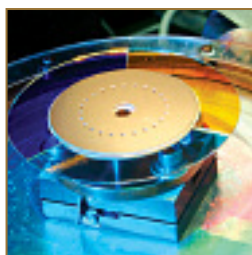
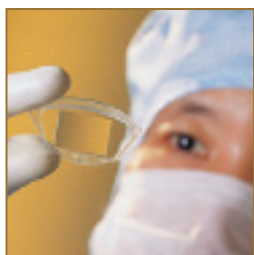


SMIDEC

**Policies, Incentives, Programmes and
Financial Assistance for SMEs**



www.smidec.gov.my

SMES



701 D, Level 7, Tower D, Uptown 5
No.5, Jalan SS21/39, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan
Malaysia

Tel: 603 7628 7400

Fax: 603 7660 1919

E-mail: info@smidec.gov.my

Toll free line: 1-800-18-1801

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Foreword



MINISTER'S FOREWORD

The development of Small and Medium Enterprises (SMEs) is even more significant as Malaysia moves towards realising its objective of becoming a fully industrialised nation. The successful transformation and growth of the economy requires SMEs in the country to address the challenges of efficiency as well as the optimal utilisation of existing resources in order to sustain and improve the national competitiveness.

To strengthen the economic foundation of SMEs in key industrial clusters, the Government continues to provide strong support in developing competitive and resilient SMEs. Emphasis has been given to creating competitive advantage based on information and communications technology (ICT), capacity building and enhanced productivity, to enable the SMEs to face the challenges of a more liberalised market.

The publication of 'Policies, Incentives, Programmes and Financial Assistance for SMEs' will serve as a comprehensive reference manual for all SMEs. It is a compilation and collation of policies, incentives, programmes and financial assistance available for SMEs, which are being administered by MITI and its agencies, as well as other Ministries and Commercial Banks.

It is hoped that SMEs will take advantage of this publication to avail themselves of the various programmes and facilities to better equip their operations as they strive to grow and excel.

A handwritten signature in black ink, appearing to read 'Rafidah'.

RAFIDAH AZIZ

Minister of International Trade and Industry
Malaysia

January 2007





Chapter 1 **POLICIES**

**National SME Development
Blueprint 2006**

Strategic Thrusts

Strategies & Policies



CHAPTER 1

POLICIES

The formulation and establishment of a cohesive policy, regulatory and institutional framework, are important in enhancing the performance and contribution of SMEs. Recently, the Government has given added emphasis to boost the performance of key support agencies in enhancing the growth of SMEs. The initiatives, policies and detailed framework developed specifically by the National SME Development Council are described in the following section.

National SME Development Blueprint 2006

Following the adoption of the Framework for SME Development Planning and Evaluation, the National SME Development Blueprint for 2006 (Blueprint 2006) was endorsed by the National SME Development Council in December 2005. The Blueprint is a one-year action plan to promote the development of SMEs. It outlines the:

- objectives and targets for SME development;
- key strategies, programmes and financial commitments; and
- ministries and agencies involved in implementing these programmes.

For 2006, a total of 245 programmes involving financial commitment of RM3.9 billion have been identified for implementation to accelerate the development of SMEs. These are aimed at strengthening the enabling infrastructure to support SME development; building the capacity and capability of SMEs; and enhancing SMEs' access to financing. The programmes will cover all sectors, including SMEs in agriculture and agro-based industries, and those involved in knowledge-based industries. Efforts will also be directed to developing progressive and resilient Bumiputera entrepreneurs and SMEs.

A total of 170 key programmes are being implemented to enhance capacity and capability of SMEs, mainly in the areas of entrepreneurial and human resource development, as well as marketing and promotion. These programmes include to inculcation of entrepreneurship at schools and institutes of higher learning, as well as initiatives to assist SMEs in expanding their market network, through market expansion programmes and developing linkages with large corporations and multinational corporations.

There are 42 key programmes implemented to strengthen the infrastructure to support SME development, which include incentives to encourage SMEs to upgrade their business premises as well as establishment of incubation centres. For greater access to financing, a total of 33 key programmes will be implemented in 2006. These include the establishment of a RM300 million venture capital fund for agriculture, an additional RM300 million allocated for the Fund for Food, pre-seed funding for the ICT sector and the transformation of the Credit Guarantee Corporation Berhad to further strengthen the infrastructure for SME financing.

Strategic Thrusts

For SMEs to contribute significantly to the realisation of the long term business and industrial competitiveness of the country, five strategic thrusts have been identified that underpin the development of SMEs in the manufacturing and services sectors:

- i. enhancing the competitiveness of SMEs;
- ii. capitalising on outward investment opportunities;
- iii. driving the growth of SMEs through technology, knowledge and innovation;
- iv. instituting a more cohesive policy and supportive regulatory and institutional framework; and
- v. enhancing the growth and contribution of SMEs in the services sector.

Strategies and Policies

1. Enhancing Competitiveness of SMEs

i. Integrating SMEs into the Regional and Global Supply Chains

Integration into the regional and global supply chains of MNCs will facilitate SMEs in their efforts to internationalise their operations. SMEs need to take advantage of outsourcing and offshoring trends among MNCs and large corporations, especially in the high value-added activities outsourced by the MNCs and large corporations.

Measures to facilitate the integration of SMEs include:

- encouraging SMEs to focus on building and enhancing core competencies, such process and product engineering as well as adopting ICT, to meet international standards on quality and delivery imposed by MNCs;
- promoting intensively the utilisation of international standards, for example, the RosettaNet Standard. MNCs and large corporations with an extensive supply base will be identified to adopt the RosettaNet Standard, as well as drive its application among their suppliers; and
- continuing support programmes to enhance the efficiency and competitiveness of SMEs to enable them to reap the benefits arising from the outsourcing trend. Advisory programmes, involving both foreign and local experts, will be strengthened to provide the necessary technical know-how and support to enhance the productivity of SMEs.

ii. Rationalisation and Specialisation into Selected High Value-Added Activities

SMEs need to move up the value chain in order to remain competitive regionally and globally. Examples:

- SMEs in apparel and furniture to move into designing, branding and patenting;
- SMEs in the food industry to diversify into the production of products such as convenience and bio-organic foods;
- SMEs in E&E to move into areas, such as automation equipment, instrumentation and systems integration;
- SMEs in the automotive parts and components, to be more involved in D&D activities, when new models are being planned and developed;
- SMEs in the palm oil industry to expand and diversify into more downstream activities, such as food products, pharmaceuticals and other manufactured fats products; and
- SMEs in the manufacturing related services industry to be more involved in activities, such as heat treatment, wire harnessing and polishing.

iii. Specialisation in Core Competencies to Develop Market Niches

SMEs need to specialise in products and services which leverage on their core competencies in order to create and develop market niches, both domestically and internationally. SMEs also need to acquire expertise to market their products and services effectively.

Greater collaborative efforts will be undertaken between technical and development agencies so as to improve and strengthen the core technological competencies and capabilities of SMEs.

The Government will facilitate the acquisition and enhancement of skills and competencies of SMEs, especially in emerging technologies, such as biotechnology and photonics, through:

- emplacement of employees of SMEs at MNCs and large corporations; and
- provision of financial assistance for SMEs to acquire cutting-edge technologies, including 'bridging technology', to upgrade their operations.

iv. Customer-Driven Approach

SMEs will need to adopt a more customer-driven approach and efforts would be towards better understanding on market structure and customer demands, which will provide them with insights on the market needs. The Government will encourage SMEs to adopt programmes on customer relationship management in their business processes to enhance customer relationship skills.

v. Strengthening Inter-Firm Linkages

Increased outsourcing and offshoring activities by large firms and MNCs provide opportunities for greater participation of SMEs in the global market. Inter-firm linkages among SMEs and large corporations, as well as MNCs, will be intensified and strengthened to enable SMEs to become reliable and competitive suppliers.

Presently, the Industrial Linkage Programme (ILP) under SMIDEC is confined to the production phase of the manufacturing sector. The scope of the ILP will be widened to cover the entire value chains in both manufacturing and services sectors. In addition, the existing incentives for ILP will be reviewed and strengthened to attract participation by MNCs and large corporations in the programme.

The Government policy of according preference to using and procuring local products and services will be continued. The private sector will also be encouraged to source their inputs, parts and components, as well as services, from domestic suppliers.

vi. Adopting Best Business Practices and Benchmarking

SMEs will be encouraged to adopt best business and management practices, such as supply chain management, customer relationship management and enterprise resource planning, to gain competitive edge. They will also be encouraged to benchmark against their peers and competitors to improve performance.

Training programmes will be designed, in collaboration with industry associations and chambers of commerce, to encourage the participation of SMEs in benchmarking programmes provided by National Productivity Corporation (NPC).

vii. Transformation and Restructuring of Businesses

SMEs will be encouraged to transform their business models and practices to be cost-effective and responsive to rapid changes in the business environment. This may involve the restructuring, streamlining and consolidation of operations, as well as the repositioning of businesses. Incentives will be introduced to encourage SMEs to undertake such initiatives.

SMEs will also be encouraged to form strategic alliances and consortia to leverage on complementarities and synergistic business networks.

2. Capitalising on Outward Investment Opportunities

SMEs will be encouraged to undertake outward investments in order to gain inroads into new export market, as well as be more competitive suppliers to MNCs. It will also enable SMEs to benefit from wider sourcing for industrial inputs and provide better opportunities for collaboration and resource sharing.

Measures to facilitate such efforts include:

- encouraging more financial institutions to provide loans to SMEs for new investments overseas, especially in the ASEAN region; and
- SMIDEC initiating closer bilateral cooperation with its foreign counterparts to facilitate networking between domestic and foreign SMEs. Under this initiative, cooperation programmes will be undertaken, involving other relevant Government agencies, including Malaysia External Trade Development Corporation (MATRADE) and NPC. Such cooperation programmes include industry linkages, joint trade missions, exhibitions and exchange of information and best practices.

To enable SMEs to capitalise on outward investment opportunities, they need to:

- have an understanding of the characteristics and requirements of the different markets which they are targeting;
- possess sufficient international marketing knowledge and skills to be able to gain access to new markets; and
- adopt greater application of ICT in business operations, as well as utilisation of e-commerce.

i. Equipping SMEs with Knowledge and Skills

To compete effectively in the international market, SMEs will be encouraged to equip themselves with knowledge and skills in areas such as financial management and marketing. These skills will enable SMEs to respond to new market trends and requirements of the different market segments.

Efforts will be undertaken to assist SMEs to further develop technical skills, especially in creating innovation and generating economic value from knowledge application. SMIDEC, along with other agencies and the private sector, will review the present training and apprenticeship programmes and assist in formulation of new programmes, to incorporate knowledge management plans and strategies, as well as knowledge-based applications and practices among SMEs.

Existing training programmes, aimed at enhancing entrepreneurial capabilities, including marketing and financial management, will be expanded and reinforced. In marketing, training modules will focus on areas such as negotiation skills, merchandising, pricing, brand building and consumer behaviour, to keep pace with new market trends and requirements.

SMEs will also be encouraged to enhance their awareness on new and emerging aspects of business operations and practices, such as innovation, acculturation, advertising and the rapidly changing medium of communication to strengthen local brands and build market share. The presence of local and foreign hypermarkets and large retail outlets provides an additional avenue for SMEs to market their products and brands locally and overseas.

Industry associations will be encouraged to establish a specialised training entity to provide relevant and requisite training, specifically in the areas of technology adoption and resource management. This effort will further support and improve the business efficiency and operational capabilities of SMEs.

ii. Access to Market Intelligence

SMEs need to understand market intelligence to facilitate entry into new markets. This can be done through undertaking specific market studies by themselves or accessing secondary sources of information.

MATRIIX (MITI and Agencies Trade and Industry Information Exchange), an interactive trade portal developed by Ministry of International Trade and Industry (MITI), provides a comprehensive source of information on market intelligence. This trade portal provides various information, such as market requirements, consumer preferences, and international standards and regulations, as well as environmental requirements. Real time market information from other agencies will be incorporated into the trade portal.

iii. Conformance to International Standards and Regulations

SMEs will need to conform to international standards and regulations to penetrate the export market. The formulation and adoption of Malaysian standards for products and services, in line with international requirements, will be accelerated and their enforcement enhanced. SMIDEC will collaborate with the regulatory bodies to facilitate SMEs in conforming to the required standards and regulations.

iv. Greater Involvement of Trading Companies in Export of Products and Services of SMEs

To encourage more trading companies to market products and services of SMEs, the existing export incentives will be reviewed. Malaysian large trading companies, including GLCs, will be encouraged to assume a more pro-active role in facilitating SMEs to export their products and services.

v. Enhancing Role of Industry Associations in Facilitating Market Access for SMEs

Industry associations will be encouraged to assume a more pro-active role in facilitating market access for their members among the SMEs. This will include undertaking bulk breaking of imported raw materials and components, and the provision of common facilities, such as warehousing and cold-room and testing facilities. Financial assistance will be considered for industry associations which undertake these activities.

vi. Leveraging on Halal Hub

SMEs involved in activities such as food processing, pharmaceuticals, cosmetics, personal care and palm oil-based products, will be encouraged to obtain *halal* certification to leverage on the competitive edge of the country in becoming the *halal* hub. SMEs will also be encouraged to be involved in the provision of related *halal*-compliant services, such as cold-chain facilities, transportation, handling and forwarding, and dedicated warehousing services. The incentive package to encourage greater participation of SMEs in the development of the *halal* hub will be enhanced.

3. Driving Growth of SMEs Through Technology and Innovation

In line with global trends and technological advancements, growth in future businesses will be driven mainly by technology and innovation. The emergence of new technologies and products, as well as the introduction of advanced applications and processes in the markets, have influenced ways of doing business.

SMEs have the agility and flexibility to respond to this development. However, appropriate measures will be instituted, including:

- adoption and application of leading technologies, including effective utilisation of ICT;
- encouraging research, and D&D activities;
- closer collaboration with specialised Government research institutes and universities;
- enhancement of human capital of SMEs;
- nurturing innovative and resilient SMEs;
- acculturation of entrepreneurship and innovation; and
- creation of a conducive business environment, which stimulates vibrant and innovative entrepreneurial activities.

i. Adoption and Application of Advanced Technologies

The adoption and application of advanced technologies, including ICT, will contribute towards the creation of SMEs which are competitive and able to respond in real time to market demands and changes.

High priority will be given to efforts to strengthen the technological capabilities and capacities of SMEs to meet the challenges of globalisation and increasing competition. Towards this end, strategies will be directed at encouraging and enabling SMEs to acquire technologies which will move up the value chain. Such technologies will also assist SMEs to establish technological leadership and achieve product and service differentiation. In the process, a greater number of local technology-based companies will be created.

Support programmes to accelerate the adoption of technologies in important areas among SMEs will be continued and strengthened. SMIDEC, in collaboration with technology-based institutions, such as SIRIM Berhad, MTDC, MDeC and Malaysia Bio-Technology Corporation, will introduce technology foresight programmes for SMEs, which will enable them to be aware and take advantage of future technologies.

ii. Encouraging Research and Development Activities

SMEs will be encouraged to undertake high value-added activities in areas such as R&D, and product and process engineering, to gain and sustain competitive advantage within the regional and global supply chains. Existing products, processes and services will need to be upgraded continuously to meet the dynamic market demands for more innovative and sophisticated products and services.

Specific programmes will be implemented to nurture local SMEs as R&D partners in order to tap the opportunities of R&D outsourcing by MNCs and GLCs. Measures will also be undertaken to encourage collaborative ventures among MNCs, GLCs and SMEs to facilitate technology transfers and skills development, as well as marketing.

Existing programmes for enhancing technological capabilities and supporting R&D activities among SMEs will be strengthened. The scope of coverage of the programmes will be expanded to include the acquisition of 'bridging technologies'.

iii. Closer Collaboration with Specialised Government Research Institutes and Universities

To overcome resource constraints faced by SMEs in undertaking R&D activities, closer and pro-active collaboration between SMEs and research institutes and universities will be undertaken. Measures towards more effective collaboration include:

- making R&D programmes of these research institutes and universities more market-driven to meet specific needs of SMEs, with emphasis on innovation; and
- upgrading resource and institutional capacities of these research institutes and universities to enable the provision of more effective advisory services and commercialisation of more research findings.

To intensify the promotion and dissemination of research findings, SMIDEC, in collaboration with research institutes and technology-based institutions, will establish a database on technologies, processes, systems designs and softwares, which are ready for commercialisation. In addition, a dedicated commercialisation fund for SMEs will be created to encourage SMEs to undertake the commercialisation of potentially viable R&D results.

The role of incubation centres to support the development of start-up companies will be strengthened. Benchmarking of these centres with those in other countries, which have successfully created high value-added SMEs through their incubation programmes, will be undertaken.

iv. Building Human Capital of SMEs

Developing human resources is vital in driving growth through technology and innovation, as well as enabling SMEs to move up the value chain. To bridge the gaps in human resource development of SMEs, existing programmes on skills upgrading, acquisition of core competencies and specialised knowledge will be continued and enhanced.

Training modules for SMEs will be re-oriented to reflect changing market requirements and technology advancements to support the supply of skilled and knowledge workers, both in technical and managerial fields. The provision of these training programmes will also include in-situ training.

v. Nurturing Innovative and Resilient SMEs

A critical mass of innovative SMEs is needed to generate growth which is driven by technology and innovation. This category of SMEs will also be nurtured through mergers and acquisition, consolidation and strategic collaboration.

Efforts involving both public and private sector institutions in nurturing innovative and resilient SMEs and developing required talents include:

- undertaking special support programmes to encourage GLCs, MNCs, and local institutions and enterprises, to create technopreneurs and intrapreneurs from within their organisations; and
- encouraging both public and private research institutions, such as Malaysian Institute of Microelectronics Systems (MIMOS), Technology Park Malaysia, SIRIM Berhad and universities, to establish more incubation and business start-up centres. These centres will be the catalyst for the growth of innovative SMEs, as well as those with leading technologies.

vi. Acculturation of Entrepreneurship and Innovation

Innovativeness will need to be nurtured at an early stage through the education system. Modules on entrepreneurship and entrepreneur-related skills will be incorporated into the curriculum at the tertiary level, including universities. This will build and enhance innovative and entrepreneurial talents. Creating awareness and acquiring such capabilities will facilitate the change in mindset, as well as inculcate positive business values and discipline.

On-going entrepreneurship programmes, including advisory and outreach services, will be expanded to equip SMEs with new and improved management and business practices and methods in production, quality improvement, marketing and distribution to raise productivity, efficiency and profit levels. New schemes, including those on increased automation and business coaching, as well as the provision of technical skills, to assist SMEs to develop, commercialise and market innovative ideas, will also be implemented.

Technopreneur development will be expanded to support science and technology-based SMEs, particularly Bumiputera SMEs, to benefit from home-grown technologies. Measures to be undertaken include the provision of appropriate infrastructure, transfer of technology and improve access to financing. New support mechanisms will be introduced to enhance outreach programmes for SMEs, including advisory services on business, design, packaging and marketing.

vii. Creating Conducive Business Environment

Vibrant entrepreneurial activities thrive in a business-friendly environment, with supportive regulatory and institutional framework. There will be a need for active involvement of industry association, supported by close collaboration between entrepreneurs, research organisations and financial institutions, for the creation of a vibrant entrepreneurial community. In addition, strategic locations and incubators will also facilitate the creation of a critical mass of innovative enterprises.

An industry-driven 'National SME Focal Point', involving entrepreneurs, research institutes, financiers, including venture capitalists, and relevant Government agencies, will be established as an avenue for the exchange of information on best business practices, new market and technology trends, challenges and opportunities for SMEs.

4. Instituting More Cohesive Policy, and Supportive Regulatory and Institutional Framework

i. Cohesive Policy and Regulatory Framework

A systemic approach to catalyse the growth of new entrepreneurs and SMEs will be adopted to achieve a higher rate of success among businesses. Programmes on SMEs, especially in the services sector, will focus more on the developmental aspects, including meeting specific targets and requirements of SMEs. The implementation of these programmes will be more coordinated.

Financial support programmes to meet the special needs of the different categories of SMEs will be continued and strengthened. These will include enhancing financial guarantees and widening the scope for the securitisation of borrowings.

A Services Sector Development Fund for SMEs will be set up to assist potential entrepreneurs to upgrade their technical and professional skills, especially in supply chain management and integrated logistics activities and services. Soft loans will be provided, among others, for the purchase of new machinery and equipment required to enable SMEs to participate in the expanding manufacturing related services sub-sector.

The SME Bank will guarantee loans granted to SMEs by other banking institutions, as well as facilitate the securitisation of SMEs loans, enabling them to also tap the capital market. To encourage greater participation in export markets, new trade financing arrangements, covering pre-shipment and post-shipment financing, will be introduced.

The capital market will complement traditional sources of funding for SMEs. Innovative financing instruments will be introduced for knowledge-intensive, as well as technology-intensive, start-up enterprises, using intangible collaterals, such as ideas, knowledge and expertise, as their principal assets to source funds from the capital market.

SMEs will also be encouraged to utilise other alternative sources of financing, including equity financing and venture capital, as well as other financial instruments. Existing Government-owned venture capital funds will be increased, providing more emphasis to the financing needs at the pre-seed and start-up stages. In addition, the creation of more private venture capital funds will be encouraged. Collaboration between research institutes, business incubators, entrepreneurs and venture capitalists will be strengthened to create wider networking and funding opportunities.

The Government will continue with the provision of industrial sites and special parks for SMEs, at more competitive rates. This will include agriculture and *halal* parks, in addition to building business premises and providing office space at strategic locations.

Cumbersome regulations and procedures will be simplified or removed. More business-friendly policies and regulatory and operational procedures will be introduced, which will provide for faster processing and decision making.

Other support programmes for SMEs include:

- providing assistance in the registration and patenting of IPs; and
- extending the existing market development programme and technical advisory services, which cater mainly for the development of export markets, to cover the promotion of products and services of SMEs in the domestic market. To facilitate this greater coverage, the business and technical advisory services provided by SMIDEC will be enhanced and the scope of Market Development Grant expanded.

ii. Institutional Framework

Measures to institute a more supportive institutional framework include:

- promoting greater inter-agency coordination to make development programmes on SMEs more effective through complementarities of efforts and sharing of knowledge;
- strengthening the role of the National SME Development Council to include coordinating functions between Federal and State Governments, as well as local authorities, to facilitate the growth of SMEs;
- reinforcing collaboration between the Government, entrepreneurs, industry associations, researchers, academia, financiers and venture capitalists through 'National SME Focal Point'. This will be an avenue for policy discourse, and technical and advisory consultations, including financial requirements, to mobilise resources and synergies for the overall development and growth of SMEs; and
- adopting performance appraisal and monitoring mechanism, as well as enhancing the advisory capacity of the implementing Government agencies, to improve the efficiency of the delivery and outreach of support programmes for SMEs.

5. Enhancing Growth and Contribution of SMEs in Services Sector

Services potential in the sub-sectors for SMEs include distributive trade, professional services, logistics services, ICT, healthcare, education, tourism, construction and related services.

i. Distributive Trade

Measures to encourage the greater growth and contribution of SMEs in the distributive trade include:

- promoting more new products and services for franchising;
- reviewing incentives for local franchised products and services;
- upgrading the quality of premises and services;
- improving existing training programmes for SMEs to focus on required skills, such as managerial, technical, pricing, packaging and merchandising;
- formulating measures to enhance inter-firm linkages and market access;
- encouraging the utilisation of ICT to raise productivity and efficiency along and up the supply chains;
- enhancing the capacity of SMEs to operate in strategically located up-market shopping complexes and tourist destinations; and
- improving access to information and market intelligence to facilitate changes in the merchandise mix, in response to changing consumer trends.

ii. Business and Professional Services

Measures to promote the greater growth and contribution of SMEs in the business and professional services include:

- developing specific programmes to encourage professionals to become entrepreneurs in their own fields. These include encouraging entrepreneurs to establish specialist chains, such as pharmacies, dental and medical clinics, legal, accounting, engineering and consultancy firms;
- providing greater focus by MATRADE and Professional Services Development Corporation (PSDC) on facilitating SMEs in professional services to enter the export market;
- encouraging domestic professional services to provide inputs and participate in negotiations towards Mutual Recognition Arrangements (MRAs); and
- encouraging the development of small office home office (SOHO), as these business establishments will be more agile and flexible to meet client demands.

iii. Logistics Services

SMEs will be encouraged to participate in the integrated logistics supply chain, as they have the potential to support the front end of the delivery services in the country. To improve the efficiency and capabilities of the business operators, the present incentives will be reviewed.

iv. Construction and Related Services

Measures for the construction and related services sub-sector include:

- strengthening the technical expertise of SMEs in selected and specialised services;
- encouraging SMEs to link to large construction companies to form a strong domestic sub-contracting base to secure contracts not only domestically, but also for projects overseas; and
- enhancing the capabilities of small firms in the industry through specialisation, consolidation and mergers.

v. Information and Communication Technology

Measures for the ICT sub-sector include:

- providing seed and start-up funding to stimulate the growth of more ICT technopreneurs and SMEs as well as develop a sustainable ICT sub-sector; and
- providing business development and mentoring services to nurture entrepreneurs and SMEs in ICT.

6. Potential Growth Areas for Development of SMEs

Several knowledge-intensive industries and selected services have been identified as having potential for the development of SMEs. These areas have the competitive advantage for future growth.

