

Malaysia Tax Incentive and Government Grants



Can you imagine what getting some extra money and reducing tax payments for a company, what would feel like? That's right, free extra money! Imagine what you can do if you win a big lottery, what you can do with the money you receive and saved. Guess what, you do actually get free money handed out and many tax you can save.

This money being handed out is called a 'grant.' This money is categorized into many types; for example, if you need money for a purchasing or upgrade your automation machinery, you need a MIDA SAG GRANT or SMEcorp, If you want to purchase your software you can go for Mdec SAG for Service Line and Industry4wrld for Manufacturing.

The Malaysia government is making every effort to assist SME's in securing financing through government guarantees, grants, tax incentives and other forms of assistance through 15 ministries and 65 agencies. How many SMEs know about this? How many of them fully understand the way to secure the necessary assistance for their businesses?

The sad part is that many people don't even know about this. Many people don't even realize that they're eligible to receive money from government or they can save a lot to tax. Also, many people aren't really aware on how to go about things.

Mohd Fidaus is an expert in Funding & Sourcing. For more than 5 years he is our Senior Grant Specialist for SMIFunding. He finish study at Uitm Shah Alam on Bachelor Degree of Chemical Engineering and before that working as Assistant Director at Malaysian Investment Development Authority (MIDA) Textile and Non-Mineral Division for few years. He will share on the types of Miti Manufacturing License, Tax incentive and Grant available for Malaysia manufacturer.

You definitely know the importance of the Tax Incentives and Grants on your business's operation and hungry for it. But do you know which one is suitable for your business? Is it bringing you the greatest benefit?

You must ever thinking about this question, “What should I do?” when you plan to search for some funding or tax incentives. Obviously, that is always a ton of questions to ask when it comes to applying on tax incentives and grants.

I will share what I’ve learn from one of my speaker in Mohd Firdaus about the types of Tax Incentives and Grants that are available for Malaysia SMEs to apply in common. Please note that I am not the expert in Grant but I am lucky to have Firdaus (the expert of Malaysia Grant and Tax Incentives)

We will talk about Miti Manufacturing License and the benefit after getting your MITI manufacturing License, which you can apply for Tax Incentive, Duty Tax Exemption, Coo and government grant.

Content for this e-Book:

- 1. Miti Manufacturing License**
- 2. Tax Incentive**
- 3. Duty Tax Exemption**
- 4. Certificate Of Origin (COO)**
- 5. Government Grant :-**
 - MIDA- Smart Automation Grant (SAG)**
 - SME Corp BAP 3.0**
 - Industry4wrds – Intervention Fund**
 - Industry4wrds – DISF**

1. MITI Manufacturing License

Manufacturing license is a legal premise for a company to conduct manufacturing activities in Malaysia under the provision of the Industrial Coordination Act (ICA) 1975.

The ICA defines:

“Manufacturing activity” as the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal; and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade.

“Shareholders’ funds” as the aggregate amount of a company’s paid-up capital, reserves, and balance of profit and loss appropriation account, where:

- Paid-up capital shall be in respect of preference shares and ordinary shares and not including any amount in respect of bonus shares to the extent they were issued out of capital reserve created by revaluation of fixed assets.
- Reserves shall be reserves other than any capital reserve created by revaluation of fixed assets and provisions for depreciation, renewals or replacements and diminution in value of assets.

“Full-time paid employees” as all persons normally working in the establishment for at least six hours a day and at least 20 days a month for 12 months during the year and who receive a salary.

The ICA requires manufacturing companies with shareholders’ funds of RM2.5 million and above or engaging 75 or more full-time paid employees to apply for a manufacturing licence for approval by the Ministry of International Trade and Industry (MITI).



Applications for manufacturing licences are to be submitted to the Malaysian Investment Development Authority (MIDA), an agency under MITI in charge of the promotion and coordination of industrial development in Malaysia.

