) is required to achieve RE's target by 2025



Source: Ministry of Energy and Natural Resources (KeTSA)



GBI Incentive | Malaysia – MIDA

Tax Incentives

Green Technology Incentive,
Income Tax Act, 1967

Investment Tax Allowance (ITA)

Income Tax Exemption (ITE)

GBI Incentive | Malaysia – MIDA

Green Technology Incentives

Investment Tax Allowance

Investment Tax Allowance (ITA) of **100% of qualifying capital expenditure (QCE)** for a period **3 years** from the date of the **first qualifying capital expenditure** for the project undertaken.

Qualifying activities :

- ✓ **Renewable Energy**
 - Solar, Biomass, Biogas, Mini Hydro, and Geothermal
- ✓ **Energy Efficiency**
- ✓ **Green Building**
- ✓ **Green Data Centre**
- ✓ **Integrated Waste Management**

Company **not to incur any qualifying capital expenditure** for the green technology project **before the application is submitted to MIDA**.

Company which **has incurred first qualifying CAPEX before application made to MIDA is not eligible** for this incentive.

Example GBI Green Cost that eligible for ITA:

- (1) Roof Insulation – 100% Claimable
- (2) Sun Shading Devices – 100% Claimable
- (3) Rainwater Harvesting System – 100% Claimable
- (4) Photovoltaic Panel System – 100% Claimable
- (5) Water Efficient Fittings – comparison with base cost
- (6) Energy Efficient Fittings & Systems – comparison with base cost

GBI Incentive | Malaysia – MIDA

Investment Tax Allowance (ITA)

842
Projects
Approved
2016-2019



TOTAL Capital Investment
RM16.4bil

Thank you!