In the manufacturing sector, potential areas for the participation and growth of SMEs are:

Industry	Potential Areas
(i) Resource-based	<ul style="list-style-type: none"> - herbal and traditional medicines - cosmetics - palm oil-based products - wood based products - food and beverages, including convenience food for the <i>halal</i> market
(ii) Machinery and engineering	<ul style="list-style-type: none"> - precision machining and tooling - process and product engineering - automation and system automation
(iii) Electrical and electronics	<ul style="list-style-type: none"> - components for semi-conductors and radio frequency identification devices (RFID) - precision stamping - D&D of integrated circuits (ICs) - high end printed circuit board assemblies - substrates of printed circuit boards
(iv) Medical devices	<ul style="list-style-type: none"> - medical diagnostic devices and kits - medical and surgical disposable devices and equipment
(v) Manufacturing- related services	<ul style="list-style-type: none"> - software development and software systems integration - mould design and texturing - prototyping services - burn-in or testing of integrated circuits - failure analysis or repair centres for integrated circuits, printed circuit boards and printed circuit board assemblies - calibration and maintenance services - surface mounting, using advanced and composite materials
(vi) Metal products	<ul style="list-style-type: none"> - galvanised iron - special steel, including alloy steel and stainless steel

In the services sector, potential areas for the participation and growth of SMEs are:

Industry	Potential Areas
(i) Distributive trade	<ul style="list-style-type: none"> - retail - wholesale - restaurants - motor vehicle distribution - motor vehicle trade and repair services - franchising
(ii) Transport services and logistics	<ul style="list-style-type: none"> - forwarding - packaging - haulage - warehousing - storage - bulk breaking - integrated logistics supply chain
(iii) Tourism services	<ul style="list-style-type: none"> - hotels - transportation - eco-tourism - agro-tourism - health tourism - edu-tourism
(iv) Professional and management services	<ul style="list-style-type: none"> - human resource management - market research - management consultancy - advertising - legal - accounting, book-keeping, auditing and tax consultancy - architectural - engineering - R&D - environmental and energy
(v) Education and training	<ul style="list-style-type: none"> - courses on new technologies/methods/ processes/technical standards - entrepreneurship - professional accredited courses
(vi) Construction and related services	<ul style="list-style-type: none"> - adoption of clustering approach to bid for overseas projects by combining complementary skills and expertise, especially in civil engineering (metal works, electrical works, plumbing, sewerage and sanitary works, refrigeration and air conditioning works, painting works, carpentry, tiling, and flooring and glass works) - residential and non-residential construction - infrastructure (for example, bridges)
(vii) ICT	<ul style="list-style-type: none"> - customised software development - consultancy in e-commerce - consultancy in security





Chapter 2 **INCENTIVES**

Manufacturing Sector

Agriculture Sector

Tourism Industry

Environmental Management

Research and Development

Training

Information and Communication Technology

Approved Service Projects

Shipping and The Transportation Industry

Multimedia Super Corridor

Knowledge-Based Economy

General Incentives



CHAPTER 2

INCENTIVES

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, Sales Tax Act 1972, 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 come in the form of exemptions from import duty, sales tax and excise duty.

MANUFACTURING SECTOR

1. Main Incentives for Manufacturing Companies

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

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

i. Pioneer Status

A company granted Pioneer Status 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).

Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product.

To encourage investment in the promoted areas i.e. the States of Sabah and Sarawak and the designated “Eastern Corridor”ⁱⁱ of Peninsular Malaysia, applications received from companies located in these areas will enjoy a 100% tax exemption on their statutory income during their five year exemption period. All project applications received by 31 December 2010 will be eligible for this enhanced incentive.

ii. Investment Tax Allowance

As an alternative to Pioneer Status, a company may apply for Investment Tax Allowance (ITA). A company granted ITA gets an allowance of 60% on its qualifying capital expenditure (such as factory, plant, machinery or other equipment used for the approved project) incurred within five years from the date on which 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.

To encourage investment in the promoted areas i.e. the States of Sabah and Sarawak and the designated “Eastern Corridor” of Peninsular Malaysia, applications received from 13 September 2003 from companies located in these areas will enjoy an allowance of 100% on the qualifying capital expenditure incurred within a period of five years. The allowance can be utilised to offset against 100% of the statutory income for each year of assessment. All project applications received by 31 December 2010 will be eligible for this enhanced incentive.

**Statutory Income is derived after deducting revenue expenditure and capital allowances from the gross income.*

**The “Eastern Corridor” of Peninsular Malaysia covers the States of Kelantan, Terengganu and Pahang, and the district of Mersing in the State of Johor.*

2. Incentives for Relocating Manufacturing Activities to Promoted Areas

In order to reduce the costs of doing business and to provide a competitive business environment, existing companies which relocate their manufacturing activities to the promoted areas, are eligible for a second round of the following incentives:

- i. Pioneer Status with tax exemption of 100% of statutory income for a period of 5 years; Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 100% of the qualifying capital expenditure incurred within a period of five years. The allowance can be utilised to offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until fully utilised.

All applications received from 11 September 2004 are eligible for the incentives.

3. Incentives for High Technology Companies

A high technology company is a company engaged in promoted activities or in the production of promoted products in areas of new and emerging technologies (See Appendix III: List of Promoted Activities and Products – High Technology Companies). A high technology company qualifies for:

- i. Pioneer Status with a tax exemption of 100% of the statutory income for a period of five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 60% (100% for promoted areas) on the qualifying capital expenditure incurred within five years from the date the first qualifying capital expenditure is incurred. The allowance can be utilised to offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

The high technology company must fulfil the following criteria:

- i. the percentage of local R&D expenditure to gross sales should be at least 1% on an annual basis. The company has three years from its date of operation or commencement of business to comply with this requirement.
- ii. scientific and technical staff having degrees or diplomas with a minimum of five years experience in related fields should comprise at least 7% of the company's total workforce.

4. Incentives for Strategic Projects

Strategic projects involve products or activities of national importance. They generally involve heavy capital investments with long gestation periods, have high levels of technology, are integrated, generate extensive linkages, and have significant impact on the economy. Such projects qualify for:

- i. Pioneer Status with a tax exemption of 100% of the statutory income for a period of 10 years; Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within five years from the date the first qualifying capital expenditure is incurred. This allowance can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

5. Incentives for Small and Medium-Scale Companies

Effective from the year of assessment 2004, small and medium-scale companies with a paid-up capital of RM2.5 million and below are eligible for a reduced corporate tax of 20% on the chargeable income of up to RM500,000. The tax rate on the remaining chargeable income is maintained at 28%. Dividends distributed will be given a tax credit of 20% in the hands of the shareholders. Small-scale manufacturing companies incorporated in Malaysia with shareholders' funds not exceeding RM500,000 and having at least 60% Malaysian equity are eligible for the following incentives:

- i. Pioneer Status with an income tax exemption of 100% of the statutory income for a period of five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 60% (100% for promoted areas) on the qualifying capital expenditure incurred within five years. This allowance can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

A sole proprietorship or partnership is eligible to apply for this incentive provided a new private limited/limited company is formed to take over the existing production/activities. To qualify for the incentive, a small-scale company has to comply with any one of the following criteria:

- i. the value-added must be at least 15%; or
- ii. the project contributes towards the socio-economic development of the rural population.

The company shall carry out the manufacture of products or participate in activities listed as promoted products and activities for small-scale companies (See Appendix IV: List of Promoted Activities and Products - Small Scale Companies)

6. Incentives to Strengthen Industrial Linkages

To encourage large companies to participate in an Industrial Linkage Programme (ILP), expenditure incurred in training of employees, product development and testing, and factory auditing to ensure the quality of vendors' products, will be allowed as a deduction in the computation of income tax.

Vendors, including small and medium-scale companies that propose to manufacture promoted products or participate in promoted activities in an ILP (See Appendix V: List of Promoted Activities and Products - Industrial Linkage Programme), are eligible for the following incentives:

- i. Pioneer Status with a tax exemption of 100% of the statutory income for a period of five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1

October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or

- ii. Investment Tax Allowance of 60% (100% for promoted areas) on the qualifying capital expenditure incurred within five years. This allowance can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised. To encourage vendors to manufacture promoted products or participate in activities for the international market, vendors in an approved ILP who are capable of achieving world-class standards in terms of price, quality and capacity, will be eligible for the following incentives:
 - Pioneer Status with a tax exemption of 100% of the statutory income for a period of 10 years; Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
 - Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of five years which the company can offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

7. Incentives for the Machinery and Equipment Industry

7.1 Incentives for the Production of Specialised Machinery and Equipment

Companies undertaking activities in the production of specialised machinery and equipment, namely, machine tools, plastic injection machines, plastic extrusion machinery, material handling equipment, packaging machinery, robotics and factory automation equipment, specialised/process machinery or equipment for specific industries, and parts and components of the mentioned machinery and equipment, are eligible for:

- i. Pioneer Status with a tax exemption of 100% of the statutory income for a period of 10 years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within five years from the date on which the first qualifying capital expenditure is incurred. This allowance can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

7.2 Additional Incentives for the Production of Heavy Machinery

Applications received from existing locally-owned companies that reinvest in the production of heavy machinery such as cranes, quarry machinery, batching plant and port material handling equipment, are eligible for the following incentives:

- i. Pioneer Status with a tax exemption of 70% (100% for promoted areas) on the increased statutory income arising from the reinvestment for a period of five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 60% (100% for promoted areas) on the additional qualifying capital expenditure incurred within a period of five years. The allowance can be offset against 70% (100% for promoted areas) of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

This incentive is for applications received by MIDA from 13 September 2003.

7.3 Additional Incentives for the Production of Machinery and Equipment

Applications received from existing locally-owned companies that reinvest in the production of machinery and equipment, including specialised machinery and equipment and machine tools, are eligible for the following incentives:

- i. Pioneer Status with a tax exemption of 70% (100% for promoted areas) on the increased statutory income arising from the reinvestment for a period of five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 60% (100% for promoted areas) on the additional qualifying capital expenditure incurred within a period of five years. The allowance can be offset against 70% (100% for promoted areas) of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

This incentive is for applications received by MIDA from 13 September 2003.

8. Incentives for Automotive Component Modules

New and existing companies that undertake design, R&D and production of qualifying automotive component modules or systems are eligible for:

- i. Pioneer Status with a tax exemption of 100% of the statutory income for a period of five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or

- ii. Investment Tax Allowance of 60% (100% promoted areas) on the qualifying capital expenditure incurred within five years from the date the first capital expenditure is incurred. The allowance can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

The qualifying modules or systems are front corner modules, rear corner modules, instrument panel modules, struts and absorbers and spring assembly modules, bumper modules, front cross member modules, function integrated door modules, fuel tank modules, seat modules, pedal modules, door trim modules, floor console modules, tyre and wheel modules, brake systems, wiper systems, exhaust systems, audio systems, heater ventilation air-conditioning systems, air bag systems, power and signal distribution systems, alarm systems, seat belt systems, exterior lighting systems, body in white modules, engine management systems, safety systems, telematics, navigational systems, engine fuel injection systems, and vehicle intelligence systems.

This incentive is for applications received by MIDA from 21 September 2002.

9. Enhanced Incentives for the Utilisation of Oil Palm Biomass

Applications received from companies that utilise oil palm biomass to produce value-added products such as particleboard, medium density fibreboard, plywood, pulp and paper are eligible for the following incentives:

i. New Companies

- i. Pioneer Status with a tax exemption of 100% of the statutory income for a period of 10 years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of five years. The allowance can be used to offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

ii. Existing Companies that Reinvest

- i. Pioneer Status with a tax exemption of 100% on the increased statutory income arising from the reinvestment for a period of 10 years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 100% on the additional qualifying capital expenditure incurred within a period of five years. The allowance can be used to offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

10. Additional Incentives for the Manufacturing Sector

i. Reinvestment Allowance

A manufacturing company that has been in operation for at least 12 months and incurs qualifying capital expenditure to expand, modernise or automate its existing business or diversify its existing business into any related products within the same industry can apply for Reinvestment Allowance (RA).

The RA is given at the rate of 60% on the qualifying capital expenditure incurred by the company, and can be offset against 70% of its statutory income for the year of assessment. Any unutilised allowance can be carried forward to subsequent years until fully utilised.

A company can offset the RA against 100% of its statutory income for the year of assessment if:

- the company undertakes reinvestment projects in the promoted areas i.e. the States of Sabah, Sarawak and the designated "Eastern Corridor" of Peninsular Malaysia; or
- the company attains a productivity level exceeding the level determined by the Ministry of Finance. For further details on the prescribed productivity level for each sub-sector, please contact the Inland Revenue Board (see Useful Addresses – Relevant Organisation).

The RA will be given for a period of 15 consecutive years beginning from the year the first reinvestment is made. Companies can only claim the RA upon the completion of the qualifying project, i.e. after the building is completed or when the plant / machinery is put to operational use. Assets acquired for the reinvestment cannot be disposed of within a period of two years from the time of the reinvestment.

Effective from 21 September 2002, a company that intends to reinvest before the expiry of its Pioneer Status can surrender its Pioneer Status for cancellation and be eligible for RA.

Applications for RA should be submitted to the Inland Revenue Board (IRB), while applications for the surrender of Pioneer Status for RA should be submitted to MIDA.

ii. Accelerated Capital Allowance

After the 15-year period of eligibility for RA, companies that reinvest in the manufacture of promoted products are eligible to apply for Accelerated Capital Allowance (ACA). The ACA on capital expenditure is to be utilised within three years, i.e. an initial allowance of 40% and an annual allowance of 20%.

Applications should be submitted to the IRB accompanied by a letter from MIDA certifying that the companies are manufacturing promoted products.

iii. Accelerated Capital Allowance on Equipment to Maintain Quality of Power Supply

In order to reduce the cost of doing business caused by interruptions in the power supply, companies which incur capital expenses on equipment to ensure the quality of power supply, are eligible for Accelerated Capital Allowance for a period of 2 years.

Only equipment determined by the Ministry of Finance is eligible for the Accelerated Capital Allowance.

This incentive is effective from the year of assessment 2005.

Applications should be submitted to the IRB.

iv. Incentive for Industrialised Building System

Industrial Building System (IBS) will enhance the quality of construction, create a safer and cleaner working environment as well as reduce the dependence on foreign workers. Companies which incur expenses on the purchase of moulds used in the production of IBS components are eligible for Accelerated Capital Allowances (ACA) for a period of 3 years.

This incentive is effective from the year of assessment 2006.

v. Tax Exemption on the Value of Increased Exports

To promote exports, manufacturing companies in Malaysia qualify for:

- i. a tax exemption on the statutory income equivalent to 10% of the value of increased exports, provided that the goods exported attain at least 30% value-added; or
- ii. a tax exemption on the statutory income equivalent to 15% of the value of increased exports, provided that the goods exported attain at least 50% value-added.

Claims should be submitted to the IRB.

To further encourage the export of Malaysian goods, a locally-owned manufacturing company with Malaysian equity of at least 60% is eligible for:

- i. a tax exemption on the statutory income equivalent to 30% of the value of increased exports, provided the company achieves a significant increase in exports;
- ii. a tax exemption on the statutory income equivalent to 50% of the value of increased exports, provided the company succeeds in penetrating new markets; and
- iii. a full tax exemption on the value of increased exports, provided the company achieves the highest increase in export in its category.

These incentives are effective from the year of assessment 2003.

vi. Group Relief

To enhance private sector investment, group relief is provided under the Income Tax Act 1967 to all locally incorporated resident companies. The group relief is limited to 50% of the current year's unabsorbed losses to be offset against the income of another company within the same group (including new companies undertaking activities in approved food production, forest plantation, biotechnology, nanotechnology, optics and photonics) subject to the following conditions:

- i. the claimant and the surrendering companies each has a paid-up capital of ordinary shares exceeding RM2.5 million;
- ii. both the claimant and the surrendering companies must have the same accounting period;
- iii. the shareholding, whether direct or indirect, of the claimant and the surrendering companies in the group must not be less than 70%;
- iv. the 70% shareholding must be on a continuous basis during the preceding year and the relevant year;
- v. losses resulting from the acquisition of proprietary rights or a foreign-owned company should be disregarded for the purpose of group relief; and
- vi. companies currently enjoying the following incentives are not eligible for group relief:
 - Pioneer Status;
 - Investment Tax Allowance/Investment Allowance;
 - Reinvestment Allowance;
 - Exemption of shipping profits;
 - Exemption of income tax under section 127 of the income Tax Act 1967; and
 - Incentive Investment Company.

With the introduction of the above incentive, the existing group relief incentive for approved food production, forest plantation, biotechnology, nanotechnology, optics and photonics will be discontinued. However, companies granted group relief incentive for the above activities shall continue to offset their income against 100% of the losses incurred by their subsidiaries.

This incentive is effective from the year of assessment 2006.

Note: Please refer to Section 16 for other incentives related to the manufacturing sector.

AGRICULTURE SECTOR

The Promotion of Investments Act 1986 states that the term "company" in relation to agriculture includes:

- agro-based cooperative societies and associations; and
- sole proprietorships and partnerships engaged in agriculture.

Companies producing promoted products or engaged in promoted activities (See Appendix I: List of Promoted Activities and Products – General) in the agricultural sector qualify for the following incentives:

1. Main Incentives for the Agriculture Sector

i. Pioneer Status

As in the manufacturing sector, companies producing promoted products or engaged in promoted activities are eligible for Pioneer Status.

A Pioneer Status company enjoys a partial exemption from income tax. It pays tax on 30% of its statutory income for five years, commencing from its Production Day (defined as the day of first sale of the agriculture produce).

Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product.

Applications received from companies located in the promoted areas i.e. the States of Sabah and Sarawak and the designated "Eastern Corridor" of Peninsular Malaysia, will enjoy a 100% tax exemption on their statutory income during their 5-year exemption period. Companies which have been granted approval for this incentive but have not commenced commercial production, or applications under consideration, are also eligible. All project applications received by 31 December 2010 will be eligible for this enhanced incentive.

ii. Investment Tax Allowance

As an alternative to Pioneer Status, companies producing promoted products or engaged in promoted activities can apply for Investment Tax Allowance (ITA). A company granted ITA is eligible for an allowance of 60% on its qualifying capital expenditure incurred within five years from the date on which the first qualifying capital expenditure is incurred.

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

Applications received from companies located in the promoted areas i.e. the States of Sabah and Sarawak, and the designated "Eastern Corridor" of Peninsular Malaysia, will enjoy an allowance of 100% on the qualifying capital expenditure incurred within a

period of five years. The allowance can be utilised to offset against 100% of the statutory income for each year of assessment. All project applications received by 31 December 2010 will be eligible for this enhanced incentive.

To increase the benefits to agricultural projects, the government has broadened the definition of qualifying capital expenditure to include expenditure incurred on:

- clearing and preparation of land;
- planting of crops;
- provision of plant and machinery used in Malaysia for the purpose of crop cultivation, animal farming, aquaculture, inland fishing or deep-sea fishing, and other agricultural or pastoral pursuits; and
- construction of access roads including bridges, construction or purchase of buildings (including those provided for the welfare of people or as living accommodation), and structural improvements on land or other structures which are used for crop cultivation, animal farming, aquaculture, inland fishing and other agricultural or pastoral pursuits. Such roads, bridges, buildings, structural improvements on land and other structures should be on land forming part of the land used for the purpose of such crop cultivation, animal farming, aquaculture, inland fishing and other agricultural or pastoral pursuits.

in view of the time lag between start-up and processing of the produce, integrated agricultural projects qualify for ITA for an additional five years for expenditure incurred for processing or manufacturing operations.

iii. Incentives for Food Production

a) Incentives for New Projects

To encourage food production, a company which invests in a subsidiary company engaged in food production, together with the subsidiary company, qualifies for one of the following incentive packages:

Incentive Package A:

- i. a company which takes up at least 70% equity in a subsidiary company engaged in food production receives a tax deduction equivalent to the amount of investment made in that subsidiary; and
- ii. the subsidiary company enjoys full income tax exemption on its statutory income for 10 years commencing from the first year the company enjoys profits, in which:
 - losses incurred before and during the exemption period can be brought forward after the exemption period of 10 years; and
 - dividends paid from the exempt income are exempted in the hands of the shareholders.

Incentive Package B:

- i. a company which takes up at least 70% equity in a subsidiary company engaged in food production will be given group relief for the losses incurred by the subsidiary company before it records any profit, and
- ii. the subsidiary company enjoys full income tax exemption on its statutory income for 10 years. This commences from the first year the company enjoys profits, in which:
 - losses incurred during the tax exemption period can be brought forward after the exemption period of 10 years; and
 - dividends paid from the exempt income are exempted in the hands of the shareholders.

The eligible food products are as approved by the Minister of Finance. These include kenaf, deep-sea fishing, vegetables, fruits, herbs, spices, aquaculture, and the rearing of cattle, goats and sheep.

The above equity condition for companies which invest in its subsidiaries is effective from 11 September 2004. Companies should commence food production within a period of one year from the date the incentive is approved. The incentive period for this scheme will be extended for applications received until 31 December 2010.

Applications should be submitted to the Ministry of Agriculture and Agro-based Industry.

b) Incentives for Existing Companies which Reinvest

An existing company that reinvests in the production of the above food products also qualifies for the same incentives for a period of five years.

The food production project for both new and existing companies should commence within a year from the date the incentive is approved. Applications should be submitted to the Ministry of Agriculture and Agro-based Industry by 31 December 2005.

c) Tax Incentives for *Halal* Food Production

To encourage new investments in *halal* food production for the export market and to increase the use of modern and state-of-the-art machinery and equipment in producing high quality *halal* food that comply with the international standards, companies which invest in *halal* food productions and have already obtained *halal* certification from JAKIM are eligible for the Investment Tax Allowance of 100% of qualifying capital expenditure incurred within a period of five years.

This allowance can be offset against 100% of the statutory income in the year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised. Applications received from 11 September 2004 are eligible for this incentive.

iv. Incentive for Reinvestment in Food Processing Activities

A locally-owned manufacturing company with Malaysian equity of at least 60% that reinvests in promoted food processing activities is eligible for another round of the

Pioneer Status or Investment Tax Allowance (ITA) incentive. Activities located in the promoted areas, i.e. the States of Sabah, Sarawak and the "Eastern Corridor" of Peninsular Malaysia, are eligible for the Pioneer Status and ITA incentives in accordance with that given to promoted areas.

This incentive is for applications received by MIDA from 21 September 2002.

2. Additional Incentives for the Agriculture Sector

i. Reinvestment Allowance

Persons or companies engaged for at least 12 months in the production of essential food such as rice, maize, vegetables, tubers, livestock, aquatic products, and any other activities approved by the Minister of Finance can enjoy the Reinvestment Allowance (RA).

The qualifying capital expenditure includes expenditure incurred on:

- clearing and preparation of land;
- planting of crops;
- provision of plant and machinery used in Malaysia for the purpose of crop cultivation, animal farming, aquaculture, inland fishing or deep-sea fishing, and other agricultural or pastoral pursuits; and
- construction of access roads including bridges, construction or purchase of buildings (including those provided for the welfare of people or as living accommodation), and structural improvements on land or other structures which are used for crop cultivation, animal farming, aquaculture, inland fishing and other agricultural or pastoral pursuits. Such roads, bridges, buildings, structural improvements on land and other structures should be on land forming part of the land used for the purpose of such crop cultivation, animal farming, aquaculture, inland fishing and other agricultural or pastoral pursuits.

The RA is in the form of an allowance of 60% of the qualifying capital expenditure incurred within a period of 15 years beginning from the year the first reinvestment is made. The allowance can be offset against 70% of the statutory income in the year of assessment. Utilised allowances can be carried forward to the following years until fully utilised. Companies that undertake reinvestment projects in the promoted areas i.e. the States of Sabah, Sarawak and the designated "Eastern Corridor" of Peninsular Malaysia, can offset the allowance fully against their statutory income for that year of assessment.

Claims should be submitted to the Inland Revenue Board (IRB).

ii. Incentive for Reinvestment in Resource-Based Industries

This incentive is offered to companies that are at least 51% Malaysian-owned and are in the rubber, oil palm and wood-based industries producing products which have export potential. Companies in these industries reinvesting for expansion purposes are eligible for another round of Pioneer Status or Investment Tax Allowance (ITA). Activities located

in the promoted areas i.e. the States of Sabah, Sarawak and the designated "Eastern Corridor" of Peninsular Malaysia are eligible for higher levels of exemption/allowance under Pioneer Status or ITA in accordance with that given for promoted areas.

iii. Incentives for Modernising Chicken and Duck Rearing

To promote modernisation and the usage of environment-friendly practices in the agricultural sector, chicken and duck rearers who reinvest for the purpose of shifting from the opened house system to the closed house system will be eligible for RA for a period of 15 consecutive years commencing from the first year the reinvestment is made.

This incentive is given on condition that the minimum rearing capacity of the closed house system is as follows:

- 20,000 broiler chickens/broiler ducks per cycle; or
- 50,000 layer chickens/layer ducks per cycle; or
- 20,000 parent or grandparent stock of chickens/ducks per cycle.

The incentive for broiler chickens/broiler ducks and layer chickens/layer ducks is effective from the year of assessment 2003 while the incentive for parent/grandparent stock of chicken/ducks is effective from the year of assessment 2005.

All projects must be approved by the Ministry of Agriculture and Agro-based Industry.

Claims should be submitted to the IRB.

iv. Accelerated Capital Allowance

Upon the expiry of the Reinvestment Allowance (RA), companies that reinvest in promoted agricultural activities and food products are eligible to apply for the Accelerated Capital Allowance (ACA). These activities include the cultivation of rice, maize, vegetables, tubers, livestock, aquatic products and any other activities approved by the Minister of Finance.

The ACA on the capital expenditure is to be utilised within two years, i.e. an initial allowance of 20% in the first year and an annual allowance of 40%.

Claims should be submitted to the IRB, accompanied by a letter from MIDA certifying that the companies are undertaking promoted agricultural activities or producing promoted food products.

v. Agricultural Allowance

A person or a company carrying on an agricultural activity can claim capital allowances and special industrial building allowances under the Income Tax Act 1967 for certain capital expenditure. Capital expenditure which qualifies includes expenditure incurred on:

- clearing and preparation of land;
- planting of crops;

- provision of plant and machinery used in Malaysia for the purpose of crop cultivation, animal farming, aquaculture, inland fishing or deep-sea fishing, and other agricultural or pastoral pursuits; and
- construction of access roads including bridges, construction or purchase of buildings (including those provided for the welfare of people or as living accommodation), and structural improvements on land or other structures which are used for crop cultivation, animal farming, aquaculture, inland fishing and other agricultural or pastoral pursuits. Such roads, bridges, buildings, structural improvements on land and other structures should be on land forming part of the land used for the purpose of such crop cultivation, animal farming, aquaculture, inland fishing and other agricultural or pastoral pursuits.

A company continues to get the allowance for as long as it incurs the expenditure, regardless of whether it already enjoys Pioneer Status or ITA.

Claims should be submitted to the IRB.

vi. Accelerated Agriculture Allowance for the Planting of Rubberwood Trees

To ensure a regular supply of rubberwood for the furniture industry, a non-rubber plantation company that plants at least 10% of its plantation with rubberwood trees is eligible for the Accelerated Agriculture Allowance whereby the write-off period on the capital expenditure incurred for land preparation, planting and maintenance of rubberwood cultivation is accelerated from two years to one year.

This incentive is for project applications received by the Ministry of Plantation Industries and Commodities from 21 September 2002.

Applications should be submitted to the Ministry of Plantation Industries and Commodities.

vii. 100% Allowance on Capital Expenditure for Approved Agricultural Projects

Schedule 4A of the Income Tax Act 1967 provides for a 100% allowance on capital expenditure for Approved Agricultural Projects as approved by the Minister of Finance. This covers qualifying capital expenditure incurred within a specific time frame for a farm that cultivates and utilises a specified minimum acreage as stipulated by the Minister of Finance.