Guidelines for Approval of Industrial Projects

The government’s guidelines for approval of industrial projects in Malaysia are based on the following criteria:

- Projects must have Capital Investment Per Employee (CIPE) of at least RM140,000.00; and
- Total full-time workforce of the company must comprise at least 80% Malaysians. Employment of foreign workers including outsourced workers is subjected to current policies; and
- Total number of managerial, technical and supervisory levels (MTS) is at least 25% of total employment or having a value added (VA) of at least 40%.

Sample of MITI Manufacturing License:

<p>ASAL ORIGINAL</p> <p>KEMENTERIAN PERDAGANGAN ANTARABANGSA DAN INDUSTRI MALAYSIA</p>		<p>Borang ICA 7 (Pin. 1/08) Form ICA 7 (Rev. 1/08)</p> <p>MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY OF MALAYSIA</p>
<p>AKTA PENYELARASAN PERINDUSTRIAN, 1975 LESEN PENGILANG INDUSTRIAL CO-ORDINATION ACT, 1975 MANUFACTURING LICENCE</p>		
<p>No. Siri : (Serial No):</p>	<p>No. Lesen : (Licence No):</p>	
<p>PADA MENURUT AKTA PENYELARASAN PERINDUSTRIAN, 1975 IN PURSUANCE OF THE INDUSTRIAL CO-ORDINATION ACT, 1975</p>		
<p>Saya memberi lesen kepada I licence</p>	<p>(Nama pemohon/ Applicant name)</p>	
<p>untuk bertindak sebagai PENGILANG BERLESEN to act as LICENSED MANUFACTURERS from</p>	<p>18 Mac 2018 (Tarikh/Date)</p>	
<p>ditempat pengilangan beraiam at the place of manufacturing</p>	<p>[Redacted area]</p>	
<p>bagi keluaran yang dinyatakan di bawah ini dan tertakluk kepada syarat yang dilampirkan bersama ini : for product (s) specified hereunder and subject to the conditions attached herewith :</p>		
<p>Keluaran Product</p>	<p>'Non Cut Frozen Sweet Corn, Frozen Sweet Corn Cob, Waffle Premix and Seasoning'</p>	
<p>Bertarikh pada Dated this</p>	<p>31 Mei 2018 May 2018</p>	<p> PEGAWAI PELESEN LICENSING OFFICER</p> <p>DATIN K. TALAGAVATHI Timbalan Ketua Setiausaha (Industri) Kementerian Perdagangan Antarabangsa dan Industri Malaysia</p>

Exemption Letter (Surat Dikecualikan)

A company that has less than 75 workers or paid-up capital/shareholder's fund not exceeding RM2.5 million can apply for a confirmation letter by submitting an ICA 10 form to MIDA. This can allow the company to be exempted from the manufacturing license approval. Once companies hit the threshold of paid-up capital/shareholder's fund not exceeding RM2.5 million or have 75 or more workers, the company should immediately apply for a manufacturing license as the letter only indicates the company is exempted from the manufacturing license.

The function of Exemption letter is same with Miti Manufacturing License.

Document needed for application of Manufacturing License / Exemption Letter

1. Valid Business License from Local Authority (Majlis Perbandaran)
2. SSM Company Profile
3. Latest Audited Report / Management Account
4. Company Profile
5. List of Machinery and Function
6. List of Raw Material, Quantity and Name of Supplier
7. List of Product, Quantity and Name of Customer
8. List of Manpower Divide into Management, Technical, Clerical, Admin and Factory Worker
9. Factory Layout Plan

Sample of Exempted Letter

Ruj. Kami : 350/31200/045281/000001ACI
Tarikh : 8 Februari 2018



MIDA SENTRAL
No. 5, Jalan Stesen Sentral 5
Kuala Lumpur Sentral,
50470 Kuala Lumpur, Malaysia
T : +603 2267 3633
F : +603 2267 7970
E : investmalaysia@mida.gov.my
www.mida.gov.my

Pengarah
~~XXX Power Engineering (M) Sdn Bhd~~
~~500, Jalan Ulu Kelang~~
~~Bukit Kelang, Kuala Lumpur~~
~~50000 Kuala Lumpur~~
Wilayah Persekutuan Kuala Lumpur

Tuan,

**PERMOHONAN SURAT PENGESAHAN UNTUK SYARIKAT PEKILANGAN
DIKECUALIKAN DARIPADA LESEN DI BAWAH AKTA PENYELARASAN
PERINDUSTRIAN, 1975 (PINDAAN).**

Merujuk kepada permohonan tuan yang diterima dengan maklumat lengkap pada 24 Julai 2015 mengenai perkara di atas.

