

FREQUENTLY ASKED QUESTIONS (FAQ)

EQUITY CROWDFUNDING (ECF) TAX EXEMPTION

(Amended: 31 December 2025)

Tax Order

[INCOME TAX \(EXEMPTION\) \(NO. 4\) ORDER 2022](#)

[INCOME TAX \(EXEMPTION\) \(NO. 4\) ORDER 2022 \(AMENDMENT\) ORDER 2024](#)

Q1 Can a corporate investor apply for the ECF tax exemption?

A No, only qualifying individual investors can apply for the ECF tax exemption.

Definition of “qualifying individual” can be found under

- i. paragraph 2 of the *Income Tax (Exemption) (No. 4) Order 2022 [P.U.(A) 142]* (“Tax Exemption Order”) please refer [here](#); and
- ii. amended version in 2024 as stipulated in the *Income Tax (Exemption) (NO. 4) Order 2022 (Amendment) Order 2024* please refer [here](#).

Q2 When will the qualifying individual investor be eligible for the ECF tax exemption?

A The investment made through ECF is not disposed of, either in full or in part, within 2 years from the date the investment is made. Please refer to the following illustration:

Scenario	Year of Investment Is Made	Year of Assessment in respect of Exemption of Aggregate Income	Date to file BNCP (<i>Borang Nyata Cukai Pendapatan</i>) for qualified individuals
Example 1	2021	2023	2024*
Example 2	2023	2025	2026*

*Deadline is in accordance with national tax filing timeline

Q3 What does the date of investment refer to?

A Date of investment refers to the closing date of the issuer’s fundraising campaign on the ECF platform. However, if the investor exercised his cooling off rights, the investor will not be entitled to apply for the tax exemption.

Q4 What does the date of disposal refer to?

A Date of Disposal refer to date when the individual investor received the monies for the disposal of shares in the investee company.
ie. The money has been transferred into the individual investor’s bank account.

Q5 Are there any limitation on the amount of investments that I can make to qualify for the ECF tax exemption?

- A** You may make multiple investments in different ECF platforms in a year. The exemption shall be:
- a. an amount equal to 50% of the amount of total investment made by the qualifying individual and shall not exceed fifty thousand ringgit for each year of assessment; and
 - b. limited to 10% of the aggregate income of the qualifying individual in the basis period for a year of assessment in which the exemption is granted.

Q6 Am I eligible for the ECF tax exemption if my ECF investment is held in a nominee company?

- A** Yes, you are eligible for the tax exemption (subject to conditions stipulated in the Tax Exemption Order), provided the nominee company is:
- a. incorporated under the Companies Act 2016;
 - b. resident in Malaysia; and
 - c. established by an ECF operator in Malaysia to receive investments from a qualifying individual
 - d. invest on behalf of the qualifying individual through equity crowdfunding platform into an investee company

Q7 Am I eligible for the ECF tax exemption if my ECF investment is held in a nominee limited liability partnership?

Yes, you are eligible for the tax exemption (subject to conditions stipulated in the Tax Exemption Order and Amendment Order), if the investment made in the nominee limited liability partnership is made between 1 January 2024 to 31 December 2026 and the nominee limited liability partnership company is:

- a. registered under the Limited Liability Partnerships Act 2012 [ACT 743]
- b. resident in Malaysia
- c. is established by an equity crowdfunding operator in Malaysia to receive investments from a qualifying individual; and
- d. invests on behalf of the qualifying individual through an equity crowdfunding platform into an investee company

Q8 Are two investors with family relationship be eligible for the ECF tax exemption

Yes, as long as investors do not have a family relationship with the issuer/ company they are investing in.

Q9 If I missed the tax exemption filing window for the year of assessment, can I apply for ECF tax exemption for the following year?

Scenario:

Year of Investment: 2021

Year of assessment in respect of Aggregate Income: 2023

Year of tax filing with LHDN– 2024

A If investors missed the tax exemption filing window for the year of assessment, they are not allowed to file for tax exemption in the following year of filing window.

Investors must appeal to LHDN through a process known as “*rayuan khilaf*” within 5 years from the year of tax filing, subject to LHDN terms & conditions and processes

For more information, please refer to the Guidelines on Recognized Markets [here](#).