Approved agricultural projects are those for the cultivation of vegetables, fruits (papaya, banana, passion fruit, star fruit, guava and mangosteen), tubers, roots, herbs, spices, crops for animal feed and hydroponic-based products; ornamental fish culture; fish and prawn rearing (pond culture, tank culture, marine cage culture, and off-shore marine cage culture); cockles, oysters, mussels, and seaweed culture; shrimp, prawn and fish hatchery; and certain species of forest plantations.

The incentive enables a person carrying on such a project to elect to deduct the qualifying capital expenditure incurred in respect of that project from his aggregate income, including income from other sources. Where there is insufficient aggregate income, the unabsorbed expenditure can be carried forward to subsequent years of assessment. Where he so elects, he will not be entitled to any capital allowance or agricultural allowance on the same capital expenditure.

The qualifying capital expenditure eligible for deduction includes expenditure incurred on:

- clearing and preparation of land;
- planting of crops;
- provision of plant and machinery used in Malaysia for the purpose of crop cultivation, animal farming, aquaculture, inland fishing or deep-sea fishing, and other agricultural or pastoral pursuits; and
- construction of access roads including bridges, construction or purchase of buildings (including those provided for the welfare of people or as living accommodation), and structural improvements on land or other structures which are used for crop cultivation, animal farming, aquaculture, inland fishing and other agricultural or pastoral pursuits. Such roads, bridges, buildings, structural improvements on land and other structures should be on land forming part of the land used for the purpose of such crop cultivation, animal farming, aquaculture, inland fishing and other agricultural or pastoral pursuits.

This incentive is not available to companies that have been granted incentives under the Promotion of Investments Act 1986 and whose tax relief periods have not started or have not expired.

Claims should be submitted to the IRB.

viii. Tax Exemption on the Value of Increased Exports

A company which exports fresh and dried fruits, fresh and dried flowers, ornamental plants and ornamental fish enjoys a tax exemption of its statutory income equivalent to 10% of the value of its increased exports.

Claims should be submitted to the IRB.

ix. Incentives for Companies providing Cold Chain Facilities and Services for Food Products

Companies providing cold room and refrigerated truck facilities and related services such as the collection and treatment of locally produced perishable food products qualify for Pioneer Status or Investment Tax Allowance (ITA). Activities located in the promoted areas are offered more attractive levels of Pioneer Status or ITA.

Applications received from 13 September 2003 from existing locally owned companies to reinvest in cold chain facilities and services for perishable agricultural produce are eligible for the following incentives:

- i. Pioneer Status with a tax exemption of 70% (100% for promoted areas) on the increased statutory income arising from the reinvestment for a period of five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or

- ii. Investment Tax Allowance of 60% (100% for promoted areas) on the additional qualifying capital expenditure incurred within a period of five years. The allowance can be offset against 70% (100% for promoted areas) of the statutory income in each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised

x. Double Deduction for Expenses to Obtain Halal Certification and Quality Systems and Standards Certification

To enhance the competitiveness of Malaysian companies in the global market for *halal* products (products suitable for consumption by Muslims) including *halal* food, double deduction will be given for the purpose of income tax computation to companies which incur expenses in obtaining:

- i. Quality System and Standards Certification as well as *Halal* Certification from the Department of Islamic Development Malaysia (JAKIM); and
- ii. International Quality Systems and Standards Certification.

This incentive is effective from the year of assessment 2005.

Claims should be submitted to the IRB.

xi. Double Deduction on Freight Charges for Export of Rattan and Wood-based Products

Manufacturers who export rattan and wood-based products (excluding sawn timber and veneer) qualify for double deduction on freight charges.

Note: Please refer to General Incentives section for other incentives related to the agricultural sector.

TOURISM INDUSTRY

Tourism projects, including eco-tourism and agro-tourism projects, enjoy tax incentives. These include hotel businesses, construction of holiday camps, recreational projects including summer camps, and construction of convention centres with a capacity to accommodate at least 3,000 participants.

Hotel businesses refer to the following:

- construction of medium and low-cost hotels (up to a three-star category hotel as certified by the Ministry of Tourism); and
- expansion/modernisation of existing hotels.

1. Main Incentives for the Tourism Industry

i. Pioneer Status

A company granted Pioneer Status enjoys a 5-year partial exemption from the payment of income tax. It will only have to pay tax on 30% of its statutory income, commencing from its Production Day which is determined by the Minister of International Trade and Industry.

Applications received from companies located in the promoted areas i.e. the States of Sabah, Sarawak, the Federal Territory of Labuan and the designated "Eastern Corridor" of Peninsular Malaysia are eligible for a 100% tax exemption of their statutory income during the 5-year exemption period. This incentive applies to all applications received by 31 December 2010.

Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product.

ii. Investment Tax Allowance

As an alternative to Pioneer Status, a company may apply for Investment Tax Allowance (ITA). A company granted the ITA gets an allowance of 60% of the qualifying capital expenditure incurred within five years from the date on which the first qualifying capital expenditure is incurred.

Companies can offset this allowance against 70% of their statutory income in the year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been used up. The remaining 30% of the statutory income will be taxed at the prevailing company tax rate.

Applications received from companies located in the promoted areas i.e. the States of Sabah and Sarawak, the Federal Territory of Labuan and the designated "Eastern Corridor" of Peninsular Malaysia, will enjoy an allowance of 100% on the qualifying capital expenditure incurred within a period of five years. The allowance can be utilised to offset against 100% of the statutory income for each year of assessment. Companies which have been granted approval for this incentive but have not commenced commercial production, or applications under consideration, are also eligible. All project applications received by 31 December 2010 will be eligible for this incentive.

iii. Additional Incentives for Hotels and Tourism Projects

Applications received by MIDA from companies to reinvest in the expansion, modernisation and renovation of hotels and tourism projects will be eligible for another round of Pioneer Status or Investment Tax Allowance. However, hotels and tourism projects located in the promoted areas are eligible for the Pioneer Status incentive in accordance with that given to promoted areas:

- i. Pioneer Status, with a 100% income tax exemption. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies

whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or

- ii. Investment Tax Allowance of 100%. The allowance can be offset against 100% of the statutory income in each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

iv. Incentives for the Luxury Yacht Industry

The luxury yacht industry is promoted as part of tourism products and is eligible for the following incentives:

- companies that construct luxury yachts are eligible for the Pioneer Status incentive Applications should be submitted to MIDA; and
- companies that carry out repair and maintenance activities for luxury yachts in the island of Langkawi, Malaysia are eligible for an income tax exemption of 100% for five years.

Applications should be submitted to the Ministry of Finance.

- companies that provide chartering services of luxury yachts in the country are eligible for an income tax exemption of 100% for a period of five years.

Claims should be submitted to the IRB.

2. Additional Incentives for the Tourism Industry

i. Double Deduction on Overseas Promotion

Hotels and tour operators qualify for a double deduction on the expenditure incurred for promotional activities overseas. The qualifying expenditure are:

- expenditure on publicity and advertisements in any mass media outside Malaysia;
- expenditure on the publication of brochures, magazines and guide books, including delivery costs that are not charged to the overseas customers;
- expenditure on market research into new markets overseas, subject to the prior approval of the Minister of Tourism;
- expenditure that includes fares to any country outside Malaysia to negotiate or secure a contract for advertising or participating in trade fairs, conferences or forums approved by the Minister of Tourism. Such expenses are subject to a maximum of RM300 per day for lodging and RM150 per day for food for the duration of the stay overseas;
- expenditure in organising trade fairs, conferences or forums approved by the Minister of Tourism; and
- expenditure on the maintenance of sales offices overseas for purposes of promoting tourism in Malaysia.

Claims should be submitted to the IRB

ii. Double Deduction on Approved Trade Fairs

Companies also enjoy a double deduction on expenditure incurred in participating in an approved international trade fair in Malaysia.

Claims should be submitted to the IRB.

iii. Tax Exemption for Tour Operators

i. Foreign Tourists

Tour operators who bring in at least 500 foreign tourists a year through groups, inclusive of tours that enter and exit the country by air, sea or land transportation, will be exempted from tax in respect of income derived from the business of operating such tours. This incentive applies to tour operators licensed by the Ministry of Tourism.

ii. Local Tourists

Companies that organise domestic tour packages for at least 1,200 local tourists per year get a tax exemption on the income earned. A domestic tour means any tour package within Malaysia participated by local tourists (excluding inbound tourists) by air, land or sea transportation involving at least one night's accommodation.

These incentives apply until the year of assessment 2006.

Claims should be submitted to the IRB.

iv. Tax Exemption for Promoting International Conference and Trade Exhibitions

- i. local companies which promote international conferences in Malaysia qualify for tax exemption on the income earned from bringing at least 500 foreign participants into the country; and
- ii. income earned from organising international trade exhibitions in Malaysia qualifies for tax exemption as long as the exhibitions are approved by MATRADE and the organisers bring in at least 500 foreign visitors per year.

Claims should be submitted to the IRB.

v. Deduction on Cultural Performance

Expenditure incurred by companies on establishing and managing a musical or cultural group and sponsoring local and/or foreign cultural performances as approved by the Ministry of Tourism, qualifies for a single deduction.

Claims should be submitted to the IRB.

vi. Incentive for Car Rental Operators

Operators of car rental services for tourists are eligible for excise duty exemption on the purchase of national cars.

Applications should be submitted to the Ministry of Finance.

Note: Please refer to General Incentives section for other incentives related to the tourism sector.

ENVIRONMENTAL MANAGEMENT

1. Incentives for Forest Plantation Project

Companies that undertake forest plantation projects are eligible for the following incentives:

- i. Pioneer Status with a tax exemption of 100% of the statutory income for 10 years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance (ITA) of 100% on the qualifying capital expenditure incurred within five years, which can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

2. Incentives for the Storage, Treatment and Disposal of Toxic and Hazardous Wastes

Incentives are offered to encourage the setting up of proper facilities to store, treat and dispose of toxic and hazardous wastes. Companies that are directly involved in these three activities in an integrated manner qualify for:

- i. Pioneer Status with a tax exemption of 70% of the statutory income for five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. ITA of 60% on the qualifying capital expenditure incurred within five years, which can be offset against 70% of the statutory income in the year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

Activities located in the States of Sabah and Sarawak and the "Eastern Corridor" of Peninsular Malaysia are eligible for higher exemptions/allowances under Pioneer Status or Investment Tax Allowance in accordance with that given for promoted areas.

3. Incentives for Energy Conservation

In order to reduce operation costs and at the same time promote environmental preservation, companies providing energy conservation services are eligible for the following incentives:

- i. Pioneer Status with a tax exemption of 70% of the statutory income for five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. ITA of 60% on the qualifying capital expenditure incurred within five years, which can be offset against 70% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward to subsequent years until the whole amount has been fully utilised.

Activities located in the promoted areas i.e. the states of Sabah, Sarawak and the "Eastern Corridor" of Peninsular Malaysia, are eligible for the Pioneer Status and ITA incentives in accordance with that given to promoted areas.

The companies must implement their projects within one year of approval. The incentives apply to applications received by 31 December 2010.

Companies which undertake conservation of energy for own consumption are also eligible for ITA of 60% on the qualifying capital expenditure incurred within 5 years with the allowance to be offset against 70% of the statutory income for each year of assessment. Any unutilised allowance can be carried forward until the whole amount has been fully utilised. Activities located in the promoted areas i.e. the states of Sabah, Sarawak and the designated "Eastern Corridor" of Peninsular Malaysia, are eligible for the ITA incentives in accordance with that given to promoted areas.

This incentive applies to applications received from 1 October 2005 until 31 December 2010.

4. Incentives for Waste Recycling Activities

Companies undertaking waste recycling activities that are high value-added and use high technology are eligible for Pioneer Status or ITA. These activities include the recycling of agricultural wastes or agricultural by-products, recycling of chemicals and the production of reconstituted wood-based panel boards or products. Activities located in the States of Sabah and Sarawak and the designated "Eastern Corridor" of Peninsular Malaysia are eligible for higher exemptions/allowances under Pioneer Status or ITA in accordance with that given for promoted areas.

5. Incentives for the Use of Renewable Energy Resources

Companies undertaking generation of energy using biomass, hydropower (not exceeding 10 megawatts) and solar power that are renewable and environmentally friendly are eligible for the following incentives:

- i. Pioneer Status with a tax exemption of 100% on statutory income for 10 years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer

period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or

- ii. Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of five years. This allowance can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowances can be carried forward to subsequent years until the whole amount has been fully utilised.

These incentives are for applications received from 1 October 2005 until 31 December 2010. Companies which have been granted approval for these incentives but have not implemented the projects are also eligible for these incentives. Companies must implement their projects within one year from the date of approval.

For the purpose of this incentive, 'biomass sources' refer to palm oil mill/estate waste, rice mill waste, sugar cane mill waste, timber/sawmill waste, paper recycling mill waste, municipal waste and biogas (from landfill, palm oil mill effluent (POME), animal waste and others), while energy forms refer to electricity, steam, chilled water, and heat.

6. Additional Incentives for Environmental Management

i. Accelerated Capital Allowance

This incentive provides for a special allowance at an initial rate of 40% and an annual rate of 20% (to be written off within a period of 3 years) for capital expenditure on related machinery and equipment incurred by:

- companies that are waste generators and wish to establish facilities to store, treat and dispose of their wastes, either on-site or off-site; and
- companies undertaking waste recycling activities.

Applications should be submitted to IRB.

In the case of companies that incur capital expenditure for conserving their own energy consumption, the write-off period is accelerated to one year effective from the year of assessment 2003. Applications should be submitted to the IRB with a letter from the Ministry of Energy, Water and Communications Malaysia certifying that the related equipment is used exclusively for the purpose of energy conservation.

ii. Accelerated Capital Allowance for Equipment Used for the Generation of Renewable Energy for Own Consumption

To further promote the use of renewable energy, equipment used by companies to generate energy from renewable resources for its own consumption will be granted Accelerated Capital Allowance to be fully claimed in one year period effective from the year of assessment of 2005.

The equipment eligible for Accelerated Capital Allowance shall be determined by the Ministry of Finance.

Applications should be submitted to IRB.

Note: Please refer to General Incentives section for other incentives related to environmental management.

RESEARCH AND DEVELOPMENT

The Promotion of Investments Act 1986 defines research and development (R&D) as "any systematic or intensive study carried out in the field of science or technology with the object of using the results of the study for the production or improvement of materials, devices, products, produce or processes but does not include:

- quality control of products or routine testing of materials, devices, products or produce;
- research in the social sciences or humanities;
- routine data collection;
- efficiency surveys or management studies; and
- market research or sales promotion."

To further strengthen Malaysia's foundation for more integrated R&D, companies which carry out design and prototyping as independent activities are also eligible for incentives.

1. Main Incentives for Research and Development

i. Contract R&D Company

A contract R&D company, i.e., a company that provides R&D services in Malaysia to a company other than its related company, is eligible for:

- Pioneer Status with a tax exemption of 100% of the statutory income for five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- Investment Tax Allowance (ITA) of 100% on the qualifying capital expenditure incurred within 10 years, which can be offset against 70% of the statutory income in the year of assessment. Any unutilised capital allowance can be carried forward to subsequent years until fully utilised.

ii. R&D Company

A R&D company, i.e. a company that provides R&D services in Malaysia to its related company or to any other company, is eligible for an ITA of 100% on the qualifying capital expenditure incurred within 10 years. The allowance can be offset against 70% of the statutory income in the year of assessment. Should the R&D company opt not to avail itself of the allowance, its related companies can enjoy a double deduction for payments made to the R&D company for services rendered.

Eligibility:

Contract R&D and R&D companies can apply for the various incentives as long as they fulfil the following criteria:

- i. research undertaken should be in accordance with the needs of the country and bring benefit to the economy;
- ii. at least 70% of the income of the company should be derived from R&D activities;

- iii. for manufacturing-based R&D, at least 50% of the workforce of the company must be appropriately qualified personnel performing research and technical functions; and
- iv. for agriculture-based R&D, at least 5% of the workforce of the company must be appropriately qualified personnel performing research and technical functions.

iii. In-house Research

A company that undertakes in-house R&D to further its business can apply for an ITA of 50% on the qualifying capital expenditure incurred within 10 years. The company can offset the allowance against 70% of its statutory income in the year of assessment.

iv. Second Round Incentives

Effective from 21 May 2003, R&D companies/activities mentioned in categories (i) - (iii) will be eligible for a second round of Pioneer Status for another five years, or ITA for a further 10 years, where applicable.

v. Incentives for Commercialisation of Public Sector R&D

To encourage commercialisation of resource-based R&D findings by the public research institutes, the following incentives are given:

- i. a company that invests in its subsidiary company engaged in the commercialisation of the R&D findings will be given tax deduction equivalent to the amount investment made in the subsidiary company; and
- ii. the subsidiary company that undertakes the commercialisation of the R&D findings will be given Pioneer Status with 100% tax exemption on statutory income for 10 years.

The incentive is provided on the following conditions:

- i. at least 70% of the investing company (holding company) and the company undertaking the commercialisation projects is owned by Malaysians;
- ii. company which invests should own at least 70% of the equity of the company that commercialises the R&D findings; and
- iii. the commercialisation of the R&D findings should be implemented within one year from the date of approval of the incentive.

Applications received from 11 September 2004 are eligible for this incentive.

2. Additional Incentives for Research and Development

i. Double Deduction for Research and Development

- a company can enjoy a double deduction on its revenue (non-capital) expenditure for research which is directly undertaken and approved by the Minister of Finance;
- double deduction can also be claimed for cash contributions or donations to approved research institutes, and payments for the use of the services of approved research institutes, approved research companies, R&D companies or contract R&D companies;

- effective from 21 May 2003, approved R&D expenditure incurred during the Pioneer Status period will be allowed to be accumulated and brought forward and be given another deduction after the Pioneer Status period; and
- expenditure on R&D activities undertaken overseas, including the training of Malaysian staff, will be considered for double deduction on a case-by-case basis.

Claims should be submitted to the IRB.

ii. Incentives for Researchers to Commercialise Research Findings

Effective from the year of assessment 2004, researchers who undertake research focused on value creation will be given a 50% tax exemption for five years on the income that they receive from the commercialisation of their research findings. The undertaking has to be verified by the Ministry of Science, Technology and Innovations.

Claims should be submitted to the IRB.

Note: Please refer to General Incentives section for other incentives related to R&D.

TRAINING

1. Main Incentives for Training

To encourage human resource development, the following incentives are available:

Investment Tax Allowance

Companies that establish technical or vocational training institutions are eligible for an Investment Tax Allowance of 100% for 10 years. This allowance can be offset against 70% of the statutory income for each year of assessment.

Existing companies providing technical or vocational training that undertake new investments to upgrade their training equipment or expand their training capacities also qualify for this incentive.

Effective from 1 October 2005, the incentive is extended to:

- private Higher Education Institutions (PHEIs) in the field of science; and
- existing Private Higher Education Institutions (PHEIs) in the field of science that undertake new investments to upgrade their training equipment or expand their training capacities.

The qualifying science courses are as follows:

i. Biotechnology

- medical and health biotechnology;
- plant biotechnology;
- food biotechnology;
- industrial and environment biotechnology;

- pharmaceutical biotechnology; and
- bioinformatics biotechnology.

ii. Medical and Health Sciences

- medical science in gerontology;
- medical science in clinical research;
- medical biosciences;
- biochemical genetics;
- environmental health; and
- community health.

iii. Molecular Biology

- immunology;
- immunogenetics; and
- immunobiology.

iv. Material sciences and technology

v. Food science and technology

2. Additional Incentives for Training

i. Special Industrial Building Allowance

Companies that incur expenditure on buildings used for approved industrial, technical or vocational training can claim a special annual Industrial Building Allowance (IBA) of 10% for 10 years.

Claims should be submitted to the IRB.

ii. Tax Exemption on Educational Equipment

Besides approved training institutes and in-house training projects, all private institutions of higher learning are eligible for import duty, sales tax and excise duty exemptions on all educational equipment including laboratory equipment for workshops, studios and language laboratories.

iii. Tax Exemption on Royalty Payments

Royalty payments made by educational institutions to non-residents (franchisors) for franchised education programmes that are approved by the Ministry of Education are eligible for tax exemption.

Claims should be submitted to the IRB.

Note: Please refer to the General Incentives section for other incentives related to the training.

INFORMATION AND COMMUNICATION TECHNOLOGY

1. Main Incentives for Information and Communication Technology (ICT)

Incentives for Software Development

In line with the government's objective to encourage the development of computer software, companies that develop both original and/or undertake major modifications of existing software other than those deemed established are eligible for Pioneer Status with a tax exemption of 70% of the statutory income for five years. This incentive is given based on the following guidelines.

The computer software must be for a general purpose and not for a specific customer. For companies undertaking modifications of existing software packages, the cost of acquiring the existing packages must not exceed 25% of the modification expenditure, which includes software tools, labour and equipment costs.

2. Additional Incentives for the Use of ICT

i. Accelerated Capital Allowance

Companies receive an initial allowance of 20% and an annual allowance of 40% for expenditure incurred in acquiring computers and information technology assets, including software. Thus, the expenditure can be written off within two years.

The cost of developing websites is allowed as an annual deduction of 20% for a period of five years.

ii. Other ICT Incentives

Companies enjoy a single deduction on:

- operating expenditure including payments to consultants related to IT usage for improving management and production processes;
- contributions in cash or kind for ICT acculturation projects at local community levels. This is effective until the year of assessment 2003; and
- computers given by employers to their employees until the year of assessment of 2003 are not deemed as income.

Claims should be submitted to the IRB

iii. Tax Exemption on the Value of Increased Exports

Companies in the ICT sector can apply for a tax exemption on their statutory income equivalent to 50% of the value of increased exports.

Claims should be submitted to the IRB.

Note: Please refer to General Incentives section for other incentives related to the ICT sector.

APPROVED SERVICE PROJECTS (ASPs)

Approved Service Projects (ASPs) or projects in the transportation, communications and utilities sub-sectors approved by the Minister of Finance qualify for the following tax incentives:

1. Main Incentives for ASPs

i. Exemption under Section 127 of the Income Tax 1967

Generally, under Section 127 of the Income Tax 1967, companies undertaking ASPs can apply for a tax exemption of 70% of their statutory income for five years. However, companies undertaking ASPs in Sabah, Sarawak and the designated "Eastern Corridor" of Peninsular Malaysia are eligible for a tax exemption of 85% of their statutory income for five years, while companies undertaking ASPs of national and strategic importance are eligible for a 100% tax exemption of their statutory income for 10 years.

Applications should be submitted to the Ministry of Finance.

ii. Investment Allowance (IA) under Schedule 7B of the Income Tax Act 1967

The Investment Allowance (IA) under Schedule 7B of the Income Tax Act 1967 is an alternative to the incentive offered under Section 127. Generally, under IA, companies undertaking ASPs are eligible for an allowance amounting to 60% of the qualifying capital expenditure incurred within five years from the date the first capital expenditure is incurred. The allowance can be offset against 70% of the statutory income and any unutilised allowance can be carried forward to subsequent years until fully utilised.

However, companies undertaking ASPs in Sabah, Sarawak and the designated "Eastern Corridor" of Peninsular Malaysia, are eligible for an allowance of 80% on the qualifying expenditure which can be offset against 85% of the statutory income.

Companies undertaking ASPs of national and strategic importance will be granted an allowance of 100% on the qualifying capital expenditure incurred within five years. This allowance can be offset against 100% of the statutory income.

Applications should be submitted to the Ministry of Finance.

2. Additional Incentives for ASPs

Exemption from Import Duty, Sales Tax and Excise Duty on Raw Materials, Components, Machinery, Equipment, Spares and Consumables.

Imports of raw materials and components not available locally and used directly to implement ASPs are eligible for exemption from import duty and sales tax, while locally purchased machinery or equipment are eligible for exemption from sales tax and excise duty.

Companies providing services in the transportation and telecommunications sectors, power plants and port operators can apply for import duty and sale tax exemption on spares and consumables that are not produced locally.

The above applications should be submitted to the Ministry of Finance.

Note: Please refer to General Incentives section for other incentives related to ASPs.

SHIPPING AND THE TRANSPORTATION INDUSTRY

1. Tax Exemption for Shipping Operation

The income of a shipping company derived from the operation of Malaysian ships is exempted from tax. This incentive only applies to residents. A "Malaysian Ship" is defined as a sea-going ship registered as such under the Merchant Shipping Ordinance 1952 (Amended), other than a ferry, barge, tugboat, supply vessel, crew boat, lighter, dredger, fishing boat or other similar vessels.

The Income of any person derived from exercising an employment on board a "Malaysian Ship" is exempted from tax. Income received by non-residents from the rental of ISO containers to Malaysian shipping companies is also exempted from income tax.

Claims should be submitted to the IRB.

2. Exemption from Import Duty and Sales Tax on Prime Movers and Trailers

Container hauliers qualify for import duty and sales tax exemptions on prime movers and trailers that are not produced locally, while sales tax exemption can be considered for prime movers and trailers that are produced locally.

Applications should be submitted to the Ministry of Finance.

MULTIMEDIA SUPER CORRIDOR

The Multimedia Super Corridor (MSC), a 15-by-50 kilometre (9-by-30 mile) zone extending south from Malaysia's capital city and business hub, Kuala Lumpur, is a perfect environment for companies wanting to create, distribute and employ multimedia products and services.

MSC Status is the recognition by the Government of Malaysia through the Multimedia Development Corporation (MDeC) to companies that participate and undertake ICT activities in the MSC. Companies with MSC status enjoy a set of incentives and benefits that is backed by the Government of Malaysia's Bill of Guarantees.

1. Main Incentives for MSC Status Company

MSC status multimedia companies operating in Cybercities namely Cyberjaya, Technology Park Malaysia, Kuala Lumpur City Centre, Kuala Lumpur Tower, Bayan Lepas in Penang, Kulim High Tech Park in Kedah and multimedia faculties in institution of higher learning outside the cybercities, are eligible for the following incentives:

- i. Pioneer Status with a tax exemption of 100% of the statutory income for a period of 10 years or Investment Tax Allowance of 100% on the qualifying capital expenditure incurred within a period of five years to be offset against 100% of statutory income for each year of assessment; and
- ii. eligibility for R&D grants (for majority Malaysian-owned MSC Status companies).

Applications for MSC Status should be submitted to the MDeC.

Other Benefits:

- i. duty-free import of multimedia equipment;
- ii. intellectual property protection and a comprehensive framework of cyberlaws;
- iii. no censorship of the Internet;
- iv. world-class physical and IT infrastructure;
- v. globally competitive telecommunication tariffs and services;
- vi. high-powered implementation agency, the Multimedia Development Corporation, to provide consultancy and assistance within the MSC;
- vii. high quality, planned urban development;
- viii. excellent R&D facilities; and
- ix. green and protected environment.