2. Berikut adalah maklumat yang dikemukakan oleh tuan di dalam permohonan tersebut:-

- (i) Nama Syarikat : ~~XXX Power Engineering (M) Sdn Bhd~~
XXX
- (ii) No Pendaftaran Syarikat : ~~XXXXXXXX~~
- (iii) Tapak Kilang : ~~XXXXXX, Jalan XXXXX~~
~~Bandar Tekong Kajang~~
~~XXXXXX, XXXXX~~
Selangor Darul Ehsan
- (iv) Keluaran : 'Electrical Switch Box'
- (v) Jumlah pekerja sepenuh masa : 24 orang
- (vi) Kumpulan Wang Pemegang Saham : RM50,000.00

3. Berdasarkan daripada maklumat yang dikemukakan dan selaras dengan peruntukan di bawah **Seksyen 11, Akta Penyelarasan Perindustrian, 1975 (dipinda)**, syarikat tuan pada masa ini adalah dikecualikan daripada Lesen Pengilang.

2. Tax Incentive

In Malaysia, tax incentives, both direct and indirect, are provided for in the Promotion of Investments Act 1986, Income Tax Act 1967, Customs Act 1967, Excise Act 1976 and Free Zones Act 1990. These Acts cover investments in the manufacturing, agriculture, tourism (including hotel) and approved services sectors as well as R&D, training and environmental protection activities.

The direct tax incentives grant partial or total relief from income tax payment for a specified period, while indirect tax incentives are in the form of exemptions from import duty and excise duty.

Main Incentives for Manufacturing Companies

The major tax incentives for companies investing in the manufacturing sector are the Pioneer Status and the Investment Tax Allowance.

Eligibility for Pioneer Status and Investment Tax Allowance is based on certain priorities, including the level of value-added, technology used and industrial linkages. Eligible activities and products are termed as “promoted activities” or “promoted products”. (See Appendix I: List of Promoted Activities and Products – General)

The company must submit its application to MIDA before commencing operation/production.

(i) Pioneer Status

A company granted Pioneer Status (PS) enjoys a five year partial exemption from the payment of income tax. It pays tax on 30% of its statutory income*, with the exemption period commencing from its Production Day (defined as the day its production level reaches 30% of its capacity).

Unabsorbed capital allowances incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company. Accumulated losses incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company for a period of seven consecutive years.

Applications for Pioneer Status should be submitted to MIDA.

(ii) Investment Tax Allowance

As an alternative to Pioneer Status, a company may apply for Investment Tax Allowance (ITA). A company granted ITA is entitled to an allowance of 60% on its qualifying capital

expenditure (factory, plant, machinery or other equipment used for the approved project) incurred within five years from the date the first qualifying capital expenditure is incurred.

The company can offset this allowance against 70% of its statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until fully utilised. The remaining 30% of its statutory income will be taxed at the prevailing company tax rate.

Document needed for application of Tax Incentive

10. Valid Business License from Local Authority (Majlis Perbandaran)
11. SSM Company Profile
12. Latest Audited Report / Management Account
13. Company Profile
14. List of Machinery and Function
15. List of Raw Material, Quantity and Name of Supplier
16. List of Product, Quantity and Name of Customer
17. List of Manpower Divide into Management, Technical, Clerical, Admin and Factory Worker
18. Factory Layout Plan

3. Duty Tax Exemption

MIDA requires manufacturers to present their manufacturing license to obtain an exemption for import duty tax on raw materials and components used in the production of finished products. The company must do the export market than only entitle for the duty tax exemption

There are few duty tax exemption under MIDA and the the normal duty tax exemption applied is PC1 and PC2.

PC1 is duty tax exemption for machinery, and equipment. This need to apply via MIDA online application and will process with MIDA and Custom.