2. Incentives for ICT and Multimedia Activities Outside the Cybercities

Selected companies undertaking ICT and multimedia activities including Regional Shared Services outside the Cybercities are eligible for the following incentives:

- i. Pioneer Status with 50% tax exemption on statutory income for a period of 5 years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance (ITA) of 50% on qualifying capital expenditure incurred within a period of 5 years to be offset against 50% of statutory income for each year of assessment. Any unutilised allowance can be carried to subsequent years until fully utilised.

This incentive is for applications received by MDeC from 1 October 2005.

KNOWLEDGE-BASED ECONOMY

Malaysia is in the process of transforming itself from a production-based to a knowledge-based economy. To further encourage companies to invest in knowledge-intensive activities, certain companies that qualify will be granted "Strategic Knowledge-based Status". These companies must have the following characteristics:

- i. the potential to generate knowledge content;
- ii. high value-added operations;
- iii. usage of high technology;
- iv. a large number of knowledge workers; and
- v. possess a corporate knowledge-based master plan.

Companies granted "Strategic Knowledge-based Status" are eligible for the following incentives:

- i. Pioneer Status with a tax exemption of 100% of the statutory income for a period of five years. Accumulated losses and unabsorbed capital allowances incurred during the pioneer period by companies whose pioneer status will expire on and after 1 October 2005 are allowed to be carried forward and deducted against post-pioneer income of a business relating to the same promoted activity or promoted product; or
- ii. Investment Tax Allowance of 60% on the qualifying capital expenditure incurred within five years. The allowance can be offset against 100% of the statutory income in the year of assessment. Any unutilised allowance can be carried forward to subsequent years until fully utilised.

The incentives are for applications received by MIDA from 21 September 2002.

Effective from the year of assessment 2003, the expenditure incurred by a company for drafting its corporate knowledge-based master plan is eligible for deduction in the computation of income tax. The deduction can be claimed when the company begins to implement its corporate knowledge-based master plan.

GENERAL INCENTIVES

This section covers other incentives not mentioned above and may be applicable to the following sectors: manufacturing, agriculture, tourism, environmental management, research and development, training, information and communication technology, Approved Service Projects and manufacturing related services.

1. Industrial Building Allowance

An Industrial Building Allowance (IBA) is granted to companies incurring capital expenditure on the construction or purchase of a building that is used for specific purposes, including manufacturing, agriculture, mining, infrastructure facilities, research, Approved Service Projects and hotels that are registered with the Ministry of Culture, Arts and Tourism. Such companies are eligible for an initial allowance of 10% and an annual allowance of 3%. As such, the expenditure can be written off in 30 years.

Claims should be submitted to the IRB.

2. Industrial Building Allowance for Buildings in MSC

To encourage the construction of more buildings in Cyberjaya for use by MSC status companies, IBA for a period of 10 years will be given to owners of new buildings occupied by MSC status companies in Cyberjaya. Such new buildings include completed buildings but are yet to be occupied by MSC status companies.

Claims should be submitted to the IRB.

3. Infrastructure Allowance

Companies in the States of Sabah and Sarawak and the designated "Eastern Corridor" of Peninsular Malaysia are also eligible for an Infrastructure Allowance of 100%. Companies eligible are those engaged in manufacturing, agriculture, hotel, tourism or other industrial / commercial activities and which incur qualifying capital expenditure on infrastructure such as the reconstruction, extension and improvement of any permanent structure including bridges, jetties, ports and roads.

These companies can offset the allowance against 85% of their statutory income in the year of assessment. The remaining statutory income will be taxed at the prevailing company tax rate. Any unutilised allowance can be carried forward to subsequent years until fully utilised. This incentive applies to all applications received by 31 December 2005.

Claims should be submitted to the IRB.

4. Double Deduction for Expenses to Obtain *Halal* Certification and Quality Systems and Standards Certification

Effective from the year of assessment 2005, for the purpose of income tax computation, double deduction will be given to companies which incur expenses in obtaining:

- i. Quality System and Standards Certification as well as *Halal* Certification from the Department of Islamic Development Malaysia (JAKIM); and
- ii. International Quality Systems and Standards Certification.

Claims should be submitted to the IRB.

5. Deduction of Audit Fees

To reduce the cost of doing business and enhance corporate compliance, expenses incurred on audit fees by companies are deemed as allowable expenses for deduction in the computation of income tax.

The incentive is effective from the year of assessment 2006.

Claims should be submitted to the IRB.

6. Tax Incentives for Mergers and Acquisitions of Listed Companies

To encourage public listed companies to expand and compete globally, stamp duty and real property gain tax (RPGT) exemptions are given on M&A undertaken by companies listed in Bursa Malaysia. This exemption is given to M&A approved by the Securities Commission from 1 October 2005 to 31 December 2007 and such M&A should be completed not later than 31 December 2008.

Claims should be submitted to the IRB.

7. Incentive for Acquiring a Foreign-Owned Company

A Malaysian-owned company that acquires a foreign-owned company abroad to acquire high technology for production within the country or to gain new export markets for local products, will be granted a deduction equivalent to the acquisition costs for five years. This incentive applies to project applications received by MIDA from 21 September 2002.

8. Incentive for Acquiring Proprietary Rights

Capital expenditure incurred in acquiring patents, designs, models, plans, trade marks or brands and other similar rights from foreigners qualify as a deduction in the computation of income tax. This deduction is given in the form of an annual deduction of 20% over a period of five years.

Claims should be submitted to the IRB.

9. Tariff Related Incentives

i. Exemption from Import Duty on Raw Materials/Components

Full exemption from import duty can be considered for raw materials/components, regardless of whether the finished products are meant for the export or domestic market.

With regard to products for the export market, full exemption from import duty on raw materials/components is normally granted, provided the raw materials/components are not

produced locally or, where they are produced locally, are not of acceptable quality and price.

As for products for the domestic market, full exemption from import duty on raw materials/components that are not produced locally can be considered. Full exemption can also be considered if the finished product made from dutiable raw materials/components is not subject to any import duty.

Hotel and tourism projects qualify for full exemption of import duty and sales tax on identified imported materials/equipment and exemption of sales tax on identified locally purchased equipment.

Applications should be submitted to the Ministry of Finance.

ii. Incentive for Outsourcing Manufacturing Activities

To reduce the cost of doing business and enhance competitiveness, owners of Malaysian brands with at least 60% Malaysian equity ownership who outsource manufacturing activities are eligible for:

- i. import duty and sales tax exemptions on raw materials and components used in the manufacturing of finished products by their contract manufacturers locally or abroad; and
- ii. import duty and sales tax exemptions on semi-finished goods from their contract manufacturers abroad, to be used by their local contract manufacturer to manufacture the finished products.

Applications received from 11 September 2004 are eligible for this incentive.

iii. Exemption from Import Duty and Sales Tax on Machinery and Equipment

It is the policy of the government not to impose taxes on machinery and equipment used directly in the manufacturing process and not produced locally. No taxes are therefore imposed on most categories of machinery and equipment. In cases where the imported machinery and equipment are taxable but are not available locally, full exemption is given on import duty and sales taxes. For locally purchased machinery and equipment, full exemption is given on sales tax.

iv. Exemption from Import Duty and Sales Tax on Spares and Consumables

Manufacturing companies qualify for import duty and sales tax exemptions on spares and consumables that are not produced locally. Exemption is selective and based on the following:

- the company's level of exports should be at least 80% of its production, or the spares and consumables have limited demand and do not have potential for domestic production; or
- the import duty on such items exceeds 5%.

v. Drawback on Import Duty, Sales Tax and Excise Duty

Under Section 99 of the Customs Act 1967, Section 29 of the Sales Tax Act 1972 and Section 19 Excise Act 1976, a drawback on import duty, sales tax and excise duty that have been paid may be claimed by a manufacturer if the parts, raw materials or packaging materials are used in the manufacture of goods for export within a year based on conditions stipulated in the Acts.

Excise duties are imposed on a selected range of goods manufactured in Malaysia. Goods which are subject to excise duties include intoxicating liquor, cigarettes containing tobacco, motor vehicles, playing cards and mahjong tiles.

The movement of goods from the principal customs area or licensed premises (for goods subject to excise duty) for use in the manufacture of other products by a factory in a free zone (FZ) or licensed manufacturing warehouse (LMW) or the islands of Langkawi, Labuan and Tioman is considered as exports from Malaysia.

Applications should be made to the nearest Royal Customs Department office where its factory is located.

vi. Sales Tax Exemption

Manufacturers licensed under the Sales Tax Act 1972 qualify for sales tax exemption on the inputs for their manufacturing operations. Manufacturers with an annual sales turnover of less than RM100,000 are exempted from licensing and are thus exempted from paying sales tax on their output. However, these manufacturers can opt to be licensed and obtain sales tax exemption on their inputs instead.

Certain categories of goods are exempted from sales tax at both the input and output stages. These include all goods (inclusive of packaging materials) used in the manufacture of controlled articles, pharmaceutical products, milk products, batik fabrics, perfumes, beauty or make-up preparations, photographic cameras, wrist-watches, pens, computers and computer peripherals, parts and accessories, carton boxes/cases, products in the printing industry, agricultural or horticultural sprayers, plywood, re-treaded tyres, uninterruptible power systems, machinery, and manufactured goods for export.

Applications can be made to the Royal Customs Department.

vii. Import Duty Exemption on Imported Medical Devices for Purpose of Kitting

To encourage local manufacturers of medical devices to kit their products to add value as well as to enhance their competitiveness, full import duty exemption is given on medical devices that are imported for the purpose of kitting or producing complete procedural sets, provided these medical devices are not manufactured locally.

Applications received from 11 September 2004 are eligible for this incentive.

10. Incentives for Export

i. Double Deduction for the Promotion of Exports

Certain expenses incurred by resident companies in seeking opportunities to export Malaysian manufactured and agricultural products and services, qualify for double deduction.

The eligible expenses are those incurred in:

- overseas advertising, publicity and public relations work;
- supplying samples abroad, including delivery costs;
- undertaking export market research;
- preparing tenders for supply of goods overseas;
- supplying of technical information abroad;
- preparing exhibits and participation costs in trade/industrial exhibitions, virtual trade shows and trade portals and fares for overseas travel by company employees for business;
- accommodation expenses up to RM300 per day and sustenance expenses up to RM150 per day for company representatives who travel overseas for business;
- maintaining sales offices and warehouses overseas to promote exports;
- hiring professional to design packaging for exports, subject to the company using local professional services;
- undertaking feasibility studies for overseas projects identified for the purpose of tenders;
- preparing architectural and engineering models, perspective drawings and 3-D animations for participating in competitions at international level. This is effective for the year of assessment 2005;
- participating in trade or industrial exhibitions in the country or overseas; and
- participating in exhibitions held in Malaysian Permanent Trade and Exhibition Centres overseas.

With effect from the year of assessment 2003, partnerships and sole proprietorships registered with the Companies Commission of Malaysia are also eligible for the above incentive. To qualify, they must provide the following professional services:

- legal;
- accounting (including taxation and management consultancy);

- architectural (including town planning and landscaping);
- engineering and integrated engineering (including valuation and quantity surveying); and
- medical and dental.

For pioneer companies, the deduction is accumulated and allowed against the post pioneer income.

ii. Single Deduction for the Promotion of Exports

Certain expenses incurred by resident companies in looking for opportunities to export Malaysian manufactured and agricultural products and services qualify for single deduction. The eligible expenses are those incurred in:

- registration of patents, trade marks and product licensing overseas; and
- hotel accommodation for a maximum of three nights in providing hospitality to potential importers invited to Malaysia.

iii. Double Deduction on Export Credit Insurance Premiums

Premium payments on export credit insurance qualify for double deduction.

iv. Special Industrial Building Allowance for Warehouses

An annual allowance of 10% of qualifying capital expenditure is given for buildings used as warehouses for storing goods for export and re-export.

v. Double Deduction on Freight Charges

Manufacturers who ship their goods from Sabah or Sarawak to any port in Peninsular Malaysia qualify for double deduction on freight charges.

vi. Incentive for the Implementation of RosettaNet

RosettaNet is an open Internet-based common business messaging standard for supply chain management link-ups with global suppliers.

To encourage local small and medium-scale companies to adopt RosettaNet in order to become more competitive in the global market, the expenditure and contributions incurred by companies in the management and operation of RosettaNet Malaysia and in assisting local small and medium-scale companies to adopt RosettaNet are eligible for income tax deduction.

The eligible expenditure and contributions are those on equipment (computers and servers) and salaries for full-time employees seconded to RosettaNet Malaysia; contribution of software, sharing of software and programming, as well as the training of the staff of local small and medium-scale companies to use RosettaNet.

Claims should be submitted to the IRB.

vii. Double Deduction for the Promotion of Malaysian Brand Names

To promote Malaysian brand names, expenditure incurred within the country for advertising and professional fees paid to promotion companies qualify for double deduction provided that:

- i. the company owning the brand name is at least 70% Malaysian-owned;
- ii. the brand is registered in Malaysia or overseas; and
- iii. the products meets export quality standard.

Claims should be submitted to the IRB.

11. Training Incentives

i. Double Deduction for Approved Training

Manufacturing and non-manufacturing companies that do not contribute to the Human Resource Development Fund (HRDF) qualify for double deduction on expenses incurred for approved training.

For the manufacturing sector, the training could be undertaken in-house or at approved training institutions. However, for the non-manufacturing sector, the training should be held only at approved training institutions. Approval is automatic when the training is at approved institutions.

For the hotel and tour operation business, training programmes, in-house or at approved training institutions, to upgrade the level of skills and professionalism in the tourism industry should be approved by the Ministry of Culture, Arts and Tourism.

ii. Incentive for Unemployed Graduate Training Scheme

Public listed companies in the capital market industry qualify for double deduction on the allowances paid to participants of Unemployed Graduate Training programmes, endorsed by the Securities Commission. This incentive is effective from 1 October 2005 until 31 December 2008 and the deduction is given for a period of 3 years.

Claims should be submitted to the IRB.

iii. Deduction for Pre-Employment Training

Training expenses incurred before the commencement of business qualify for a single deduction. Nevertheless, companies must prove that they will employ the trainees.

Claims should be submitted to the IRB.

iv. Deduction for Non-Employee Training

Expenses incurred in providing practical training to residents who are not employees of the company can be considered for single deduction.

Claims should be submitted to the IRB.

v. Deduction for Cash Contributions

Contributions in cash to technical or vocational training institutions that are not operating primarily for profit and those established and maintained by a statutory body qualify for single deduction.

Claims should be submitted to the IRB.

vi. Human Resource Development Fund (HRDF)

The HRDF operates on the basis of a levy/grant system. Employers who have paid the Levy will qualify for training grants from the fund to defray or subsidise training costs for their Malaysian employees. The rate of financial assistance is 100% of the allowance cost incurred for training in Malaysia and up to 50% for costs incurred overseas.

vii. Special Industrial Building Allowance for Training

Companies that incur expenditure on buildings used for approved industrial, technical or vocational training can claim a special Industrial Building Allowance (IBA) of 10% for 10 years on qualifying capital expenditure for the construction or purchase of a building.

Claims should be submitted to the IRB.

12. Incentive for the Use of Environmental Protection Equipment

Companies using environmental protection equipment receive an initial allowance of 40% and an annual allowance of 20% on the capital expenditure incurred on such equipment. Thus, the full amount can be written off in three years.

Claims should be submitted to the IRB.

13. Donations for Environmental Protection

Donations to an approved organisation exclusively for the protection and conservation of the environment qualify for single deduction.

Claims should be submitted to the IRB.

14. Incentive for Employees' Accommodation

When a building is used for employees for the purpose of living accommodation in a manufacturing operation, an Approved Service Project, hotel or tourism business, a special Industrial Building Allowance of 10% of the expenditure incurred on the construction/purchase of the building is given for 10 years.

Claims should be submitted to the IRB.

15. Incentives for Employees' Child Care Facilities

Expenditure incurred for the construction/purchase of buildings for the purpose of providing child care facilities for employees are eligible for a special Industrial Building Allowance of 10% for 10 years.

A single deduction also applies to gifts in kind and cash to provide and maintain a child care centre for the benefit of employees.

Claims should be submitted to the IRB.

Note: Unless otherwise stated, all applications for incentives to be submitted to the Malaysian Industrial Development Authority (MIDA)

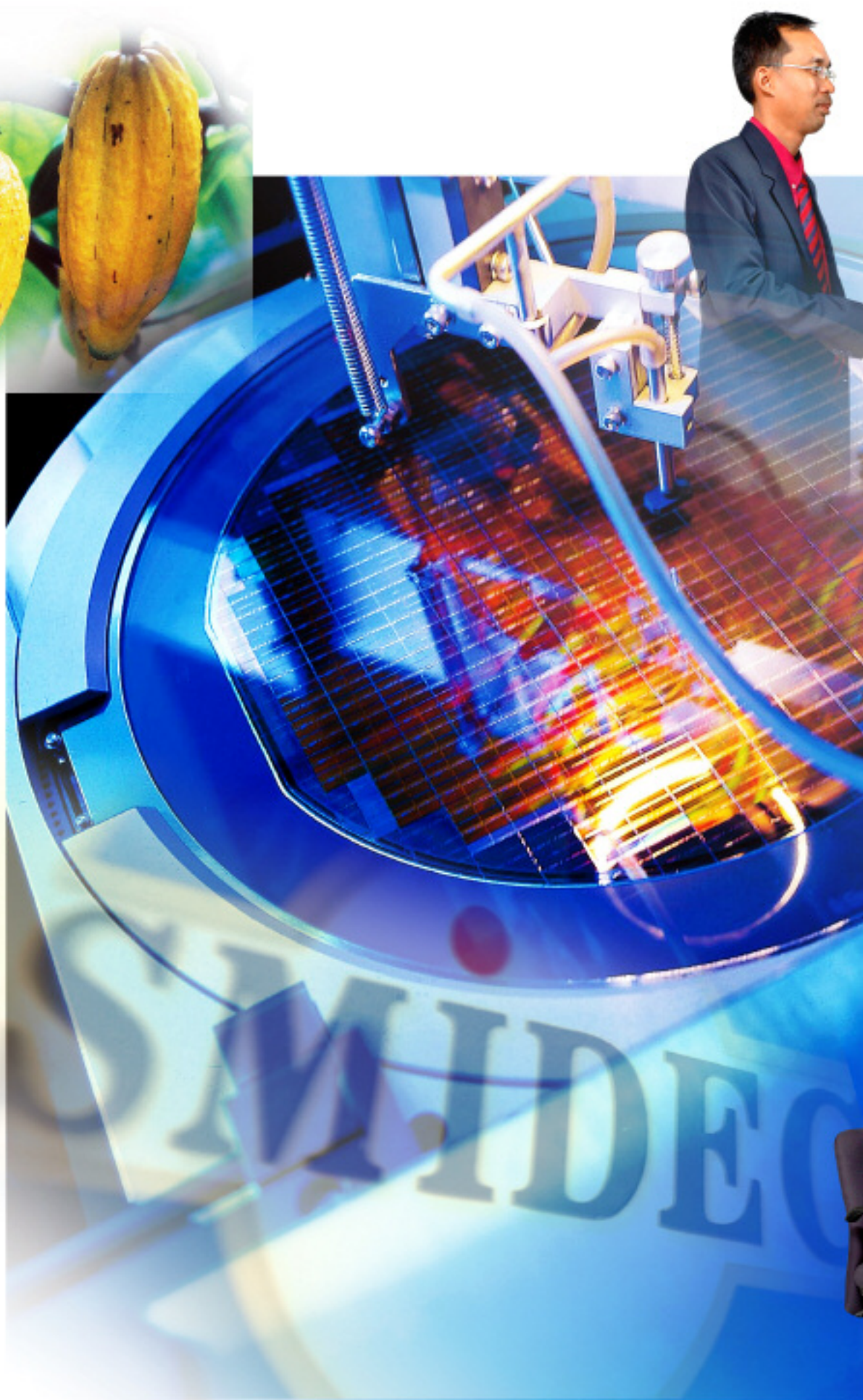
FOR MORE INFORMATION, PLEASE CONTACT:

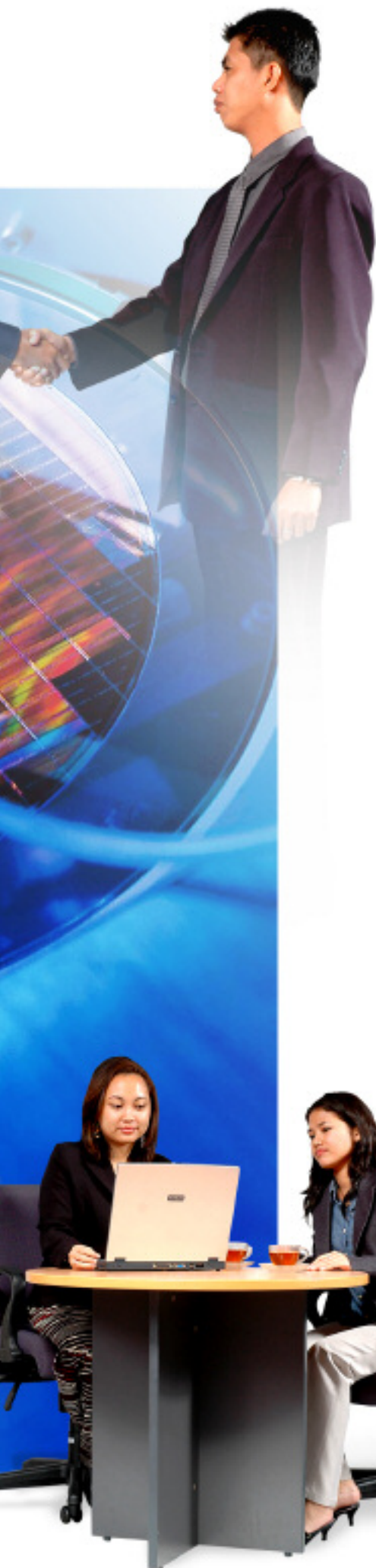
Inland Revenue Board (IRB)

Level 15, Block 9,
Kompleks Bangunan Kerajaan,
Jalan Duta, Peti Surat 11833,
50758 Kuala Lumpur, Malaysia
Tel: 603-6209 1000
Fax: 603-6201 3798
Email: lhdn@hasilnet.org.my
Website: www.hasilnet.org.my

Malaysia Industrial Development Authority (MIDA)

Block 4, Plaza Sentral
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel: 603-2267 3633
Fax: 603-2274 7970
Website: www.mida.gov.my





Chapter 3 **PROGRAMMES**

**Capacity Building and Human
Resource Development
Programmes**

**Technology Development
Programmes**

Market Access Programmes

Advisory Services

**Promotion and Outreach
Programmes**

**SME Industrial Sites and Incubator
Centres**

CHAPTER 3

PROGRAMMES

Various programmes have been implemented to nurture capabilities and enhance the productivity of small and medium enterprises (SMEs). These programmes which are provided by the relevant ministries and agencies, are aimed at upgrading the products and processes of SMEs, enhancing their productivity, providing knowledge and skills, assisting requirements of certification, acquisition of technology and commercialisation of research and development (R&D).

In addition, the Government has also introduced various programmes aimed at equipping and facilitating SMEs to promote products and services in both the domestic and export markets. Programmes and activities were created to provide an avenue for SMEs to exhibit and showcase their products and services, aimed at forging linkages and networking with multinational corporations (MNCs) and large companies.

The programmes have been classified under six categories for each sector:

- capacity building and human resource development programmes;
- technology development programmes;
- market access programmes;
- advisory services;
- promotion and outreach programmes; and
- SME Industrial Sites and Incubator Centres.

CAPACITY BUILDING AND HUMAN RESOURCE DEVELOPMENT PROGRAMMES

1. All Sectors

Programmes applicable and available for SMEs across all sectors which are implemented by various ministries and government agencies are targeted to develop entrepreneurial, management and specialised skills.

Young Entrepreneurs Programme

The Young Entrepreneurs Programme is a collaborative effort between the Ministry of Entrepreneur and Cooperative Development (MECD) with the Ministry of Education. The Programme which is targeted at secondary school students, is managed by MECD. A total of 496 schools have participated in the Programme. Through this Programme, students are exposed to practical ways in doing business for a period of 9 months. The Programme does not involve students who have major school examinations.

The Programme's objectives are to instil entrepreneurship culture among secondary school students, and improve their skills and knowledge in starting and managing a business. Components of the Programme include workshops for principals, teachers and advisors, students and counsellors, entrepreneurship camps, state and national conventions.

The Secretariats of this Programme are all State Economic Development Corporation (SEDCs) with the cooperation of the State Education Departments. The Programme implemented for MARA is coordinated by MARA Junior Science Colleges.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Entrepreneur and Cooperative Development (MECD)

Lot 2G6, Presint 2

Pusat Pentadbiran Kerajaan Persekutuan

62100 Putrajaya

Tel: 603-8880 5000

Fax: 603-8880 5106

Email: webmaster@me.cd.gov.my

Website: www.me.cd.gov.my

Entrepreneur Development Programmes

Three main programmes have been developed for Entrepreneur Development Programmes:

- Entrepreneur Development Training;
- Hands-On Training; and
- Packaged Training.

There are 38 sub-programmes under these 3 main courses.

Participants to these programmes will be exposed to various areas that include business operations, management, finance and marketing. Participants are also trained to manage business planning, company's finance, cash flow, marketing and sales.

Entrepreneur Development Training Courses

- i. Entrepreneur Development Programmes (EDP);
- ii. 'How to develop Business, Marketing and Financial Plan Course;
- iii. Workshop on Website Development dan e-Commerce;
- iv. Workshop on World Economic Trend and Globalisation;
- v. Workshop on the Preparation on Exploring the International Market;
- vi. Public Speaking, Communications and Negotiation Skills Course;
- vii. Workshop on Design Technology & Brand Building;
- viii. Workshop on Business Management for Bio-tech Entrepreneurs;
- ix. Workshop on Souvenirs Making in Handicraft;
- x. Language Courses; and
- xi. One State One Industry Programme.

Hands-on Training Courses

- i. Food Quality for Restaurant Operators and Caterers;
- ii. Quality Management and Packaging Improvement for Cookies and Snacks;
- iii. Frozen Food Processing Service;
- iv. Packaging Service for Cooked Food;
- v. Workshop on Cakes and Pastries;
- vi. Workshop on Restaurants and Catering;
- vii. Workshop on Travel Agencies Management; and
- viii. Export of Processed Food.

Packaged Training

- i. Food Industry;
- ii. Service Industry; and
- iii. Tourism Industry.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Entrepreneur and Cooperative Development (MECD)

Lot 2G6, Presint 2

Pusat Pentadbiran Kerajaan Persekutuan

62100 Putrajaya

Tel: 603-8880 5000

Fax: 603-8880 5106

Email: webmaster@mecd.gov.my

Website: www.mecd.gov.my

Entrepreneur Programmes by Institutions of Higher Learning (Public)

Entrepreneur Development Programmes by Institutions of Higher Learning (Public) was initiated in 1989. Currently, 5 main programmes have been developed :

- Development Programme for University Students (PPUS);
- Entrepreneur Training for University Students (LKS);
- Training of Trainers (TOT);
- Basic Course in Entrepreneurship for University Students (KAKS); and
- Student in Free Enterprise (SIFE).

Development Programme for University Students (PPUS)

This programme provides an opportunity for university students to be involved in entrepreneurship activities. Students are given training, funding, as well as a premise to manage their business on campus. In addition, students are also given advice and guidance by experienced lecturers in the field of entrepreneurship.

Entrepreneur Training for University Students (LKS)

This course was introduced in 2001. Students are required to undertake training from the first year of their academic course until their third year. Training, which comprised 7 modules is conducted during semester breaks.

Training of Trainers (TOT)

In implementing the Entrepreneur Training for University Students, Training of Trainers (TOT) programme is organised annually for officers and lecturers in public education institutes.

Basic Course in Entrepreneurship for University Students (KAKS)

This course, which was initiated in 2002, is targeted at final year university students. This 6-day course will qualify students to apply for business loans under the Entrepreneur (University Student) Fund after they graduate. The course covers topics such as business ethics, motivation, management, finance, business planning and marketing.

Student in Free Enterprise (SIFE)

This programme, which is supported by MECD, is funded by the private sector. Students in this programme are required to manage business operations and social activities. Students with high achievements resulting from these requirements will be eligible to compete at the national and international level with other enterprises.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Higher Education (MOHE)

Blok E3, Parcel E

Pusat Pentadbiran Kerajaan Persekutuan,

62505 Putrajaya

Tel: 603-8883 5000

Fax: 603-8889 5854

Email: webmasterkpt@mohe.gov.my / pro@mohe.gov.my

Website: www.mohe.gov.my

Entrepreneur Development

i. Entrepreneur Training

MARA offers various entrepreneur training programmes to aspiring entrepreneurs who are between the ages of 21 and 45, former employees of Government/private sector, individuals who possess SPM, SPVM, IKM, diploma or degree, and those who pass the Aptitude Test and Interview.

The programme aims to provide awareness, training, knowledge and guidance to potential entrepreneurs. Through this programme, MARA seeks to upgrade entrepreneurship capabilities and provide management skills to existing entrepreneurs.

The courses offered to assist companies to set-up enterprises comprise:

- Entrepreneur's Development Training (EDT);
- Achievement Motivation Training (AMT – 7 days);
- Exposure to Business Management Training (BMRT – 14 days,) which covers efficiency, business management exposure, suitability of individuals to projects, and outstation assignments;
- On-the-Job Training (EDT 3 – 60 days); and
- Business Planning (EDT 3 – 4 days), which covers preparation and presentation of working papers and projects to MARA and banks.

Entrepreneurs are also encouraged to upgrade their skills in the areas of management, accounting, production and marketing. Courses such as Development of United Entrepreneurs Training (DUET), building retail, wiring of buildings (TELEKOM/TNB), seminar/dialogue, and on-the-job training have also been conducted.

Other additional training includes Government Employee's Training Scheme and Seminar/Courses with relevant agencies.

FOR MORE INFORMATION, PLEASE CONTACT:

Majlis Amanah Rakyat (MARA)

Bangunan Medan MARA

No 21, Jalan Raja Laut

50609 Kuala Lumpur

Tel : 603-2691 5111

Fax: 603-2691 3620

Email: webmaster@mara.gov.my

Website: www.mara.gov.my

ii. Technical Entrepreneurs Programme (Technopreneurs)

The Technical Entrepreneurs Programme was developed to assist and encourage trainees of the former IKM/GIAT MARA and other training institutions to start their own business.

The objectives of this Programme are to:

- i. gain positive feedback on local development facilities to ensure quality services at minimal costs;
- ii. act as catalyst to the spawning of new businesses and the creation of conducive business environment; and
- iii. provide opportunities to skilled Bumiputera youth to be involved in business. This will increase the number of Bumiputera entrepreneurs and indirectly expedite the achievement of the National Development Policy.

Apart from having certificate from IKM, GIAT MARA or any other recognised technical institutes in relevant fields, the qualifying criteria also include Bumiputera or Bumiputera-based companies, individuals aged between 21 and 40, possess entrepreneurial characteristics, able to finance cost of rental of equipment and daily business expenditure, and pass the entrepreneurial examinations conducted by the Organiser.

Facilities and services provided in these programmes are packaged in an integrated manner. It comprise entrepreneur development, workshop for small companies, machine and equipment, technical training and consultancy services.

Sectors that are being covered include automotive & motorcycle services, electric & electronic services, building, tailoring services, mechanical engineering, and photography.

FOR MORE INFORMATION, PLEASE CONTACT:

Majlis Amanah Rakyat (MARA)

Bangunan Medan MARA

No 21, Jalan Raja Laut

50609 Kuala Lumpur

Tel: 603-2691 5111

Fax: 603-2691 3620

Email: webmaster@mara.gov.my

Website: www.mara.gov.my

Graduate Entrepreneur Training

The Graduate Entrepreneur Training was first implemented in 2001. Students who participate in this programme would be required to complete all modules from the first semester of enrolment until the third year. The training is conducted during semester breaks.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Entrepreneurship Development Center (MEDEC)

Block 13, Intekma Resort and Convention Centre UiTM

Section 7, 40000 Shah Alam

Selangor Darul Ehsan

Tel: 603-55153275 / 76 / 78 / 80 / 81

Fax: 603-55153284

Email: medec@salam.edu.uitm.my / info@medec.com.my

Website: www.medec.com.my

International Training Programmes

The International Programmes under the National Productivity Corporation (NPC) are intended to provide participants with exposure and exchange of ideas on the best practices in productivity and quality implementation.

The programmes include:

- i. Productivity Improvement Programme;
- ii. Systems Development for Small and Medium Enterprises;
- iii. Best Practices for Business Excellence; and
- iv. Promotion and Management of Small and Medium Enterprises.

Quality Management Programmmes

Quality Management Programmes are geared to improve working quality in organisations, enhance efficiency and practice for productivity and quality, as well as provide guidelines towards Total Quality Management (TQM) implementation.

Among the programmes are ISO 9001:2000, EMS ISO 14000, Innovative and Creative Circles, 5S Practices, Benchmarking, Six-Sigma, Balanced Scorecard, Kaizen, and Total Quality Management.

Productivity Management Programmes

Productivity Management Programmes are intended to improve knowledge and productivity management methodology to achieve higher productivity and quality products and services.

Among the programmes available are Statistical Process Control, Company Manual for Productivity Assessment, Filing and Recording for Management, Industrial Safety and Health, and Store & Stock Management.

Management Development Programmes

The General Management Programmes offered by the National Productivity Corporation (NPC) is also known as Management Development Programmes.

The objectives of the programmes are to enhance leadership skills in managing human capital, improve personal and interpersonal positive attitude, create team spirit among people in organisations, and provide guidelines towards corporate culture excellence.

The Management Development Programmes include Managing Effective Training, Train the Trainers, Effective Motivation, Effective Leadership and Interpersonal Skills, and Business Enabling Skill Training (BEST).

Production Management Programmes

The objectives of the Programmes are to enhance organisation capability in increasing its product and process reliability; provide methodologies for monitoring and analysing quality and eliminating causes of variation in a process and improve production effectiveness through productivity improvement.

The programmes include Failure Mode and Effect Analysis, Statistical Process Control and Effective Inventory Management & Control.

Enterprise Development Programmes

The objectives of the Enterprise Development Programmes are to upgrade enterprises, especially SMEs towards business excellence improve enterprises performance through proper financial and productivity analysis and enable enterprises to be more competitive in facing globalisation challenges.

The Enterprise Development Programmes include Financial and Productivity Analysis, Managing Effective Sales Team, Strategies for Improving Sales Performance, Effective Marketing Strategies, and Cash Flow Control.

ICT-Based Programmes

The objectives of the ICT-Based Programmes are to enhance basic software application skills; realise the application of internet for business communication; attaining supply chain excellence; and provide guidelines to achieve greater customer relationship effectiveness.

The ICT-Based Programmes include Best Practices towards Supply Chain Management, Best Practices in Customer Relationship Management (CRM), and ICT for Non-ICT Savvy.

The programmes are open to all levels of management and employees according to their suitability. All of the NPC's programmes can also be conducted on an in-house basis.

FOR MORE INFORMATION, PLEASE CONTACT:

National Productivity Corporation (NPC)

P.O. Box 64, Jalan Sultan

46904 Petaling Jaya

Selangor Darul Ehsan

Tel: 603-7956 2131

Fax: 603-7955 1824

E-mail: marketing@npc.org.my

Website: www.npc.org.my

SBL-Khas Scheme

The SBL-Khas training scheme is implemented to assist employers, including SMEs, who would like to send their employees for training. Under the Scheme, employers are either given the option to send their employees for free training or may only need to pay a small percentage of training fees, depending on the type of skills required. Training fees incurred will be paid directly by the Human Resources Development Berhad (HRDB) to the training providers concerned. Upon completion of the training, the cost of training fees will be debited to the employers' levy accounts.

The training programmes under this Scheme are public programmes and in-house programmes conducted by training providers who are registered with HRDB.

To fulfil the needs of employees who wish to conduct in-house training programmes, the course contents of these training programmes can be customised to employers' needs. However, changes to course contents cannot exceed more than 50 per cent of the original registered course contents.

FOR MORE INFORMATION, PLEASE CONTACT:

Human Resources Development Berhad (HRDB)

Tingkat 7, Wisma Chase Perdana
Off Jalan Semantan, Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2098 4800
Fax: 603-2093 5722
Email: administrator@hrdnet.com.my
Website: www.hrdnet.com.my

2. Manufacturing Sector

The following programmes are applicable and available for all SMEs, specifically in the manufacturing sector. Implemented by various Ministries and government agencies, these programmes are targeted to equip SMEs in this sector with specific technical skills, as well as general management and entrepreneurship competencies to increase their competitiveness.

Skills Enhancement

- **Courses, Seminars and Workshops for the Timber Industry**

The Malaysian Timber Industry Board (MTIB) provides financial assistance for SMEs to undergo training. Course coverage of expenses include fees, food and lodging for participation in courses that are organized by MTIB. For courses organized by other parties, only the course fees will be covered by MTIB.

- **In-house Training for Management dan Production Technology**

Sponsorships for activities under this program cover payments in the form of honorarium or allowance for the trainers or instructors for a duration of three to four days, or according to the type of program, whether management or production. Other costs such as raw material and additional machineries or equipment are to be borne by the enterprises.

- **Product Development**

This program involves activities such as product design, prototype manufacturing, and also product testing. Financial assistance is extended for costs incurred in engaging product designers, and instructors for prototype development. Costs for raw material and additional equipment are borne by the enterprises.

Apprenticeship Training Scheme

This Scheme provides basic technical knowledge and guidance to produce potentially successful entrepreneurs to manage small-to-medium businesses. This Programme is conducted with the co-operation of research institutes such as SIRIM, MARDI, universities, Mentor Factories/Vendors. Training schemes are provided for the following industries: metal industries, ceramic industries, food and carbonated drinks.

Qualifying criteria include minimum individuals with minimum SPM/SPVM with experience in the relevant field, two guarantors and the ability to finance at least 10 percent of the project cost, able to start business independently/shared, six months after intensive training. Priority will be given to participants who have at least two years experience in the relevant industry.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Timber Industry Board (MTIB)

Aras 13-17, Menara PGRM
No.8, Jalan Pudu Ulu, Cheras
50728 Kuala Lumpur
Tel: 603-9282 2235
Fax: 603-9285 1447 / 9285 1744
Email: info@mtib.gov.my

Furniture Industry Technology Centre (FITEC)

FITEC is specially set up to develop existing Bumiputera furniture industry to achieve the highest level of competencies by developing its technological capabilities.

Among the activities carried out by the Centre are courses and training programmes to improve production skills, using the latest technologies, provision of consultants and consultancy services for the manufacture of furniture, undertake research projects in the production of furniture and joint wood, dissemination of information on the latest technology in the production of furniture, and conducting analysis testing to increase the quality of furniture and joint wood.

FITEC target groups include owners and managers of factories, technical officers of furniture and joint wood factories, supervisors of furniture and joint wood factories, factory supervisors, employees.

Training and courses offered by FITEC include areas of management of furniture industries, furniture finish, design, costing, quality control, and furniture packaging.

FOR MORE INFORMATION, PLEASE CONTACT:

Majlis Amanah Rakyat (MARA)

Bangunan Medan MARA, No 21
Jalan Raja Laut
50609 Kuala Lumpur
Tel: 603-2691 5111
Fax: 603-2691 3620
Email: webmaster@mara.gov.my
Website: www.mara.gov.my

SIRIM-MECD Programme for Cosmetic Industry

Product development programme for cosmetic industry in Malaysia, covers new product development, testing and evaluation, pilot plant production and assistance for product registration.

The minimum number of companies required per programme is 25. It has been proven that at least 50% of participants/SMEs are able to increase their productivity through this programme.

SIRIM-MARA Techno-Entrepreneur Programme (MASTEC-3)

This programme offers entrepreneurs to acquire technology in selected strategic areas. The programme is targeted at new and existing entrepreneurs who are S&T graduates.

Minimum 30 participants are required per programme. Through this programme, 15 new entrepreneurs/SMEs are created per year.

SIRIM-MRRD Skill Development/Enhancement Programme

This Programme is tailored for rural entrepreneurs in the area of cosmetic & toiletries, and ceramics technology.

Minimum 100 participants are required per programme. Through this programme, 20 SMEs/entrepreneurs are created per year.

FOR MORE INFORMATION, PLEASE CONTACT:

Standards and Industrial Research Institute of Malaysia (SIRIM)

No 1, Persiaran Dato' Menteri

P.O. Box 7035, Seksyen 2

40911, Shah Alam

Selangor Darul Ehsan

Tel: 603-5544 6000 / 5510 3535

Fax: 603-5510 8095

Email: web@sirim.my

Website: www.sirim.my

Course and Technical Training Programme

The course and technical training programme aims to conduct courses on viable technology in enhancing the transfer of technology and the related information to the target group involved in agriculture and food industries.

Qualifying criteria include Malaysian nationality, age 18 years and above, completed lower secondary education, and specific qualifications are required for certain courses.

The sectors that are covered for this programme consist of mechanisation and automation (production), biotechnology (plant and etc), horticulture, food processing and food safety, and animal production.

There are two types of courses conducted by MARDI:

- scheduled courses; and
- unscheduled courses.

Scheduled courses are offered to the public. The date, duration, location and charges are fixed according to the courses. MARDI is entitled to select the participants based on the number and availability of places.

Unscheduled courses are offered outside the scheduled course and it is based on request by clients. The course is conducted for group request and can be specially designed to meet the needs and suitability of the target group.

Entrepreneur Adoption Scheme

The programme aims to develop selected potential SMEs to be guided under the programme of innovation and commercialisation of MARDI's technology for a period of three years. Services provided include development of production system, participation in test bed and technology incubator of MARDI and also business/marketing development with the cooperation of relevant agencies.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Agricultural Research and Development Institute (MARDI)

Ibu Pejabat, P.O. Box 12301

General Post Office

50774 Kuala Lumpur

Tel: 603-8943 7111

Fax: 603-8948 3664

Website: www.mardi.my

Craft Entrepreneur Enhancement Programme

The programme emphasises on strengthening the aspects of entrepreneurial competencies, manufacturing and marketing to promote the development of craft entrepreneurs. Entrepreneurs are given technical assistance and skills enhancement to upgrade the competitiveness of their enterprises.

The objective of Craft Entrepreneur Enhancement Programme is to develop innovative entrepreneurs who are capable of competing in the open market.

Sectors that are covered under this programme consist of textile crafts (embroidery, tekat, batik, weaving, songket), forest and fiber crafts (wood crafts, bamboo/rattan weaving), ceramics, ethnic crafts, and metal crafts (pewter, bronze, silver and gold).

The facilities and form of assistance cover development of skills, product development, production development, marketing and promotional development.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Handicraft Development Corporation

Kompleks Kraf Kuala Lumpur

Seksyen 63, Jalan Conlay

Kuala Lumpur

Tel: 603-2162 7459

Fax: 603-2161 2622

Website: www.kraftangan.gov.my

3. Services Sector

The following programmes are applicable and available for all SMEs across the services sector. Although many of the programmes for the services sector are still new, a growing number of support agencies are currently developing programmes and encouraging SMEs in the services sector to take advantage of such programmes. Alternatively, SMEs in the services sector may also opt for the programmes available for all sectors as highlighted in the previous section of this report.

Bio-entrepreneurship Development Programme

The Bio-entrepreneurship Development Program aims to:

- accelerate the commercialisation process of R&D results undertaken by institutions of higher learning (IHLs) and government's research institutes (GRIs) in the area of biotechnology;
- provide biotech entrepreneurs with the knowledge and skills required; and
- enhance the competitiveness and capabilities of biotechnology entrepreneurs.

Funding for biotech technopreneurs is available with the provision of seed capital from the Malaysian Biotechnology Corporation and venture capital firm such as the Malaysian Technology Development Corporation (MTDC). Technopreneur development and management support such as skill development and enrichment are also provided, including matchmaking between businesses and researchers and mentoring between successful bio-technopreneurs and start-ups/SMEs.

Technopreneurs Development and Management Support Skill and Enrichment Programme

The Programme aims to develop competent technopreneurs through transfer of knowledge and technology.

This Programme refers to research products and processes that are completed and ready for commercialisation. Activities under this programme include transfer of technology, Incubator Program, Contract Research Programme and to provide R&D support including consultation and developing new products and services. Knowledge and Skill Enhancement Program is aimed of creating value-added products, and increasing productivity level and competitiveness in areas of industrial quality assurance, medical quality assurance, radiation safety and health, testing and inspection technology and techno-management.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Science, Technology and Innovations (MOSTI)

Aras 1 - 7, Blok C5

Pusat Pentadbiran Kerajaan Persekutuan

62662 Putrajaya

Tel: 603-8885 8000

Fax: 603-8888 9070

Email: webmaster@mosti.gov.my

Website: www.mosti.gov.my

4. Agriculture Sector

Course and Technical Training Programme for the Agriculture Sector

The course and technical training programme aims to conduct courses on viable technology in enhancing the transfer of technology and the related information to the target group involved in agriculture and food industries.

Qualifying criteria include Malaysians, age 18 years and above, completed lower secondary education. Specific qualifications are required for certain courses.

The sectors that are covered for this programme consist of mechanisation and automation (production), biotechnology (plant and etc.), horticulture, food processing and food safety, and animal production.

There are two types of courses conducted by MARDI:

- scheduled courses; and
- unscheduled courses.

Scheduled courses are offered to the public. The date, duration, location and charges are fixed according to the courses. MARDI is entitled to select the participants based on the number and availability of places.

Unscheduled courses are offered outside the scheduled course and it is based on request by clients. The course is conducted for group request and can be specially designed to meet the needs and suitability of the target group.

Agri Entrepreneur Development

To create skilled entrepreneurs in the agriculture sector, the Programme comprised:

- **Agricultural Certificate Training**
 - Training to develop skilled man-power at the operational level to fulfill employment in the public and private sector.
- **Agriculture Incubator Centre**
 - Training and exposure for the entrepreneurs to start commercial production (3-6 months).
- **Entrepreneur Nurturing Centre (Food processing)**
 - Technical courses and hands-on training in the food processing and production to comply Good Manufacturing Practice (GMP) dan Good Hygiene Practice (GHP) for 6 months.

FOR MORE INFORMATION, PLEASE CONTACT:

Department of Agriculture, Ministry of Agriculture (MOA)

Aras 7-17, Blok 4G2

Wisma Tani, Presint 4

Pusat Pentadbiran Kerajaan Persekutuan

62632 Putrajaya

Tel: 603-8870 3000

Fax: 603-8888 6022

Email: webmaster@doa.gov.my

Website: www.doa.gov.my

Market Extension Services

The Federal Agricultural Marketing Authority (FAMA) provides the Market Extension Services to assist SMEs in building their capacity to compete effectively in the market. Among the activities provided under this programme include:

- module development;
- courses/seminar/dialogue;
- targeted database development; and
- establishment of commodity experts.

FOR MORE INFORMATION, PLEASE CONTACT:

Federal Agricultural Marketing Authority (FAMA)

Bangunan FAMA Point

Lot 17304 Jalan Persiaran 1

Bandar Baru Selayang

68100, Batu Caves

Selangor Darul Ehsan

Tel: 603-6138 9622

Fax: 603-6136 5610

Email: fama@fama.net.my

Website: www.famaxchange.org

Effective Working Groups for Individual Growers and Curers in the Tobacco Industry

The objectives of this programme are to enhance the commitment and cooperation among participants and to foster a stronger collective spirit to strengthen the group; to foster better communication among members to ensure that information are clearly communicated to each other in ensuring the groups' objectives are met; and to form working groups that are disciplined, progressive, and attentive to current issues and developments.

To qualify for this programme, growers and curers must be licensed by the National Tobacco Board.

Land Reclamation Course for the Tobacco Industry

This course serves to assist participants in identifying types of soil and its suitability for tobacco farming; to increase participants' understanding on the need for liming process in improving the soil; to enhance participants' knowledge and skills in the farming process; and to enable systematic planning and preparation of farming plots.

To qualify for this programme, tobacco growers and curers must be licensed by the National Tobacco Board.

Chemical Pesticide/Herbicide Safety in the Tobacco Industry

The objectives of this course are to:

- increase the understanding of safety procedures in handling pesticides or herbicides;
- inform participants on how to identify the right chemicals and pesticides to manage pests effectively; and
- increase the knowledge and skills of participants in planning and preparation of land for the usage of chemical agents.

To qualify for this programme, tobacco growers and curers must be licensed by the National Tobacco Board.

Disease and Pest Control in the Tobacco Industry

The objectives of this programme are to:

- identify source of diseases and pests;
- identify and carry out treatment in a systematic and scientific manner;
- create awareness on the importance of proper and disciplined control in preventing an outbreak of disease and pest, in order to reduce production cost; and
- ensure proper handling of hazardous material and self-protection equipment.

To qualify for this programme, tobacco growers and curers must be licensed by the National Tobacco Board.

FOR MORE INFORMATION, PLEASE CONTACT:

National Tobacco Board

Kubang Kerian, Peti Surat 198

15720 Kota Bharu

Kelantan

Tel: 609-765 2933 / 1182 / 2802

Fax: 609-7655640 / 1934 / 2248

Website: www.ltn.gov.my

TECHNOLOGY DEVELOPMENT PROGRAMMES

1. Manufacturing Sector

SIRIM Technology Incubation Centre

The SIRIM Technology Incubation Centre initiates and nurtures new technology ventures in advanced industrial technologies. Starting at a pre-start up stage, it picks winning ideas and turns them into promising start-ups. The core activities include fund raising, market access, technology transfer, technology search and technology licensing. Currently, the eight incubation centres nationwide play the crucial role of bringing talent, ideas and capital together.

Strategic services:

- business plan development (ideation, market intelligence, competitive analysis, technology analysis);
- intellectual asset planning and IP management;
- product development and commercialisation;
- market access;
- fund raising;
- organisational development;
- business acceleration; and
- venture management (sell, license, JV, alliances).

FOR MORE INFORMATION, PLEASE CONTACT:

SIRIM Technology Incubation Centre

Lot PT 4803
Bandar Baru Salak Tinggi
43900 Sepang,
Selangor Darul Ehsan
Tel: 603-8775 7200
Fax: 603-8706 2553 / 8775 7220
Website: www.sirim.my

Integrated Technology and Quality Based Programme for SME Development

This program includes these components: packaging, mechanisation, skill enhancement, entrepreneurship development.

This programme targets at least 30 SMEs per programme, and at least 40 percent of participating SMEs must be able to enhance their production capabilities and product quality.

Packaging Design Technology & Labelling Regulations Programme

This programme is a collaborative effort between SIRIM and the Ministry of Rural and Regional Development.

The programme is targeted to provide training for approximately 100 SMEs or 500 participants, and at least 40 percent participants from the SMEs should be able to improve their product packaging quality and style.

FOR MORE INFORMATION, PLEASE CONTACT:

Standards and Industrial Research Institute of Malaysia (SIRIM Berhad)

No 1, Persiaran Dato' Menteri
P.O. Box 7035, Seksyen 2
40911, Shah Alam
Selangor Darul Ehsan
Tel: 603-5544 6000 / 5510 3535
Fax: 603-5510 8095
Email: web@sirim.my
Website: www.sirim.my

Technopreneur Development Programme for Microelectronics

The programme aims to support the development of SMEs using ICT and microelectronics technology through MIMOS R&D programs and facilities, as well as through its business entities.

Activities under this programme include Integrated Circuit Design and Product Development Awareness Training, providing IC design implementation assistance, offering turnkey IC prototyping service involving IC design, wafer fabrication and packaging to SMEs with innovative ideas.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Science, Technology and Innovations (MOSTI)

Aras 1 - 7, Blok C5

Pusat Pentadbiran Kerajaan Persekutuan

62662 Putrajaya

Tel: 603-8885 8000

Fax: 603-8888 9070

Email: webmaster@mosti.gov.my

Website: www.mosti.gov.my

2. Services Sector

ICT-SME/Technopreneurs Capacity Development

The programme aims to increase the number of visionary, skillful and competent technopreneurs and world-renowned Malaysian ICT leaders through the following initiatives:

- Start Your Own Business (SYOB) in ICT
- Foundation Series;
- Advanced Series; and
- Technopreneur Leadership Series.

MSC Bumiputera Technopreneur Development

This is a comprehensive development programme to support participation and growth of Bumiputra ICT SMEs. It is provided through collaborations with State Governments, associations and agencies. The programmes offered are MDeC-MARA Bumiputra Development Programme, and MDeC-MECD Bumiputra Development Programme.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Science, Technology and Innovations (MOSTI)

Aras 1 - 7, Blok C5

Pusat Pentadbiran Kerajaan Persekutuan

62662 Putrajaya

Tel: 603-8885 8000

Fax: 603-8888 9070

Email: webmaster@mosti.gov.my

Website: www.mosti.gov.my

MARKET ACCESS PROGRAMMES

1. All Sectors

SMIDEC Annual Showcase

SMIDEC's Annual Showcase provides the venue for manufacturers not only to display their products but also to create an exchange for outsourcing activities. The Event comprise exhibition, product presentation and business matching sessions.