The conditions of applying the PC1 are:

- a) Machinery and equipment which are not produced locally and imported directly by a company engaged in selected activities in agriculture sector can be considered for import duty and/or sales tax exemption.
- b) Machinery and equipment which are purchased from local manufacturers can also be considered for sales tax exemption.
- c) Application must be submitted prior to the importation or purchase of the machinery and equipment.

- d) Only application with total duty and/or tax exemption value of RM5,000 and above (per submission) will be considered for exemption.

The document needed are:

- 19. Valid Business License from Local Authority (Majlis Perbandaran)
- 20. SSM Company Profile
- 21. Latest Audited Report / Management Account
- 22. Company Profile
- 23. List of existing Machinery and Function
- 24. List of Raw Material, Quantity and Name of Supplier
- 25. List of Product, Quantity and Name of Customer
- 26. List of Manpower Divide into Management, Technical, Clerical, Admin and Factory Worker
- 27. Factory Layout Plan
- 28. List of Imported Machine, Tariff Code, Country of Origin and CIF value

PC2 is duty tax exemption for raw material and consumable items. This need to apply via MIDA online application and will process with MIDA and Custom.

The conditions of PC2 are:

- a) Companies engaged in manufacturing activities can be considered for import duty exemption on raw materials and components which are used directly in the production of finished products and are imported directly.
- b) MIDA only accept application for import duty exemption for iron and steel raw materials / components under HS Code 72 to 7316 to be used to produce finished products for domestic market. Meanwhile, for export and Free Zone / Licensed Manufacturing Warehouse (FZ/LMW) market, company can claim import duty exemption from Customs through duty drawback facility. Whereas, application for sales tax exemption for export market has to be submitted to MIDA.
- c) Only application with total duty and/or tax exemption value of RM5,000 and above (per submission) will be considered for exemption.
- d) Application must be submitted prior to the importation or purchase of the raw materials and components.

- e) Companies in the following selected industries which manufacture finished products not subjected to sales tax can also apply for sales tax exemption on imported or locally sourced raw materials and components:
- i. Aerospace / aircraft industry
 - ii. Machinery & equipment industry
 - iii. Petroleum products used as raw materials for industries other than oil refinery
 - iv. Motorcycle assembly industry

The document needed are:

1. Valid Business License from Local Authority (Majlis Perbandaran)
2. SSM Company Profile
3. Latest Audited Report / Management Account
4. Company Profile
5. List of Machinery and Function
6. List of Existing Raw Material, Quantity and Name of Supplier
7. List of Product, Quantity and Name of Customer
8. List of Manpower Divide into Management, Technical, Clerical, Admin and Factory Worker
9. Factory Layout Plan
10. List of Imported Raw Material, Tariff Code, Country of Origin and CIF value

4. Certificate Of Origin

The Certificate of Origin (CO) is a document to certify the place of growth, production or manufacture of goods. It is required when exporting to specific countries, when requested by the consignee for customs clearance, or when it's stipulated in a letter of credit.

The CO identifies goods and contains a certification by a government authority, or other empowered body, that the goods in question originate from a specific country. Certificates of Origin can be broadly classified into types, namely Preferential Certificates of Origin and Non-Preferential Certificates of Origin.

The issuance and acceptance of Certificates of Origin is governed by the International Convention on the Simplification and Harmonisation of Customs Procedures.

The criteria used in determining the origin of goods namely: Manufacturers, exporters or traders must be registered with Suruhanjaya Syarikat Malaysia (Companies Commission of Malaysia)

Products that are:

- Manufactured in Malaysia and use 100% local content; or
- Manufactured in Malaysia through a transformation process which changes the tariff code classification at six (6) digit level; or
- Manufactured in Malaysia and contains at least 25% local content

Preferential Certificate of Origin (PCO)

Preferential Certificate of Origin (PCO) is a document to prove the origin status of a product. It also acts as an import document to the customs of importing country in order for a product to enjoy tariff concession.

Preferential Certificate of Origin (PCO) is an important international trade document attesting that goods in a particular export shipment are wholly obtained, produced entirely, manufactured or processed in a particular country.