SME Convention

The SME Convention provides a common platform for companies to share experiences and information, as well as to establish networking among each other. Business Matching sessions are also arranged in conjunction with the Convention to provide an avenue for companies to forge business linkages, as well as outsourcing opportunities.

Enhancement Programme

This programme assists SMEs in building their capacity to meet market requirements, both domestic and international. To implement the programme, SMIDEC collaborates with selected Government Technical Agencies such as SIRIM and MARDI. Assistance is rendered to selected SMEs in a package, comprising grants and financial assistance programmes under the purview of SMIDEC and soft loans, including those from commercial banks.

This programme covers all development phases of an enterprise. An assessment or audit is first undertaken to determine the type of assistance required. Often, financing alone is not the only critical need. Technical expertise or know-how is given to the enterprises, as and when required.

Industrial Linkage Programme

The Industrial Linkage Programme (ILP) is aimed at developing linkages between domestic SMEs and MNCs and large companies. The programme provides opportunities to Malaysian companies to be integrated into the supply chain, thus increasing the domestic content.

The ILP is supported and enhanced by SMIDEC's existing developmental programmes such as grants, soft loans and other capacity building programmes.

The objectives of this programme are to promote and nurture SMEs to become suppliers of MNCs and large companies, integrate SMEs into the mainstream of industrial development, and provide opportunities to increase domestic value-added and local content.

SMEs must satisfy the following criteria: incorporated under the Companies Act 1965.

Priority products or activities include the manufacture of rubber products, plastic products, clay-based, sand-based and other non-metallic mineral products, textiles and textile products, iron and steel, non-ferrous metals and their products, supporting products/services, transport equipment, components and accessories, machinery and machinery components, electrical and electronic products and components and parts thereof.

Under this programme, SMEs that propose to manufacture promoted products or participate in promoted activities in an ILP are eligible for: Pioneer Status with 100 percent exemption on statutory income for five years; or 60 percent Investment Tax Allowance (ITA) on qualifying capital expenditure incurred within a 5-year period with 100 percent exemption on statutory income.

For MNCs/large companies that participate in the ILP, the expenditure incurred in the training of employees, product development and testing, and factory auditing to ensure the quality of vendors' products will be allowed as a deduction in the computation of income tax.

FOR MORE INFORMATION, PLEASE CONTACT:

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5
No. 5, Jalan SS21/39, Damansara Utama
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 603-7628 7400
Fax: 603-7660 1919
Toll Free Line: 1-800-18-1801
E-mail: info@smidec.gov.my
Website: www.smidec.gov.my

One District, One Industry (Satu Daerah Satu Industri - SDSI)

This programme aims to increase and create greater commercial activities in the rural areas, and at the same time, create more employment opportunities in the local areas.

Among the activities promoted under this programme are processing, manufacturing, production and services related to the rural areas, such as rural tourism, agro industries, livestock and aquaculture, nature-based products, and indigenous skills.

Under this programme, participants will be extended support for training, procurement of facilities/machineries, operation space, R&D activities, and marketing and promotional activities.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Rural and Regional Development (MRRD)

Blok D9, Parcel D
Kompleks Kerajaan Persekutuan
62606 Putrajaya
Tel: 603-8886 3500 / 3700
Fax: 603-8886 3801
Email: webmaster@rurallink.gov.my
Website: www.rurallink.gov.my

Gerak Usahawan

The Government's focus in encouraging Bumiputra to choose entrepreneurship as their career pathway has led MECD to initiate a series of entrepreneur roadshows called "Gerak Usahawan". Organised in every state since 2005, this programme provides various support to entrepreneurs.

This Programme targets aspiring entrepreneurs, existing business owners, graduates and young entrepreneurs.

Among activities organised under this programme includes: exhibition, briefings on the facilities and services provided by the government, and information on business opportunities offered by MECD and its agencies.

Entrepreneur Showcase

The Entrepreneur Showcase (Showcase Usahawan) is an annual event by MECD to promote quality products from local entrepreneurs. The objective of the Entrepreneur Showcase is to serve as a main marketing platform in promoting products from local entrepreneurs. MECD assumes an important role in creating smart partnership between producers/manufacturers and distributors.

This effort has not only widened the market reach for local products, but has also assisted distributors in identifying quality products with high market value to be marketed. Entrepreneur Showcase also provides an opportunity to SMEs to network with suppliers, distributors and consumers.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Entrepreneur and Cooperative Development (MECD)

Lot 2G6, Presint 2,
Pusat Pentadbiran Kerajaan Persekutuan
62100 Putrajaya
Tel: 603-8880 5000
Fax: 603-8880 5106
Email: webmaster@mecd.gov.my
Website: www.mecd.gov.my

2. Manufacturing Sector

Domestic Trade Exhibition Programme

Entrepreneurs are encouraged to participate in national or international exhibitions organised locally. The Domestic Trade Exhibition Programme is designed to create a niche market for SMEs to introduce and promote handicraft products that exhibits uniqueness, exclusivity and quality. This programme covers the domestic craft sector.

Under this programme, financial assistance is provided to SMEs, of which expenses by Malaysian Handicraft covers costs for:

- i. participation fees including rental costs for standard shell scheme;
- ii. basic facilities for display area;
- iii. promotion and publicity;
- iv. visual merchandiser services and booth construction; and
- v. management and security services.

Costs borne by participants (entrepreneurs):

- i. minimum participation fees (80 percent covered by Malaysian Handicraft, 20 percent by participants)
- ii. return trip fare
- iii. transportation costs and food and accommodation
- iv. additional exhibition items
- v. transportation of products to and from exhibition venue

International Marketing and Promotion Programme for the Handicraft Industry

Incentives and financial assistances are also provided for entrepreneurs in the handicraft industry to participate in international exhibitions.

The objective of this programme is to increase the market size and distribution channels for the export market of Malaysian handicraft products. The programme covers the local craft industry.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Handicraft Development Corporation

Kompleks Kraf Kuala Lumpur

Seksyen 63, Jalan Conlay

Kuala Lumpur

Tel: 603-2162 7459

Fax: 603-2161 2622

Website: www.kraftangan.gov.my

Marketing Promotion

This scheme aims to assist Bumiputra entrepreneurs to increase and expand existing products in the Bumiputera market. Services provided include:

- labelling and design prototypes for product packaging;
- organise and participate in expositions/trade exhibitions to promote and sell product;
- organise and conduct sales of merchandise and business meeting between the manufacturer and distributor/retailer;
- advertise products/services through posters, brochures / product profiles, newspapers, or any other printed or electronic media;
- provide promotional services to tenants of MARA business premises or MARA Industrial Areas through advertising, posters, brochures or exhibitions; and
- organise visits to business premises/industries owned by successful entrepreneurs.

This scheme is targeted at Bumiputera entrepreneurs with little/no knowledge of technicalities in the areas of labelling and packaging.

FOR MORE INFORMATION, PLEASE CONTACT:

Majlis Amanah Rakyat (MARA)

Bangunan Medan MARA,

No 21, Jalan Raja Laut

50609 Kuala Lumpur

Tel: 603-2691 5111

Fax: 603-2691 3620

Email: webmaster@mara.gov.my

Website: www.mara.gov.my

Market Development

For participation in an international exhibition or events, Malaysian Timber Industry Board (MTIB) extends financial assistances in the form of:

- up to 50 percent subsidy for air fare for one representative (return ticket, economy class);
- up to 50 percent subsidy for a maximum of 20 meter square of exhibition floor space;
- up to 50 percent subsidy with a maximum of RM4,000 for the transportation of products; and
- up to 50 percent subsidy with a maximum of 5 (five) nights accommodation for one representative.

** The above are not applicable for participation in exhibitions in Malaysia.*

For participation in a domestic exhibition, MTIB extends financial assistance in the form of:

- 100 percent subsidy for exhibition space; and
- nominal fee on the monthly charge for each month of participation, for a sales exhibition that last longer than one month.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Timber Industry Board (MTIB)

Aras 13-17, Menara PGRM

No.8, Jalan Pudu Ulu, Cheras

50728 Kuala Lumpur

Tel: 603-9282 2235

Fax: 603-9285 1447 / 9285 1744

Email: info@mtib.gov.my

Website: www.mtib.gov.my

3. Services Sector

ICT SME/Technopreneurs Market Access

This programme aims to increase the number of Malaysian-made ICT solutions and services providers. The Programme creates local and global awareness and recognition through marketing support services, through activities such as:

- Go-To-Market;
- GLC/LLC-Buy Local;
- Industry Development;
- Targeted Business Development;
- MSC-APICTA/APICTA; and
- MSC-Global Technopreneur Network.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Science, Technology and Innovations (MOSTI)

Aras 1 - 7, Blok C5

Pusat Pentadbiran Kerajaan Persekutuan

62662 Putrajaya

Tel: 603-8885 8000

Fax: 603-8888 9070

Email: webmaster@mosti.gov.my

Website: www.mosti.gov.my

4. Agriculture Sector

Contract Manufacturing

Contract manufacturing is one of the services provided by FAMA to entrepreneurs in the food production sector. It aims to assist entrepreneurs who lack access to facilities to manufacture food products under their own brand name. It would also ensure that products are manufactured in accordance with the quality and specifications required by the market.

Under this programme, entrepreneurs are given access to facilities owned by FAMA, thus reducing investment costs, especially in terms of machinery and equipment.

The services offered under this programme are processing of pre-finished food products, manufacture of finished food products, and packaging of finished products.

To qualify for this service, entrepreneurs should registered with FAMA, signed a contract between the parties, have the financial ability to cover 50 percent of actual costs required 14 days before work is initiated, and have the financial ability for full payment required upon delivery of products.

**FOR MORE INFORMATION, PLEASE CONTACT:
Federal Agricultural Marketing Authority (FAMA)**

Bangunan FAMA Point,
Lot 17304 Jalan Persiaran 1
Bandar Baru Selayang
68100, Batu Caves
Selangor Darul Ehsan
Tel: 603-6138 9622
Fax: 603-6136 5610
Email: fama@fama.net.my
Website: www.famaxchange

ADVISORY SERVICES

1. All Sectors

SME Experts Advisory Panel (SEAP)

The Programme provides assistance to SMEs to undertake diagnostic audit by experienced industry experts. The objectives of the programme are to identify strengths and weaknesses of the enterprises in order to enable them to undertake remedial measures to enhance their capabilities, and to provide on-site assistance and transfer of technology as well, as technical know-how to the companies.

Assistance under SEAP are provided in 3 phases:

- Phase 1 - Preliminary consultancy services with the experts;
- Phase 2 - Consultancy services at factory sites of SMEs where experts will provide diagnostic audit report; and
- Phase 3 - Consultancy services by the experts to implement the proposed improvement based on the diagnostic audit report.

If applicable, SMIDEC's Grant can be utilised for project implementation. Available eligible expenses include consultation fees by the experts for Phase 2 and Phase 3.

SME Information and Advisory Centre

The SME Information and Advisory Centre has been established to facilitate access to information on programmes and financial assistance available for SMEs. The Centre comprises a virtual centre (www.smidec.gov.my) physical centres i.e. Business Advisory Services, including at regional offices and hotline (1-800-18-1801).

The Virtual Centre facilitates SMEs in accessing various information on development programmes, which are specifically tailored for SMEs. The information includes details on financial assistance, news and events, as well as company registration.

The Business Advisory Services are held to assist SMEs in getting information on programmes and policies on SME development. The Business Advisory Services provide alternative avenues for SMEs to get information on policies, incentives, programmes and financial assistance available for them.

Every Wednesday, the banks, in particular the SME Bank and MIDF, are also present at SMIDEC's offices, both at the headquarters and the regional offices, to better serve the SMEs.

FOR MORE INFORMATION, PLEASE CONTACT:

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5
No. 5, Jalan SS21/39, Damansara Utama
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 603-7628 7400
Fax: 603-7660 1919
Toll Free Line: 1-800-18-1801
E-mail: info@smidec.gov.my
Website: www.smidec.gov.my

Business Advisory Services

To complement the Business Advisory Services implemented by SMIDEC, SME Bank has established extension services to improve the loan servicing performance of SMEs. Among the programmes available are:

- **Business Valuation:** This includes audit and classification services for medium size enterprises through qualitative financing and qualitative market analysis, analysis of product branding, marketing and customers.
- **Business Matching:** This is a service that matches products and services provided by SMEs with other companies, Government-linked companies (GLCs), national and international chambers of commerce and other "purchasers" of services, including multinational companies.
- **Business Dialogue:** This initiative comprise meetings and seminars for SMEs and their customers and potential customers, in order to support SMEs to break into the domestic and international markets.
- **Research and Knowledge Network:** SME Bank cooperates with Government research and development units, educational institutions, industry professionals and practitioners to assist SMEs with their problems.

FOR MORE INFORMATION, PLEASE CONTACT:

Bank Perusahaan Kecil & Sederhana Malaysia Berhad (SME Bank)

Menara SME Bank
Jalan Sultan Ismail
P.O. Box 12352
50774 Kuala Lumpur
Tel: 603-2615 2020, 603- 2615 2828
Fax: 603-2692 8520, 603-2698 1748
Email: enq_y@smebank.com.my
Website: www.smebank.com.my

Consultancy Services

MARA provides consultancy services to entrepreneurs to assist them in developing their operations to become more efficient and competitive. These services, mainly focused on manufacturing projects, are divided into two phases:

Phase 1

Short-term consultation to identify problems and study past achievements of the company.

- duration of service: three (3) months;
- enrolment fee: 10 percent of consultant fee, minimum rate: RM500; and
- professional fees to consultant: RM500.

Phase 2

Long-term consultancy to entrepreneurs who will implement proposals in Phase 1. Consultants will also assist entrepreneurs in overcoming problems and restructuring plans and strategies.

- duration of service: 12 months;
- enrolment fee: 10 percent of consultant fee, maximum rate: RM1,500; and
- professional fees to consultant: RM10,000.

Qualifying criteria include private limited/partnership Bumiputera status company, a registered business for a minimum of a year, a stable and progressive business, and paid-up capital of RM30,000 or 2 percent of the cost of project, whichever is lower.

FOR MORE INFORMATION, PLEASE CONTACT:

Majlis Amanah Rakyat (MARA)

Bangunan Medan MARA,

No 21, Jalan Raja Laut

50609 Kuala Lumpur

Tel: 603-2691 5111

Fax: 603-2691 3620

Email: webmaster@mara.gov.my

Website: www.mara.gov.my

2. Manufacturing Sector

Craft Design Centre

SMEs are provided with the opportunities to use the facilities at the Malaysian Handicraft's Design Centre which include database of information on handicraft products, as well as collection of sample products designed and produced by Malaysian Handicraft.

The Centre also has extensive reference material on new technologies and material research, to be used by entrepreneurs to help them in developing their own products. The reference material is organised in a computer system called the Design Bank. Manual search facility is also available. Some of the reference material available here includes magazines, design sketches, product samples, directories and colouring recipes and documentations of completed research work.

Craft Innovation Centre

“Kraftangan Malaysia” has established the Craft Innovation Centre that emphasizes on the aspects of design development, technology development, usage of new materials, development of standards, and also a central repository for design information and craft products. Among the Innovation Center that has already been established include:

- i. Batik Craft Innovation Centre, Malaysian Handicraft, Kelantan branch;
- ii. Ceramic Craft Innovation Centre, Malaysian Handicraft, Perak branch;
- iii. Tenunan Craft Innovation Centre, Malaysian Handicraft, Terengganu branch; and
- iv. Wood Craft Innovation Centre, Malaysian Handicraft, Pahang branch.

SMEs are also given access to other facilities and services at the centres such as equipment and machineries, and consultancy services by highly qualified technicians, manufacturing engineers and chemists. With the Innovation centres, craft entrepreneurs will benefit from new developments derived from on going research programmes.

The centres also lend to a continuous improvement programmes, and a more intensified domestic craft industry developments. Among the facilities available at the Innovation centres are:

- i. mechanical workshop, for welding, mould making and metal foundry;
- ii. material processing and preservation workshops;
- iii. the latest equipment such as computerised automated machines, rapid prototyping machines and digital textile printer;
- iv. craft product reliability testing laboratory; and
- v. quality and standard testing laboratory.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Handicraft Development Corporation

Kompleks Kraf Kuala Lumpur

Seksyen 63, Jalan Conlay

Kuala Lumpur

Tel: 603-2162 7459

Fax: 603-2161 2622

Website: www.kraftangan.gov.my

3. Services Sector

Agrotourism

This programme is available to agricultural entrepreneurs, government agencies, statutory bodies and private agencies (individuals and organisations).

Scope of Services

Feasibility study, development and management of agrotourism projects.

Product of Services

Feasibility study reports and/or projects performance reports.

Professional Fees

The service is free for agricultural entrepreneurs or farmers group. Other clients are subjected to a fee depending on the scope of work.

FOR MORE INFORMATION, PLEASE CONTACT:

Department of Agriculture, Ministry of Agriculture (MOA)

Aras 7-17, Blok 4G2

Wisma Tani, Presint 4

Pusat Pentadbiran Kerajaan Persekutuan

62632 Putrajaya

Tel: 603-8870 3000

Fax: 603-8888 6022

Email: webmaster@doa.gov.my

Website: www.doa.gov.my

Technopreneur Management Support

The programme is aimed at facilitating and providing resources to start-up companies, and accelerating the growth of ICT SMEs in MSC-status incubators. It focuses on commercialisation and technologically-driven activities.

The Technopreneur Management Support includes:

- business plan development and business advisory services;
- development of unipreneurs (university technopreneurs) and researchers;
- nationwide incubation development;
- MSC-status incubator development; and
- expansion strategies to develop MSC-status global ICT companies.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Science, Technology and Innovations (MOSTI)

Aras 1 - 7, Blok C5

Pusat Pentadbiran Kerajaan Persekutuan

62662 Putrajaya

Tel: 603-8885 8000

Fax: 603-8888 9070

Email: webmaster@mosti.gov.my

Website: www.mosti.gov.my

4. Agriculture Sector

Agricultural Project Feasibility

This service is provided to agricultural entrepreneurs, Government agencies, statutory bodies and private agencies (individuals and organisations).

The scope of services comprise feasibility studies related to agriculture, covering aspects such as soil survey and crop suitability (matching of soil, climate and crops), engineering requirements, crop husbandry and economic and financial components.

Feasibility study reports will include:

- cash flow, farm budgets;
- soils maps, topography, lands use and crop suitability; and
- charts of recommended farm activities and cash flow.

Farm Irrigation Systems Development

This service is available to agricultural entrepreneurs, (government agencies, statutory bodies and private agencies (individuals and organisations)).

The scope of services include:

- crop water requirement determinations;
- water sourcing for farm irrigation;
- design of and specifications of farm irrigation systems and structures; and
- agricultural mechanisation and engineering technology in:
 - i. land preparation;
 - ii. field cultural practices;
 - iii. harvesting and post harvest;
 - iv. processing and end-product utilisation; and
 - v. design of farm structures.

The advisory service includes successful practices of appropriate technologies by farmers and entrepreneurs in farm irrigation and agricultural mechanization and engineering. The service is free.

Pest Control and Management

This service is available to farmers, agricultural entrepreneurs, government agencies and private sectors (individuals and organisations).

The scope of services comprise technical expertise in the areas of pest control and management and the production of beneficial organisms, such as bee rearing.

FOR MORE INFORMATION, PLEASE CONTACT:

Department of Agriculture, Ministry of Agriculture (MOA)

Aras 7-17, Blok 4G2

Wisma Tani, Presint 4

Pusat Pentadbiran Kerajaan Persekutuan

62632 Putrajaya

Tel: 603-8870 3000

Fax: 603-8888 6022

Email: webmaster@doa.gov.my

Website: www.doa.gov.my

Entrepreneur Development Program

This programme is developed to provide services to SMEs in the food, agriculture and agro-based industries.

- **Support Services to Entrepreneur**

This service aims to provide one-off support services as requested by SMEs in the agriculture and food industries. The services provided include information on technology and technical matters.

- **Entrepreneur Guidance Services**

This service aims to provide guidance to selected SMEs, who are capable and ready to expand in various priority areas. Entrepreneurs will be provided with intensive guidance services for a period of three years, after which an agreement is signed between MARDI and the SMEs.

Services rendered include trouble-shooting, production system development, development / utilisation of technology, quality assurance, product shelf-life and labelling and packaging technology.

In addition, services are also provided to enhance skill through special courses, attachment training on specific technology and courses on entrepreneur development. It is conducted together with other agencies dealing with entrepreneur development.

Services for product development which include production testing, quality improvement, system familiarisation and simulated market testing of products using the facilities available at the test beds for various product clusters are also provided at various MARDI stations in the country.

Entrepreneur Adoption Scheme

The programme aims to develop selected potential SMEs to be guided under the programme of innovation and commercialisation of MARDI's technology for a period of three years. Services provided include development of production system, participation in test bed and technology incubator of MARDI and also business/marketing development with the cooperation of relevant agencies.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Agricultural Research and Development Institute (MARDI)

Ibu Pejabat, P.O. Box 12301
General Post Office
50774 Kuala Lumpur
Tel: 603-8943 7111
Fax: 603-8948 3664
Website: www.mardi.my

Development of Market & Info Portal

A portal called AgriBazaar has been created by MIMOS to enable online commercial transactions between buyers and suppliers in the agriculture sector. This portal serves as a platform for entrepreneurs in offering the best price for their products at reduced costs. The Portal is time saving as it retrieves accurate and up-to-date information.

AgriBazaar has a Supply Chain Management System application, comprising 7 components; eBuySell, eStock, eProduction, ePay, eSupport, eLogistics, and ePlanning. This facility has enabled entrepreneurs to interact and transact online.

Currently, there are 140 eCatalogue established by the portal's members to display their products and goods.

FOR MORE INFORMATION, PLEASE CONTACT:

MIMOS Berhad

Taman Teknologi Malaysia,
57000 Kuala Lumpur
Tel: 603-8996 5000
Fax: 603-8996 4658
Email: tbc@mimos.my; media@mimos.my
Website: www.mimos.my

PROMOTION AND OUTREACH PROGRAMMES

1. All Sectors

As another medium of communications to disseminate information, SMIDEC recently launch its inaugural issue of 'SME e-news' which will be channeled to SMEs via email on a monthly basis. This channel will serve as a platform for exchange of information which comprises specific news updates and issues related to SMEs, as well as upcoming events.

Enterprise 50 Award Programme

Enterprise 50 is an annual award programme organised by SMIDEC and Deloitte KassimChan. This Award recognises the achievements of Malaysia's enterprising homegrown companies, which are well positioned for the future. Annually, fifty winners are selected from amongst the nominations received, and the evaluation is based on both the companies' management and financial performance.

The annual award programme is open to local enterprises across different industries. Since its introduction in Malaysia in November 1996, response from Malaysian companies have been overwhelming. The final results are endorsed by the Federation of Malaysian Manufacturers and the National Chamber of Commerce and Industry of Malaysia, together with a panel of independent judges appointed by SMIDEC and Deloitte.

SME e-News

As another medium of communications to disseminate information, SMIDEC will launch its inaugural issue of 'SME e-News' which will be channeled to SMEs via email on a monthly basis. This channel will serve as a platform for exchange of information which comprises specific news updates and issues related to SMEs, as well as upcoming events.

FOR MORE INFORMATION, PLEASE CONTACT:

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5
No. 5, Jalan SS21/39, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 603-7628 7400
Fax: 603-7660 1919
Toll Free Line: 1-800-18-1801
E-mail: info@smidec.gov.my
Website: www.smidec.gov.my

SME Info Portal

SME Info Portal is an online information portal for SMEs. The Portal which was established in January 2006 provides information on various aspects of SME development such as financing, advisory services, training programmes, business and networking opportunities, and SME Development Programmes by the Government and private sector.

In addition, the Portal also provides links to relevant websites that contain useful information for SMEs, including websites of financial institutions. An important feature of the Portal is the free SME Directory, which offers an opportunity for SMEs to advertise their companies and

products to large potential customers. Users may log on to the website at <http://www.smeinfo.com.my> and register as a member to gain access to all the above facilities and services.



FOR MORE INFORMATION, PLEASE CONTACT:

Bank Negara Malaysia (BNM)

Jalan Dato' Onn
50480 Kuala Lumpur
Tel: 603-2698 8044
Fax: 603-2691 2990
Website: www.bnm.gov.my

HRD Portal

HRD Portal (www.hrdportal.com.my) is a training portal managed by Human Resource Development Berhad (HRDB) where the training community meets to perform various training activities online.

The main objective of this portal is to facilitate training activities among training providers and employers by leveraging on the usage of ICT. The training portal serves as a promotion agent for training providers to continuously market various types of training programmes to all employers registered with PSMB.

The portal facilitates training activities by offering online services to register, negotiate, process and confirm sales of training services between the training providers and employers.

FOR MORE INFORMATION, PLEASE CONTACT:

Human Resources Development Berhad (HRDB)

Tingkat 7, Wisma Chase Perdana
Off Jalan Semantan, Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2098 4800
Fax: 603-2093 5722
Email: administrator@hrdnet.com.my
Web Site: www.hrdnet.com.my

2. Services Sector

Nationwide Outreach Programme

The programme is rolled out nationwide to increase participation and to catalyse the growth of a critical mass of ICT SMEs. The Programme is aimed at sustaining the growth of globally competitive local SMEs in ICT. The Programme includes:

- comprehensive awareness and recruitment programmes in collaboration with State Government agencies, Institute of Higher Learnings (IHLs) and industry partners;
- provision of on-line access to development services; and
- provision of a database on MSC and non-MSC status ICT SMEs.

FOR MORE INFORMATION, PLEASE CONTACT:

Ministry of Science, Technology and Innovations (MOSTI)

Aras 1 - 7, Blok C5

Pusat Pentadbiran Kerajaan Persekutuan

62662 Putrajaya

Tel: 603-8885 8000

Fax: 603-8888 9070

Email: webmaster@mosti.gov.my

Website: www.mosti.gov.my

Support Services to Entrepreneur

This service aims to provide one-off support services as requested by SMEs in the agriculture and food industries. The services provided include information on technology and technical matters.

Entrepreneur Guidance Services

This service aims to provide guidance to selected SMEs, capable and ready to expand in various priority areas. Entrepreneurs will be provided with intensive guidance services for a period of three years, after an agreement is signed between MARDI and the SMEs.

Services rendered include trouble shooting, production system development, development/ utilization of technology, quality assurance, product shelf-life and labeling and packaging technology.