A Preferential Certificate of Origin (PCO) allows your buyer to pay lower customs duty or total removal of customs duty when you export your goods under a [Free Trade Agreement](#) (FTA) or Scheme of Preferences

There are 14 concluded and implemented FTAs between Malaysia and other countries as listed below. Company may export using any of the FTAs below relevant to suit their business arrangement.

- [AFTA / ATIGA](#)
- [ASEAN-China](#)
- [ASEAN Hong-Kong, China](#)
- [ASEAN-Rep. of Korea](#)
- [ASEAN-Japan](#)
- [ASEAN-India](#)
- [ASEAN-Australia-New Zealand](#)
- [Malaysia-Japan](#)
- [Malaysia-Pakistan](#)
- [Malaysia-New Zealand](#)
- [Malaysia-Chile](#)
- [Malaysia-India](#)
- [Malaysia-Australia](#)
- [Malaysia -Turkey](#)

Manufacturers / Exporters need to determine the origin of their products to enjoy tax reduction or elimination by presenting the Preferential Certificate of Origin (PCO) to the Importing Country. In Malaysia, all application must be made online through the Electronic Preferential Certificate of Origin (ePCO) System operated by DagangNet Technologies Sdn Bhd (DNT).

The ePCO system is a web-based application and approval system. All attachments need to be uploaded online with no hardcopy documents to be sent to MITI. The system can be accessed at www.newepco.dagangnet.com.my.

Other functions for the system include online enquiry of application status and to provide support and guidance for users. There are two modules available in the ePCO system, one of it is the Standard Module provided for the traders and manufacturers as to apply online Cost Analysis (CA) and Preferential Certificate of Origin (PCO). The other module is the Manufacturer Module specific for manufacturers who would like to assign their CA to other Traders (to be used for PCO Form application) without exposing their finished products' actual costs (which can be obtained from CA application).

Non-Preferential Certificate of Origin (NPCO)

A Non-Preferential Certificate of Origin (NPCO) is a trade document that helps to identify the origin of the good. It is a certificate/trade document that helps identify the origin of the good and not used to claim for preferential tariff rates. Normally goods will be released using import duty rate as per Customs Duties Order enforced.

Document needed for application;

29. Valid Business License from Local Authority (Majlis Perbandaran)
30. SSM Company Profile
31. Latest Audited Report / Management Account
32. Company Profile
33. List of Machinery and Function
34. List of Raw Material, Quantity and Name of Supplier
35. List of Product, Quantity and Name of Customer
36. List of Manpower Divide into Management, Technical, Clerical, Admin and Factory Worker
37. Factory Layout Plan
38. Documents required (before exporting)
 - Packing List
 - Sales Invoice
39. Documents required (after exporting)
 - Sales Invoice
 - Packing List
 - Bill of Landing
 - K2 For

5. Government Grant



Government Grants

There are many Government Grants before 2009, for now it is getting lesser and lesser in town and only available for few industries

The sad part is that many people don't even know about this. Many people don't even realize that they're eligible to receive money from government. Also, many

people aren't really aware on how to go about things.

That's where we at SMIFunding come in. We make sure that you don't have to run around looking for funders. We also make sure you understand what type of grants you're eligible for.

We take the time and effort required to ensure that you understand the proper procedures and opportunities available. That's not all, we also help you writing grant proposals and we can apply for a variety of grants and may just win a few. With our guidance and help, you stand a very good chance of doing just that.

We will introduce you few grant that manufacturing can apply.

- **MIDA- Smart Automation Grant (SAG)**
- **SME Corp BAP 3.0**
- **Industry4wrds – Intervention Fund**
- **Industry4wrds – DISF**

- **MIDA- Smart Automation Grant (SAG)**

The Smart Automation Grant was introduced in the National Economic Recovery Plan or Pelan Jana Semula Ekonomi Negara (PENJANA) in June 2020.

The main objectives of the Smart Automation Grant are:

- i. To assist as well as incentivise Small and Medium Enterprises (SMEs) and Mid-Tier Companies (MTCs) to automise and digitalise operations, production and trade channels
- ii. To improve efficiency in the manufacturing and services sector
- iii. To reduce reliance on low-skilled foreign workers
- iv. To provide job opportunities in high value-added sectors
- v. To enhance SME competitiveness on an international level
- vi. To be aligned with the National Policy on Industry 4.0
- vii. To boost domestic investment

The Smart Automation Grant will be given on a matching basis (1:1) based on eligible expenditures, up to a maximum grant of Ringgit Malaysia One Million (RM1,000,000) per company.

Eligible

1. Incorporated under the Companies Act, 1965/ 2016.
2. Effective equity of the company must be at least 51% owned by Malaysians.
3. The company must engage in the following activities: i. Manufacturing activity in compliance with the Industrial Co-ordination Act, 1975; or ii. Services activities which must be regulated by specific acts/ regulations or governed by relevant ministries/ agencies
4. The company has been in operation for at least 12 months.
5. Company which has been approved the Industry4WRD Intervention Fund (IF) or Smart Automation Grant from Malaysia Digital Economy Corporation (MDEC) is not eligible to apply for this grant.

6. The company must meet at least one of the Committed Deliverables

Committed Deliverables

1. Reduction of Unskilled Foreign Workers
2. Reduction of Unskilled Workers
3. Reduction in Man Hours
4. Increase in Production Volume
5. Quality Improvement – Reduction in Defect Rate
6. Increase in Number of Services Delivery
7. Reduction of Man Hours in Delivering Services

Document needed for application;

40. Valid Business License from Local Authority (Majlis Perbandaran)
41. SSM Company Profile
42. 3 years Audited Report / Management Account
43. Company Profile
44. List of Machinery and Function
45. List of Raw Material, Quantity and Name of Supplier
46. List of Product, Quantity and Name of Customer
47. List of Manpower Divide into Management, Technical, Clerical, Admin and Factory Worker
48. Existing Factory Layout Plan and New Factory Layout Plan with New Machine
49. Quotation on Machinery

- **SME Corp BAP 3.0**

Business Accelerator Programme (BAP 3.0) is an integrated assistance programme aimed to enhance the capabilities of small and medium enterprises (SMEs) through business advisory services and financial support. This programme supports a wide range of capability building initiatives to assist SMEs to grow and expand their businesses locally and globally.

Matching Grant

Matching grants are financial assistance and advice provided by the government to SMEs for improvement activities that will contribute to increased productivity and profitability of the company.

The amount of grant are amounted at 50% up to RM400,000 for period of 6 months

Qualifying Condition:

- Undergo SME Status Certification
- Fulfil [SME Definition](#)
- Annual sales turnover exceeds RM300k per year
- At Least 60% local equity
- Valid Business Premises Licenses from Local Authorities
- At least 6 months in operations
- Undergone or willing to undergo SCORE / MSCORE assessment

Priority Criteria:

- A business taxpayer
- A minimum paid-up capital of RM30,000.00
- Cash at banks at least 20% of project value
- Ratio of local workers: foreigner workers at least 70:30
- Projects with high value added/ contribution to increased productivity.

Scope of Grant

1. CERTIFICATION & QUALITY MANAGEMENT SYSTEM (QMS)
2. PACKAGING & PRODUCT PACKAGING
3. BRANDING DEVELOPMENT & PROMOTION
4. PRODUCTIVITY & AUTOMATION

5. ONLINE APPLICATIONS, MOBILE E-COMMERCE, E-PAYMENT & ICT APPLICATIONS

Document needed for application;

50. Valid Business License from Local Authority (Majlis Perbandaran)
51. SSM Company Profile
52. 3 years Audited Report / Management Account
53. SME Status Certification
54. SCORE (If applicable)
55. Company Profile
56. List of New Machinery and Function
57. List of Product, Quantity and Name of Customer
58. List of Manpower Divide into Management, Technical, Clerical, Admin and Factory Worker
59. Existing Factory Layout Plan and New Factory Layout Plan with New Machine
60. Quotation on Machinery from 2 supplier
61. Picture of Factory

- **Industry4wrds – Intervention Fund**

The Industry4WRD Readiness Assessment Intervention Programme or in short known as 'Industry4WRD Intervention Fund' was launched by the Government in Budget 2019. It is a financial support facility for Malaysian SMEs in the manufacturing and related services sectors to embrace Industry 4.0. This Fund is eligible for all SMEs which have completed the government-funded Industry4WRD Readiness Assessment (RA) programme. MITI has appointed MIDA as the Implementing Agency for the Industry4WRD Intervention Fund.