In addition, services are also provided to enhance skill through special courses, attachment training on specific technology and courses on entrepreneur development. It is conducted together with other agencies dealing with entrepreneur development.

Services for product development which include production testing, quality improvement, system familiarisation and simulated market testing of products using the facilities available at the test beds for various product clusters are also provided at various MARDI stations in the country.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Agriculture Research & Development Infrastructure (MARDI)

P.O. Box 12301

General Post Office

50774 Kuala Lumpur

Tel: 603-8943 7111

Fax: 603-8948 3664

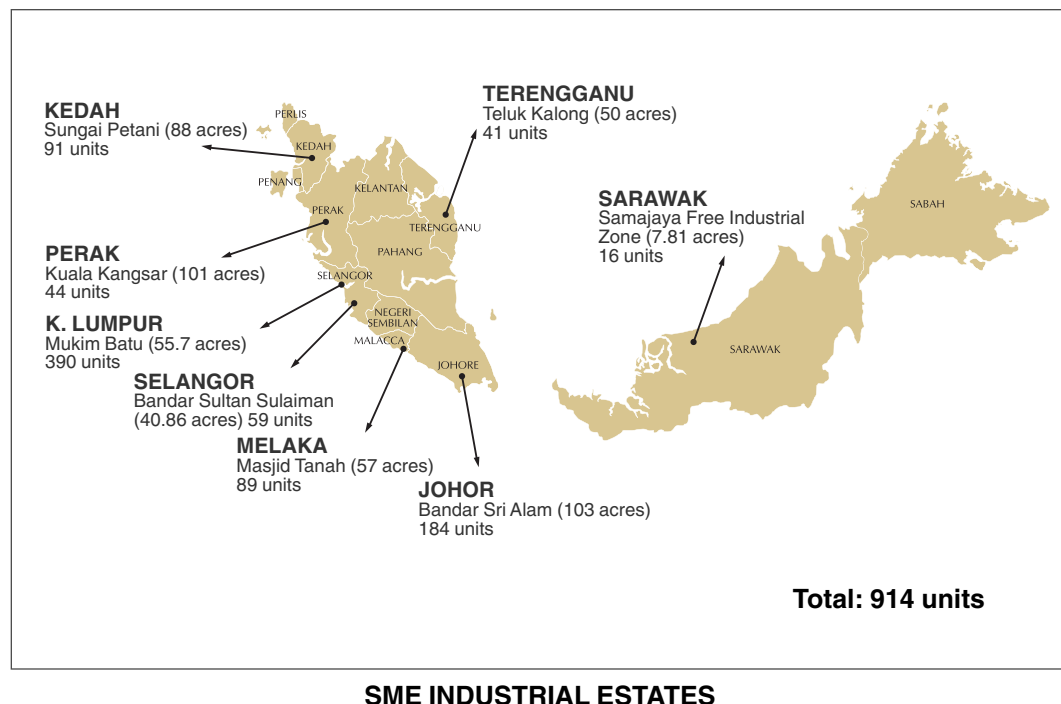
Website: www.mardi.my

SME INDUSTRIAL SITES AND INCUBATOR CENTRES

1. SME Industrial Estates

SMIDEC, together with the Malaysian Industrial Estate Berhad (MIEL) and Perbadanan Kemajuan Negeri Selangor (PKNS) has developed industrial estates all over the country to assist SMEs to operate their business in approved industrial areas or business premises.

In the Ninth Malaysia Plan, SMIDEC will continue to promote and encourage SMEs to relocate their businesses to approved areas to ensure that SMEs have the foundation and the facilities to operate in a most conducive environment.



2. Incubator Centres

For new entrepreneurs who are looking for temporary business premises, Incubator Centres are provided at various locations. The Incubator Centre serves as a platform for new entrepreneurs to be guided and trained before venturing into any business. These Incubator Centres are managed by MARA, SME Bank, SIRIM, MTDC and Technology Park.

MARA provides new entrepreneurs the use of its Incubator Centre for one year. Tenants at the Centre share basic office facilities.

The qualifying criteria to be placed at these Incubator Centres include bumiputera entrepreneurs between the ages of 21 and 50, having an interest to become an entrepreneur, possess entrepreneurial traits, operating a business, able to finance monthly costs of facilities used, and do not possess a business premise.

Participants of the Incubator Centre are divided into two (2) categories – permanent participants and part-time participants. Charges for the use of MARA Incubator Centres include refundable deposit, enrolment fee, monthly rental, telephone and facsimile costs.

MARA Incubator Centres:

Centres	Capacity*
Johor	6
Melaka	10
Negeri Sembilan	8
Selangor	10
Perak	8
Pulau Pinang	8
Kedah	6
Langkawi	17
Perlis	8
Kelantan	15
Terengganu	6
Pahang	12
Sarawak	6
Sabah	6
Wilayah Persekutuan KL	8

* Maximum company per centre.

FOR MORE INFORMATION, PLEASE CONTACT:

Majlis Amanah Rakyat (MARA)

Bangunan Medan MARA

No 21, Jalan Raja Laut

50609 Kuala Lumpur

Tel: 603-2691 5111

Fax: 603-2691 3620

Email: webmaster@mara.gov.my

Website: www.mara.gov.my

Incubator for Graduate Entrepreneurs Program (PIUS)

Two incubators were set-up in Johor and Shah Alam for graduate entrepreneurs. This is for graduates to be attached to bigger companies.

FOR MORE INFORMATION, PLEASE CONTACT:

Bank Perusahaan Kecil & Sederhana Malaysia Berhad (SME Bank)

Menara SME Bank
Jalan Sultan Ismail
P.O. Box 12352
50774 Kuala Lumpur
Tel: 603-2615 2020 / 2615 2828
Fax: 603-2692 8520 / 2698 1748
Email: enq_y@smebank.com.my
Website: www.smebank.com.my

SIRIM Technology Incubation Centre

The SIRIM Technology Incubation Centre initiates and nurtures new technology ventures in advanced industrial technologies. Starting at a pre-start up stage, it picks winning ideas and turns them into promising start-ups. The core activities include fund raising, market access, technology transfer, technology search and technology licensing. Currently, the eight incubation centres nationwide, plays the crucial role of bringing talent, ideas and capital together.

Strategic services:

- business plan development (ideation, market intelligence, competitive analysis, technology analysis);
- intellectual asset planning and IP management;
- product development and commercialisation;
- market access;
- fund raising;
- organisational development;
- business acceleration; and
- venture management (sell, license, JV, alliances).

FOR MORE INFORMATION, PLEASE CONTACT:

SIRIM Technology Incubation Centre

Lot PT 4803
Bandar Baru Salak Tinggi
43900 Sepang
Selangor Darul Ehsan
Tel: 603-8775 7200
Fax: 603-8706 2553 / 8775 7220
Website: www.sirim.my

MTDC Technology Incubation Centre

The MTDC Technology Incubation Centre is embodied under the Government's Technology Development Cluster (TDC) programme. The programme is designed to strengthen linkages between universities/research institutions and industries. The main objective is to activate and promote the acceleration of the commercialisation activities of both the local universities and research institutions.

The Centres are developed based on the strengths of the respective universities:

- **UPM-MTDC Technology Incubation Centre One**

The Centre which is located at the Universiti Putra Malaysia (UPM) in Serdang, Selangor, provides services for the spawning of ideas to potential entrepreneurs in ICT, multimedia and agri-bio subsectors. It was established on November 16, 1996 and is a joint-venture project between Universiti Putra Malaysia and MTDC.

It is the first of a series of MTDC technology incubation centres established within universities' campus in Malaysia. The centre is strategically located within the vicinity of the Multimedia Super Corridor and was the second area awarded with Cybercity status after Cyberjaya.

The UPM-MTDC Technology Incubation Centre One is being developed in stages and currently comprises three phases with a total built-up area of 141,964 sq ft. Phase 1 covers a built-up area of 24,600 sq ft, Phase 2 occupies 79,424 sq ft and Phase 3 covers 37,940 sq ft. These three phases cover an area of 39 acres, and expansion programs are underway. Ultimately, this centre will cover a total acreage of 167 acres.

The centre is also equipped with 34 Mb Bandwidth Communication Network.

Future Expansion:

- Server Farm (15 acres);
- International Technology Centre (50 acres);
- MTDC Technology Centre (15 acres);
- Data Centre; and
- Computer Recovery Centre.

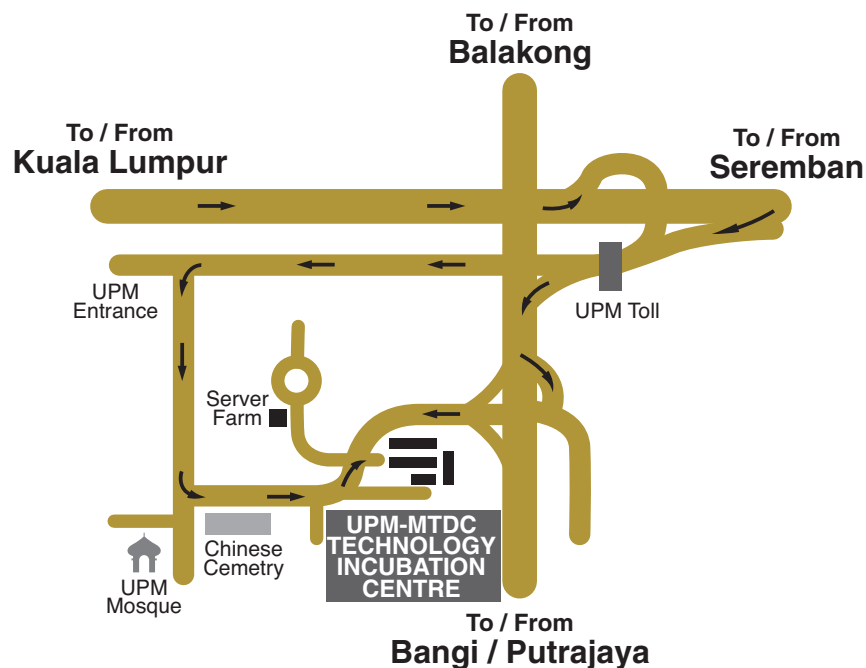
Rental information for UPM-MTDC Technology Incubation Centre One

UPM-MTDC Incubation Centre One is one of the appointed Cybercities by Multimedia Development Corporation (MDeC). Current lots are divided into 3 main types, namely Technology Garage (TG), Enterprise, and Server Farm. TG has an equivalent of 620 square feet (sq. ft.) and suitable for small office and R&D activities. While the Enterprise lots are for bigger companies with lettable area of up to 5500 sq. ft.. The Server Farm is dedicated for high-tech companies that have massive server activities. The area of the Server Farm is up to 5500 sq. ft. and has 3 main lots of Data Center 1 (DC1), Data Center 2 (DC2), and Data Center 3 (DC3). The incubator is managed by the department of Technology Incubator Management (TIM).

- Lease Periods:
 - i. TG: 6-months and next renewal of 6-months;
 - ii. Enterprise: 1 year and next renewal of 1 year; and
 - iii. Server Farm: 1 year and next renewal of 1 year.
- Rental Deposit
 - i. TG : 6-Months rental paid in advance from the commencement date.
i.e: RM2.70 per sq. ft. x 620 sq. ft. x 6-Months = RM 10,044;
 - ii. Enterprise : 2-Months rental deposit for Enterprise lots; and
 - iii. Server Farm: 2-months rental deposit for Server Farm.

- **Utility Deposit**
 - TG: RM 300 (fixed);
 - Enterprise: RM 1,000(minimum); and
 - Server Farm: RM 10,000 (minimum).
- **Rental Rates**
 - TG: RM 2.70/sq. ft. (Prepaid as rental deposit);
 - Enterprise: RM 2.50/sq. ft.;
 - Anchor Tenant: RM 2.30/sq. ft.;
 - Server Farm DC1 & DC2: RM 3.50/sq. ft.; and
 - Server Farm DC3: RM 3.00/sq. ft.
- **Utilities – Electricity & Water Expenses**
Tenants will be billed according to electricity usage.
- **Telephone Lines/Internet Service**
Tenants need to apply for their telephone service directly to the provider such as Telekom Malaysia Berhad.
- **Facilities Available**
 - auditorium at *Rashid Theatre with charges of RM50/hour applied; and
 - canteen with halal food.

**Note: Auditorium has theatre seats, PA system and screen for projector presentation.*



- **UKM-MTDC Smart Technology Centre**

The Centre is located at the Universiti Kebangsaan Malaysia (UKM) in Bangi, Selangor. The Centres focused on providing facilities for entrepreneurs in the biotech industry. It is a joint venture between Universiti Kebangsaan Malaysia (UKM) and MTDC. The centre is planned to attract companies, mainly involved in biotechnology.

The centre is located on a 6-acre piece of land within the UKM campus in Bangi. It will have enough space to accommodate between 12-15 tenants. The centre will become a new growth centre for industrial linkages between universities, industries and the private sectors.

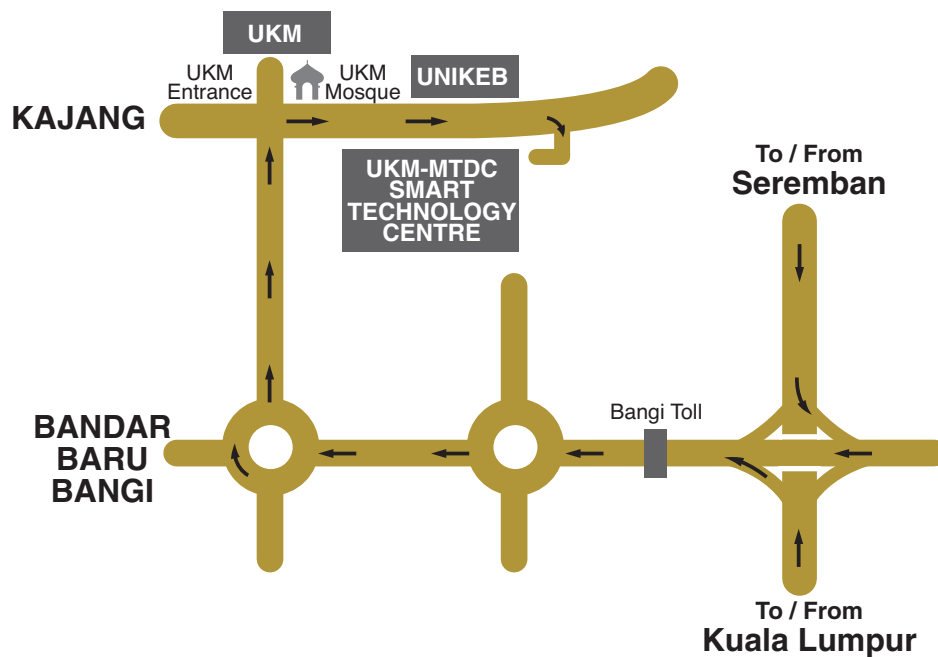
The term Smart Technology Centre is used to describe the concept of this Technology Centre which has the following characteristics:

- formal and operational links with a university or research institute;
- designed to encourage the growth of technology-based businesses that are residing on site; and
- management functions which are actively engaged in the transfer of technology and business skills to the industries.

Rental information for UKM-MTDC Smart Technology Centre

UKM-MTDC Smart Technology Centre is one of the sites focusing heavily on biotechnology. Current lots are divided into 2 main types, namely Technology Garage (TG) and Enterprise. TG has an equivalent of 396 sq. ft. and suitable for small office and R&D activities. While the Enterprise lots are for bigger companies with lettable area up to 9000 sq. ft.. The incubator is managed by the department of Technology Incubator Management (TIM).

- Lease Periods:
 - i. TG: 6-Months and next renewal of 6-months; and
 - ii. Enterprise: 1 year and next renewal of 1 year.
- Rental Deposit
 - i. TG: 6-months rental paid in advance from the commencement date; i.e: RM2.20 per sq. ft. x 396 sq. ft. x 6-months = RM 5,227.20; and
 - ii. Enterprise: 2-months rental deposit for Enterprise lots.
- Utility Deposit
 - i. TG : RM 300 (fixed); and
 - ii. Enterprise: RM 1,000 (minimum).
- Rental Rates
 - i. TG: RM 2.20/sq. ft. (prepaid as rental deposit); and
 - ii. Enterprise: RM 2.00/sq. ft.
- Utilities - Electricity & Water Expenses
Tenants will be billed according to electricity usage.
- Telephone Lines/Internet Service
Tenants need to apply for their telephone service directly to the provider such as Telekom Malaysia Berhad.
- Facilities Available
 - i. seminar Hall at Block Nukleus is for hire with charges of RM100/day (RM50/half a day); and
 - ii. canteen with halal food.



- **UTM-MTDC Technology Innovation Centre**

The Centre is located at Universiti Teknologi (UTM) Malaysia in Skudai, Johor. It is focused on the development of industries in the areas of advanced engineering and life sciences. It was established in December 2001 and is a joint venture project between Universiti Teknologi Malaysia (UTM) and MTDC. The centre is planned to attract companies mainly involved in advanced engineering and life sciences. The Centre is located on a 4.24 acre piece of land within the Technovation Park area with a total built up area of 31,200 sq. ft.

The main thrusts for the development of an Innovation Centre are:

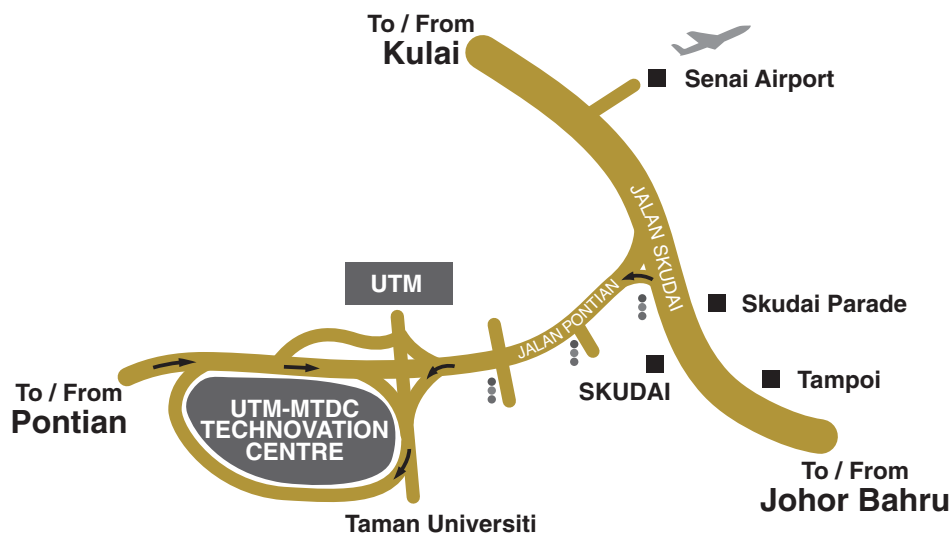
- to develop a strong science and technology-based to enhance industrial competence and competitiveness;
- to develop indigenous technologies by increasing the nations capability to adopt, adapt and improve technologies through R&D;
- to develop a pool of skilled researchers capable of handling new and emerging applied technologies;
- to ensure that environmental conservation and protection are built into the overall economic development process; and
- to develop a positive culture based on integrity, discipline and diligence to equip Malaysians for high productivity and commitment to quality.

Rental information for UTM-MTDC Technology Innovation Centre

UTM-MTDC Innovation Centre is one of the sites focusing on biotechnology. Currently lots are divided into two main types, namely Technology Garage (TG) and Enterprise. The TG lot with lettable area of 500 square feet. is suitable for small office and R&D activities. While the Enterprise lots are for bigger companies with lettable area from 1000 square feet up to 5000 sq. ft.. The incubator is managed by the department of Technology Incubator

Management (TIM).

- Lease Periods:
 - i. TG: 6-months and next renewal of 6-months; and
 - ii. Enterprise: 1 year and next renewal of 1 year.
- Rental Deposit
 - i. TG: 6-months rental paid in advanced from the commencement date.
i.e: RM1.00 per sq. ft. x 500 sq. ft. x 6-months = RM 3,000; and
 - ii. Enterprise: 2-months rental deposit for Enterprise lots.
- Utility Deposit
TG: RM 300 (fixed)
- Rental Rates
 - i. TG: RM 1.00/sq. ft. (Prepaid as rental deposit); and
 - ii. Enterprise: RM 1.00/sq. ft.
- Utilities – Electricity & Water Expenses
Tenants will be billed according to electricity usage.
- Telephone Lines/Internet Service
Tenants need to apply for their telephone service directly to the provider such as Telekom Malaysia Berhad.



FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Technology Development Corporation Sdn. Bhd. (MTDC)

Technology Incubator Management, TIM Department

22 Jalan Kia Peng,

c/o Rumah Teknologi MTDC

50450 Kuala Lumpur

Tel: 603-2164 1590 / 93 , 603-8926 1169

Fax: 603-2164 1592

Web Site: www.mtdd.com.my

3. National Incubator Network

The National Incubator Network (NIN) is one of the three key components of the Start-up Programme under the Technopreneur Development Flagship initiative. The NIN assumes an important role towards fulfilling one of the main objectives of the Flagship, that is to "capture and cluster" technopreneurs nationwide and to spawn as well as nurture a critical mass of technopreneurs, SMEs and start-up companies involved in Information and Communications Technology (ICT) and biotechnology industries.

The National Incubator Network comprise a unique "community" where incubators throughout the country will be part of a network-sharing and providing opportunities for new ventures, knowledge and expertise on a common platform.

The Multimedia Development Corporation spearheads this initiative to create sustainable incubators nationwide that would provide a conducive environment to nurture budding technopreneurs. Built within the NIN also is the knowledge-based Centre of Expertise which helps in developing best practice incubation models, programmes and talent to mentor and nurture successful start-ups, such as mentoring programmes, business advisory and business plan enrichment services.

Benefits to Technopreneurs:

- Incubators that are members of the NIN would present technopreneurs with the ideal environment to nurture their ideas and transform them into successful businesses. Incubator operators will provide strategic guidance, mentoring and assistance to technopreneurs;
- Technopreneurs located in MSC Status incubators (within or outside the MSC zone) will be able to enjoy some of the incentives under the Bill of Guarantees;
- Technopreneurs will be clustered and be able to leverage from the community network and Centre of Expertise in terms of knowledge-sharing; and
- Through joint efforts at the strategic level and project collaboration with world class ICT companies/leading international incubators, technopreneurs will be able to gain added value in terms of knowledge, resources and new market access.

Existing Incubators

There are currently 19 incubators nationwide.

List of MSC-status incubators:

Incubation Centre	Technology Focus	Location	Contact Person
MSC Central Incubator	ICT / Multimedia	63000 Cyberjaya Selangor	Mr. A.Balasubramaniam E-mail: bala@mdec.com.my
Kulim Technology Park	ICT / Multimedia / Bio-technology	Suite 3.01-3.02 3rd Floor KHTP Business Center	En. Annuar Mohd Safar Adnan Ismail E-mail: annuar@sciencecity.com.my
BT Multimedia (Malaysia) Sdn Bhd	ICT / Multimedia	Cyberview Lodge Office Complex MSC Headquarters Jasmine Block Suite A, 1st Floor 63000 Cyberjaya Selangor Darul Ehsan	Dr. Kamal Jit Singh Dr. Hiew Pang Leang E-mail: pangleang.hiew@bt.com

Incubation Centre	Technology Focus	Location	Contact Person
N2N Venture Solutions Sdn Bhd	ICT / Multimedia	Unit 4.08, Level 4, Annexe, AMODA, 22, Jalan Imbi, 55100 Kuala Lumpur	Mr. Francis Wong E-mail: francis@dtexsystems.com.my
YTL E-Solutions Bhd	ICT / Multimedia	4th Floor, Annexe Block Lot 10 Shopping Complex 50 Jalan Sultan Ismail 50250 Kuala Lumpur	Mr. Amarjit Chinna E-mail: amarjit.ytle@ytl.com.my
ISpring Capital Sdn Bhd	ICT / Multimedia	Suite 9.2 9th Floor Menara CSM Jalan Semangat 46100 Petaling Jaya Selangor	Mr. Ng Wei Pong Tel: 603-7957 1660
Usains Tech Services Sdn Bhd	ICT / Multimedia	Kompleks EUREKA Universiti Sains Malaysia 11800 Penang	Dr Gan Ee Kiang E-mail: ekgan@usm.my Tel: 606-227 9911
Melaka K-Economy Incubator	ICT / Multimedia, Biotechnology / Bioinformatics	Locked Bag No. 120 Ayer Keroh Post Office 75450 Ayer Keroh Melaka	Tel: 606-227 9911
BioEnterprise Asia Sdn Bhd	Bio-technology / Life Sciences	Level 36, Menara Citibank 165, Jalan Ampang 50450 Kuala Lumpur	Dr Gurinder Shahi E-mail: gurinder.shahi@bioenterprise.org
SIRIM Technology Incubator	Biotechnology, electrical & electronic, ICT	Sepang Incubator Centre Lot PT 4803 Bandar Baru Salak Tinggi 43900 Sepang Selangor	En. Mohd Ghazali Mohd Yunus E-mail: ghazali@sirim.my Tel: 603-8775 7205 / 7200
SKALI E-Ventures Sdn Bhd	ICT / Biotechnology / e-business, Virtual based incubator	Block C UPM-MTDC Technology Centre One UPM 43409 Serdang Selangor	YM Tengku Farith Rithaudeen Tel: 603-8656 8468
Bureau of Innovation & Consultancy (BIP)	ICT / Advanced Manufacturing	Industry Centre Technovation Park Universiti Teknologi Malaysia	Dr Azlan Adnan E-mail: azelan@bip.utm.my

FOR MORE INFORMATION, PLEASE CONTACT:

Multimedia Development Corporation Sdn Bhd (MDeC)

MSC Central Incubator

63000 Cyberjaya

Selangor Darul Ehsan

Tel: 603-8315 3000 / 8313 8001

Fax: 603-8318 8519 / 8313 8017

E-mail: info@mdec.com.my

Website: www.mdec.com.my





Chapter 4 **FINANCIAL ASSISTANCE**

Government Fundings

Private Sector Fundings

Commercial Banks

CHAPTER 4

FINANCIAL ASSISTANCE

The Government provides an enabling environment for the growth and development of globally competitive and resilient Small and Medium Enterprises (SMEs). Initiatives and programmes by the Government are directed towards addressing constraints and enhancing capabilities of SMEs in areas such as financial accessibility, advisory services, marketing, technology and ICT.

Incentives in the form of grants and soft loans are provided by the various Ministries and their agencies. Apart from the Government, Ministries and agencies funds are also channelled through developmental financial institutions as well as commercial financial institutions.