The fund will be provided on matching basis (70:30) based on eligible expenditures, up to a maximum grant of Ringgit Malaysia Five Hundred Thousand (RM500,000.00) only. Maximum 30% of the matching amount (70% of total grant) will be provided in upfront to the companies subject to the approval by Intervention Fund Approval Committee at MITI, whereby the balance of the remaining grant will be on reimbursable basis which will be deliberated at MIDA.

Eligibility

This Fund is eligible for all SMEs that have 60% Malaysian Shareholder in the manufacturing and related services sectors which have completed the government-funded Industry4WRD Readiness Assessment (RA) programme.

Document needed for application;

62. Valid Business License from Local Authority (Majlis Perbandaran)
63. SSM Company Profile
64. Latest Audited Report / Management Account
65. Company Profile
66. List of Machinery and Function
67. List of Raw Material, Quantity and Name of Supplier
68. List of Product, Quantity and Name of Customer
69. List of Manpower Divide into Management, Technical, Clerical, Admin and Factory Worker
70. Factory Layout Plan
71. Readiness Assessment Report
72. Readiness Assessment Approval Letter
73. Technical Proposal that have details of;

- Background, purpose and objectives
- Scope of project

- Method of execution including potential solution providers
- Implementation period
- Breakdown of expenditure
- Expected outputs and outcomes

- **Industry4wrds – DISF**

The Government introduced the National Policy on Industry 4.0, known as Industry4WRD on 31 October 2018. Industry4WRD policy focuses on manufacturing and manufacturing related services sectors which aim to create a comprehensive ecosystem for Industry 4.0, ultimately transforming the manufacturing sector holistically.

The government announced in the Budget 2019 that DISF will include Industry 4.0 relevant activities. A ratio of 60:40 on a reimbursable basis will be provided to companies which have undertaken the Industry4WRD Readiness Assessment.

The fund, contingent upon investment is created to assist manufacturing companies that have undergone the Industry4WRD Readiness Assessment to migrate into Industry 4.0.

The grant is outcome based, provided on a (60:40) matching basis for the purpose of: (i) R&D activities; (ii) Training activities; (iii) Modernisation and upgrading of facilities and equipment; (iv) Licensing or purchase of new/high technology; and (v) Obtaining international standards/certification.

Eligibility

1. Incorporated under the Companies Act, 2016 and resident in Malaysia.
2. Effective equity of the company must be at least 60% owned by Malaysians
3. Company has been assessed through the Industry4WRD Readiness Assessment program.
4. Company adopts at least one of the following enabling technologies:
 - (i) Big Data Analytics
 - (ii) Cloud Computing
 - (iii) Augmented Reality
 - (iv) Cybersecurity
 - (v) Artificial Intelligence
 - (vi) Additive Manufacturing
 - (vii) System Integration

- (viii) Simulation
- (ix) Internet of Things (IoT)
- (x) Autonomous Robots (xi) Advanced Materials

Document needed for application;

74. Valid Business License from Local Authority (Majlis Perbandaran)
75. SSM Company Profile
76. Latest Audited Report / Management Account
77. Company Profile
78. List of Machinery and Function
79. List of Raw Material, Quantity and Name of Supplier
80. List of Product, Quantity and Name of Customer
81. List of Manpower Divide into Management, Technical, Clerical, Admin and Factory Worker
82. Factory Layout Plan
83. Readiness Assessment Report
84. Readiness Assessment Approval Letter
85. Technical Proposal that have details of;
 - Background, purpose and objectives
 - Scope of project
 - Method of execution including potential solution providers
 - Implementation period
 - Breakdown of expenditure
 - Expected outputs and outcomes