GOVERNMENT FUNDINGS

1. Grants

To provide greater financial accessibilities, the Government through its agencies offers various grants and incentives to the SMEs. Partial matching grants are provided to finance product and process improvement quality certification and management system improvements, market development, skills upgrading, factory audit and acquisition of strategic technology.

Matching Grant for Business Start-Ups

The objective for this Scheme is to provide assistance to entrepreneurs in starting up of businesses.

Qualifying Criteria

The grants offered to assist companies to set-up enterprises comprise:

- manufacturing companies or companies providing manufacturing related services incorporated under the Companies Act 1965 or enterprises in the manufacturing sector incorporated under the Registration of Business Ordinance 1956 with annual sales turnover of not exceeding RM25 million or full-time employees not exceeding 150;
- for the services sector, businesses incorporated under the Registration of Business Ordinance 1956 with an annual sales turnover of not exceeding RM5 million or full-time employees not exceeding 50;
- at least 60% equity held by Malaysians; and
- possess valid premise license.

Sector Coverage

- Manufacturing;
- Manufacturing Related Services**; and
- Services (excluding insurance and financial services).

Form of Assistance

Assistance is given in the form of a matching grant where 50% of the approved project cost is borne by the Government and the remainder by the applicant. For enterprises in the manufacturing sector incorporated under the Registration of Business Ordinance 1956, assistance is given up to 80% of the approved cost. However, these businesses need to convert to Sdn. Bhd. companies, before 31 May 2009. The maximum grant allocated per application is RM40,000.

Eligible Expenses

Expenses incurred in starting up a business, including:

- Preparation of Business Planning;
- Related Feasibility Studies;
- Rental of incubators and business premises up to 24 months;
- Rental of equipment and machineries related to incubator rental (according to brochure);
- Development of prototype; and
- Product sample and testing.

Application

Application can be made using the Matching Grant for Business Start-Ups Form which can be obtained free of charge from SMIDEC's offices or downloaded from SMIDEC's website: www.smidec.gov.my.

FOR MORE INFORMATION, PLEASE CONTACT:

Secretariat

Matching Grant for Business Start-Ups

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5

No. 5, Jalan SS21/39, Damansara Utama

47400 Petaling Jaya

Selangor Darul Ehsan

Tel: 603-7628 7400

Fax: 603-7665 1920

Tol Free Line: 1-800-18-1801

E-mail: info@smidec.gov.my

Website: www.smidec.gov.my

***Main activities under manufacturing related services are:*

- *Research and Development (R&D) such as product/process development and software development;*
- *Product and Process Design;*
- *Distribution and Logistics such as warehousing, freight forwarding, bulk breaking, international procurement centre, haulage;*
- *Marketing such as packaging and market research;*
- *Environmental Management; and*
- *Other related services such as engineering support services, gas sterilization services, calibration and testing services.*

Matching Grant for Product and Process Improvement

The objective of this scheme is to provide matching grant to SMEs for improvement and upgrading of existing products, product design and processes.

Qualifying Criteria

- manufacturing companies or companies providing manufacturing related services incorporated under the Companies Act 1965 with annual sales turnover of not exceeding RM25 million or full-time employees not exceeding 150;
- for the services sector, businesses incorporated under the Registration of Business Ordinance 1956 with an annual sales turnover of not exceeding RM5 million or full-time employees not exceeding 50;
- at least 60% equity held by Malaysians; and
- possess valid premise license.

Sector Coverage

- Manufacturing;
- Manufacturing Related Services**; and
- Services (excluding insurance and financial services).

Form of Assistance

Assistance is given in the form of a matching grant where 50% of approved project cost is borne by the Government and the remainder by the applicant. The maximum grant allocated per application is RM500,000.

Eligible Expenses

Expenses related in improving and upgrading of existing products, product design and processes including:

- Technology Feasibility Studies;
- Fees for technology transfer;
- Development of prototypes and system design;
- Product testing;
- Product registration;
- Marking and labeling;
- Machine & equipment testing and calibration;
- Development & designing of equipment and machinery;
- Purchase of machinery and equipment related to the approved project;
- Initial patent registration/patent search/IP Protection;
- Specific Project Mission for technology study; and
- Cleaner Production and Waste Treatment Project including Energy Efficiency Audit.

***Main activities under manufacturing related services are:*

- *Research and Development (R&D) such as product/process development and software development;*
- *Product and Process Design;*
- *Distribution and Logistics such as warehousing, freight forwarding, bulk breaking, international procurement centre, haulage;*
- *Marketing such as packaging and market research;*
- *Environmental Management; and*
- *Other related services such as engineering support services, gas sterilization services, calibration and testing services.*

Application

Application can be made using the Matching Grant for Product and Process Improvement Form which can be obtained free of charge from SMIDEC's offices or downloaded from SMIDEC's website: www.smidec.gov.my.

FOR MORE INFORMATION, PLEASE CONTACT:

Secretariat

Matching Grant for Product and Process Improvement

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5

No. 5, Jalan SS21/39, Damansara Utama

47400 Petaling Jaya,

Selangor Darul Ehsan.

Tel: 603-7628 7400

Fax: 603-7660 1919

Toll Free Line: 1-800-18-1801

E-mail: info@smidec.gov.my

Website: www.smidec.gov.my

Matching Grant for Certification and Quality Management System

Objective

The Scheme provides matching grant for SMEs to obtain certification and quality management systems.

Qualifying Criteria

- manufacturing companies or companies providing manufacturing related services incorporated under the Companies Act 1965 with annual sales turnover of not exceeding RM25 million or full-time employees not exceeding 150;
- for the services sector, businesses incorporated under the Registration of Business Ordinance 1956 with an annual sales turnover of not exceeding RM5 million or full-time employees not exceeding 50;
- at least 60% equity held by Malaysians; and
- possess valid premise license.

Sector Coverage

- Manufacturing;
- Manufacturing related services**; and
- Services (excluding insurance and financial services).

***Main activities under manufacturing related services are:*

- *Research and Development (R&D) such as product/process development and software development;*
- *Product and Process Design;*
- *Distribution and Logistics such as warehousing, freight forwarding, bulk breaking, international procurement centre, haulage;*
- *Marketing such as packaging and market research;*
- *Environmental Management; and*
- *Other related services such as engineering support services, gas sterilization services, calibration and testing services.*

Form of Assistance

Assistance is given in the form of a matching grant where 50% of approved project cost is borne by the Government and the remainder by the applicant. The maximum grant allocated per application is RM250,000.

Eligible Expenses

Expenses incurred in obtaining certification and quality management systems such as:

- ISO 13485, ISO 14000, ISO 22000;
- Product Certification;
- Hazard Analysis Critical Control Point (HACCP);
- *Halal* certification & MS1500:2004 ;
- TS 16949;
- Quality Improvement Practice e.g. 5S, Six-Sigma and Productivity Audit;
- Good Manufacturing Practice (GMP);
- Occupational, Safety and Health Management System (OSHA);
- Restriction of Hazardous Substance (RoHS);
- Good Agriculture Practice (GAP);
- Good Hygiene Practice (GHP);
- Regulatory Impact Assessment (RIA);
- British Retailers' Consortium (BRC); and
- Other related costs to comply to requirements of standards and certification.

Application

Application can be made using the Matching Grant for Certification and Quality Management Systems Form which can be obtained free of charge from SMIDEC's offices or downloaded from SMIDEC's website: www.smidec.gov.my.

FOR MORE INFORMATION, PLEASE CONTACT:

Secretariat

Matching Grant for Certification and Quality Management Systems

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5

No. 5, Jalan SS21/39, Damansara Utama

47400 Petaling Jaya,

Selangor Darul Ehsan.

Tel: 603-7628 7400

Fax: 603-7660 1919

Toll Free Line: 1-800-18-1801

E-mail: info@smidec.gov.my

Website: www.smidec.gov.my

Grant for Enhancing Marketing Skills of SMEs

Objective

This scheme provides assistance for SMEs to improve their marketing strategies to compete in both the domestic as well as export markets.

The scheme is aimed at assisting SMEs to enhance their employees' marketing skills through short-term courses in areas such as marketing strategies and planning, pricing, distribution, development of brand, merchandising and customer services.

Qualifying Criteria

- manufacturing companies or companies providing manufacturing related services incorporated under the Companies Act 1965 with annual sales turnover not exceeding RM25 million, or with full-time employees not exceeding 150;
- for the services sector, businesses must be incorporated under the Registration of Business Ordinance 1956 with an annual sales turnover not exceeding RM5 million, or with full-time employees not exceeding 50;
- at least 60% of the equity held by Malaysians; and
- possess valid premise license.

Sector Coverage

- Manufacturing;
- Manufacturing related services**; and
- Services (excluding insurance and financial services).

Form of Assistance

Assistance is given in the form of a matching grant where 50% of the cost of training is borne by the Government and the remainder by the applicant. For enterprises in the manufacturing sector incorporated under the Registration of Business Ordinance 1956, assistance is given up to 80% of the training cost.

Eligible Expenses

The scheme covers the participation or training fees for the following courses:

- Sales Performance Training
 - Professional Certified Sale Professional (CSP);
 - Professional Certified Sales Manager (CSM); and
 - Professional Certified Account Manager (CAM).
- Customer Services Training
 - Professional Certified Customer Service Practitioner (CCSP);
 - Skill Certificate in Customer Care; and
 - Skill Certificate in Customer Relationship Management (CRM).
- Marketing
 - Strategic Brand Building;
 - Analyzing Market Opportunities through Market Research;
 - Developing an Effective Marketing Plan;
 - Maximizing Marketing Communication; and
 - Developing the Market Driven Organisation.

***Main activities under manufacturing related services are:*

- *Research and Development (R&D) such as product/process development and software development;*
- *Product and Process Design;*
- *Distribution and Logistics such as warehousing, freight forwarding, bulk breaking, international procurement centre and haulage;*
- *Marketing such as packaging and market research;*
- *Environmental Management; and*
- *Other related services such as engineering support services, gas sterilization services, calibration and testing services.*

FOR MORE INFORMATION, PLEASE CONTACT:**Small and Medium Industries Development Corporation (SMIDEC)**

701D, Level 7, Tower D, Uptown 5
No. 5, Jalan SS21/39, Damansara Utama
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 603-7628 7400
Fax: 603-7660 1919
Toll Free Line: 1-800-18-1801
E-mail: info@smidec.gov.my
Website: www.smidec.gov.my

Matching Grant for Enhancing Product Packaging

The Scheme provides assistance to SMEs to acquire and improve product packaging, design and labeling, thus enabling companies to enhance product appearance and comply with market requirements.

Qualifying Criteria

- manufacturing companies or companies providing manufacturing related services incorporated under the Companies Act 1965 or enterprises in the manufacturing sector incorporated under the Registration of Business Ordinance 1956 with annual sales turnover of not exceeding RM25 million or full-time employees not exceeding 150;
- for the services sector, businesses incorporated under the Registration of Business Ordinance 1956 with an annual sales turnover of not exceeding RM5 million or full-time employees not exceeding 50;
- at least 60% equity held by Malaysians; and
- possess valid premise license.

Sector Coverage

- Manufacturing;
- Manufacturing related services**; and
- Services (excluding insurance and financial services).

Form of Assistance

Assistance is given in the form of a matching grant where 50% of the approved project cost is borne by the Government and the remainder by the applicant. For enterprises in the manufacturing sector incorporated under the Registration of Business Ordinance 1956, assistance is given up to 80% of the approved cost. The maximum grant allocated per application is RM200,000.

***Main activities under manufacturing related services are:*

- *Research and Development (R&D) such as product/process development and software development;*
- *Product and Process Design;*
- *distribution and Logistics such as warehousing, freight forwarding, bulk breaking, international procurement centre, haulage;*
- *marketing such as packaging and market research;*
- *environmental Management; and*
- *other related services such as engineering support services, gas sterilization services, calibration and testing services.*

Eligible Expenses

Expenses incurred in acquiring and improving product packaging, design and labelling such as:

- Costs and services for designing, packaging, marking and labelling;
- Trade mark and patent registration; and
- Purchase of related machinery and equipment.

Application

Application can be made using the Matching Grant for Enhancing Product Packaging Form which can be obtained free of charge from SMIDEC's offices or downloaded from SMIDEC's website: www.smidec.gov.my.

FOR MORE INFORMATION, PLEASE CONTACT:

Secretariat

Matching Grant for Enhancing Product Packaging

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5

No. 5, Jalan SS21/39, Damansara Utama

47400 Petaling Jaya,

Selangor Darul Ehsan.

Tel: 603-7628 7400

Fax: 603-7660 1919

Toll Free Line: 1-800-18-1801

E-mail: info@smidec.gov.my

Website: www.smidec.gov.my

Matching Grant for Development and Promotion of *Halal* Products

The Scheme provides matching grant for SMEs to develop and promote *Halal* products (food and non-food).

Qualifying Criteria

- locally incorporated companies with at least 60% equity held by Malaysians;
- must not be listed on any stock exchange; and
- possess valid premise license.

Sector Coverage

- Manufacturing;
- Manufacturing related services (such as warehousing, bulk-breaking and packaging); and
- Services (excluding insurance and financial services).

Form of Assistance

Assistance is given in the form of a matching grant where 50% of the approved project cost is borne by the Government and the remainder by the applicant. For enterprises in the manufacturing sector, incorporated under the Registration of Business Ordinance 1956, assistance is given up to 80% of the approved cost. The maximum grant allocated per application is RM150,000.

Eligible Expenses

Expenses incurred in developing and promoting *halal* products, including:

- product development & product formulation;
- sample testing;
- acquisition of machinery and equipment related to the approved project;
- renovation expenditure for compliance to *Halal* certification requirement;
- other related costs for compliance to requirements of *Halal* certification; and
- promotional activities (making cost with Hypermarket and media advertising).

Application

Application can be made using the Matching Grant for Development and Promotion of *Halal* Products Form which can be obtained free of charge from SMIDEC's offices or downloaded from SMIDEC's website: www.smidec.gov.my.

FOR MORE INFORMATION, PLEASE CONTACT:

Secretariat

Matching Grant for Development and Promotion of *Halal* Products

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5

No. 5, Jalan SS21/39, Damansara Utama

47400 Petaling Jaya,

Selangor Darul Ehsan.

Tel: 603-7628 7400

Fax: 603-7660 1919

Toll Free Line: 1-800-18-1801

E-mail: info@smidec.gov.my

Website: www.smidec.gov.my

Grant for Skills Upgrading

The Scheme is aimed at enhancing the skills and capabilities of employees of SMEs in the technical and managerial levels, particularly in critical areas such as the electrical and electronics, information technology, industrial design and engineering fields.

SMIDEC has appointed 22 training providers to undertake technical skills training for SMEs:

- German-Malaysian Institute (GMI);
- Sarawak Skills Development Centre (PPKS);
- Johor Skills Development Centre (PUSPATRI);
- Penang Skills Development Centre (PSDC);
- Terengganu Advanced Technical Institute (TATI);
- Malaysia France Institute (MFI);
- Pahang Skills Development Centre (PSDC);
- Kedah Industrial Skills and Management Development Centre (KISMEC);
- Perak Entrepreneur and Skills Development Centre (PESDC);
- Selangor Human Resource Development Centre (SHRDC);
- Negeri Sembilan Skills Development Centre (NSSDC);
- Malacca Industrial Skills Development Centre (MISDC);
- Sabah Skills and Technology Centre (SSTC);
- SIRIM Bhd.;
- Technology Park Malaysia (TPM);

- Malaysian Institute for Nuclear Technology Research (MINT);
- National Productivity Corporation (NPC);
- Kumpulan IKRAM Sdn Bhd;
- National Institute of Occupational Safety and Health (NIOSH);
- Institute of Global Management (IGM);
- Bureau of Innovation & Consultancy; and
- University of Malaya Centre for Continuing Education (UMCCed).

Form of Assistance

Assistance is given in the form of a matching grant where 50% of the cost of training is borne by the Government of the remainder by the applicant.

In addition, the remaining costs can also be claimed through the Human Resource Development Fund (HRDF), if the company continued to HRDF with the Human Resources Development Board (HRDB).

For enterprises in the manufacturing sector, incorporated under the Registration of Business Ordinance 1956, assistance is given up to 80% of the training cost.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5
 No. 5, Jalan SS21/39, Damansara Utama
 47400 Petaling Jaya,
 Selangor Darul Ehsan.
 Tel: 603-7628 7400
 Fax: 603-7660 1919
 Toll Free Line: 1-800-18-1801
 E-mail: info@smidec.gov.my
 Website: www.smidec.gov.my

Grant for RosettaNet Standard Implementation

The implementation of the RosettaNet Standard will enable Malaysian companies to adopt efficient business processes with large companies as well as preparing them to embrace global Supply Chain Management (SCM) System.

The adoption of the RosettaNet Standard would enable local companies to conduct business electronically through common codes for sourcing of parts and components with their partners, suppliers and buyers apart from enjoying the benefits of reduced inventory costs, time to market and lower transaction costs.

Qualifying Criteria

- companies incorporated under the Companies Act 1965;
- at least 60% equity held by Malaysian; and
- manufacturing and supplying products to large scale companies or Multi National Corporations (MNCs) which have implemented the RosettaNet Standard.

i. RosettaNet Direct Model

This model provides assistance for local companies to implement the complete RosettaNet Standard which enables companies to implement and host their own RosettaNet Gateway infrastructure.

Form of Assistance

The assistance is given in the form of a matching grant, where 50 per cent of the approved project cost is borne by the Government and the remainder by the applicant. The maximum grant allocated per company is RM100,000.

ii. RosettaNet ASP Model

This model provides assistance for companies to implement the RosettaNet Standard through subscription to hosted services offered by Application Service Providers (ASPs). The ASP must be registered with RosettaNet (M) Berhad and provides services and application that complies to RNIF1.1 or higher.

Form of Assistance

- **For SMEs**

The assistance is given in the form of a partial grant, where 70 per cent of the approved project cost is borne by the Government and the remainder by the applicant. The maximum grant allocated per company is RM30,000.

- **For Non-SMEs**

The assistance is given in the form of a matching grant, where 50 per cent of the approved project cost is borne by the Government and the remainder by the applicant. The maximum grant allocated per company is RM30,000.

FOR MORE INFORMATION, PLEASE CONTACT:

Secretariat

Grant For RosettaNet Standard Implementation

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5

No. 5, Jalan SS21/39, Damansara Utama

47400 Petaling Jaya,

Selangor Darul Ehsan.

Tel: 603-7628 7400

Fax: 603-7660 1919

Toll Free Line: 1-800-18-1801

E-mail: info@smidec.gov.my

Website: www.smidec.gov.my

Special Assistance Scheme for Women Entrepreneurs

The Special Assistance Scheme for Women Entrepreneurs allows greater access to financing for women entrepreneurs. The main objectives of the schemes are:

- to integrate more companies/enterprises owned and run by women into the mainstream of manufacturing through inter and intra industries linkages;
- to enhance the global competitiveness of companies/enterprises owned and run by women; and
- to upgrade the technological capabilities and technical skills and expertise of companies/enterprises owned and run by women.

Qualifying Criteria

- manufacturing companies or companies providing manufacturing related services** incorporated under the Companies Act 1965 with annual sales turnover not exceeding RM25 million, or with full-time employees not exceeding 150;
- for the services sector, businesses must be incorporated under the Registration of Business Ordinance 1956 with an annual sales turnover not exceeding RM5 million, or with full-time employees not exceeding 50;
- at least 60% of the equity held by Malaysians;
- possess valid premise license; and
- for a 100% Malaysian-owned company:
 - a minimum of 51% of the equity must be held by the woman/women; or
 - in the case where the majority equity is not held by the woman/women;
 - i. the largest single shareholder must be a women and the company is run and managed by a women; or
 - ii. the MD/CEO is a woman and has a minimum equity of 10% in the company.
- for a 60% Malaysian-owned company:
 - a minimum of 51% of the local equity must be held by the woman/women and the company is run and managed by a woman; or
 - the MD/CEO must be a woman and she must hold a minimum of 10% in the company;
 - for existing businesses with a minimum period of one year in operation, grants are offered for expansion programmes.

Forms of Assistance

Assistance is available in the forms of matching/partial grants and soft loans from the Ministry of International Trade and Industry (MITI) and its agencies. These are in the forms of:

- Matching Grant for Business Start-ups;
- Matching Grant for Product and Process Improvement;
- Matching Grant for Certification and Quality Management Systems;
- Grant for Enhancing Marketing Skills of SMEs;
- Matching Grant for Enhancing Product Packaging;
- Matching Grant for Development and Promotion of *Halal* Products;
- Grant for Skills Upgrading;
- Grant for RosettaNet Standard Implementation;
- Soft Loan for Small and Medium Enterprises;
- Soft Loan Scheme for Factory Relocation; and
- Soft Loan Scheme for ICT Adoption.

FOR MORE INFORMATION, PLEASE CONTACT:

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5
No. 5, Jalan SS21/39, Damansara Utama
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 603-7628 7400
Fax: 603-7660 1919
Toll Free Line: 1-800-18-1801
E-mail: info@smidec.gov.my
Website: www.smidec.gov.my

Technology Acquisition Fund (TAF)

The objectives of TAF are as follows:

- to promote technology upgrading through the introduction and utilisation of technologies in the manufacturing and physical development of existing and new products or processes;
- to enhance the competitiveness level of Malaysian companies to compete globally; and
- to increase wealth creation and technology content of Malaysian companies via acquisition of foreign technology.

Priority Technology Clusters:

Project proposals eligible for consideration must be listed in the following Priority Technology Clusters:

- Biotechnology;
- Agriculture;
- ICT; and
- Industrial (advanced materials, advanced manufacturing, manutechnology, alternative energy, waste to wealth).

Eligible Activities Under TAF

TAF will fund Acquisition of technology (know-how/patent rights/prototype/design) via the following methods:

- licensing;
- non-exclusive purchase of technology; and
- outright purchase of technology.

Target Group

Incorporated Malaysian manufacturing companies (SMEs and large corporation) excluding GLCs, public listed companies and their subsidiaries.

Eligibility Criteria

Eligibility criteria for companies applying for TAF:

- the company must be incorporated in Malaysia;
- the company must be 51% owned by Malaysian;
- the management, marketing, and technical team must have relevant qualification and experience;
- the proposed technology to be acquired must have been proven and commercially produced in the country of origin; and
- the technology acquired is to be immediately adopted in the company's manufacturing activity.

Note: Malaysian companies are eligible (excluding GLCs, listed companies and their subsidiaries).

Eligible Expenses

- Cost of technology acquisition; and
- Training

Funding Quantum

The quantum of funding approved under TAF is up to a maximum of 50% or RM2,000,000 whichever is lower depending on the merits of each application.

TAF Agreement

A TAF agreement will be signed between MTDC (on behalf of the government) and grant recipient detailing the terms and conditions of the funding.

Disbursement of Grant

Disbursement of grant will be made in accordance to the following:-

- approved grant will be disbursed either on a matching or reimbursement basis according to the claims submitted by the grant recipient; and
- approved grant will be disbursed in stages in accordance to Schedule 2 of the Grant Agreement and subject to the satisfactory progress of the project in terms of deliverables and milestones reached.

Project Duration

The project duration for each activity under TAF is up to 2 years for project implementation and 2 years for project monitoring.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Technology Development Corporation (MTDC)

Level 3-4, MIDF Building, 195A, Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia

Tel: 603-2161 2000

Fax: 603-2163 7549

E-mail: grant@mtdc.com.my

Website: www.mtdc.com.my

Commercialisation of Research and Development Fund (CRDF)

The Government has been investing significantly in research and development (R&D) activities in an effort to strengthen the technological capability and capacity of the nation. Under the 9th Malaysia Plan (9MP), the Government is giving priority to market-oriented.

R&D and increasing the rate of commercialisation.

In tandem with the 9MP, the Commercialisation of R&D Fund (CRDF) has been redesigned to provide financial assistance to universities/research institutions and eligible Malaysian companies to undertake full commercialisation.

Note: Under CRDF, commercialisation refers to a process by which the results of research projects are converted to marketable products and commercially produced.

Objectives

The objectives of CRDF are as follows:

- to leverage on science, technology and innovation (STI) for national development;
- to increase the commercialisation of STI products and processes developed by local universities/research institutions/companies;

- to increase wealth creation and technology content of SMEs/Large Corporation via commercialisation of R&D done by local universities/research institutions/companies; and
- to foster greater collaboration between universities/research institutions and industry.

Priority Technology Clusters

Project proposals eligible for consideration must be listed in the following Priority Technology Clusters:

- biotechnology;
- agriculture;
- ICT; and
- industrial (Advanced Materials, Advanced Manufacturing, Nanotechnology, Alternative Energy, Waste to wealth).

CRDF Category

- CRDF for Universities/Research Institutions; and
- CRDF for SME/Large Corporation/Public Listed Company.

Eligible Activities Under CRDF

CRDF for Universities/Research Institutions

- **CRDF 1**
Feasibility Study on public sector R&D results for university/research institution's commercialisation office.
- **CRDF 2**
Commercialisation of public sector R&D results via university/research institution's spin-off company.

CRDF for SME/Large Corporation/Public Listed Company

- **CRDF 3**
Commercialisation of public sector R&D results undertaken by SME via Start-up Company
- **CRDF 4**
CRDF 4 comprises 3 sub-categories:-
 - CRDF 4(a)
Commercial Production of Any Locally Generated R&D Results by SME;
 - CRDF 4(b)
Commercial Production of Public Sector R&D Results by Large Corporation; and
 - CRDF 4(c)
Commercial Production of Public Sector R&D Results by Public Listed Company.

CRDF Agreement

A CRDF Agreement will be signed between MTDC (on behalf of the government) and grant recipient detailing the terms and conditions of the funding.

Disbursement of Grant

Disbursement of grant will be made in accordance with the following:

- approved grant will be disbursed either on a matching or reimbursement basis according to the claims submitted by the grant recipient; and
- approved grant will be disbursed in stages in accordance to Schedule 2 of the Grant Agreement and subject to the satisfactory progress of the project in terms of deliverables and milestones reached.

FOR MORE INFORMATION, PLEASE CONTACT:

Malaysian Technology Development Corporation (MTDC)

Level 3-4, MIDF Building, 195A, Jalan Tun Razak,

50400 Kuala Lumpur, Malaysia

Tel : 603-2161 2000

Fax: 603-2163 7549

E-mail: grant@mtdc.com.my

Website: www.mtdc.com.my

Inno - Fund

Realising the importance of innovation to national wealth creation and social well being, the Government initiated the Innovation Fund (Inno-Fund) during the Ninth Malaysia Plan (2006 -2010) comprising Enterprise Innovation Fund (EIF) and Community Innovation Fund (CIF).

The aims of Inno-Fund are:

i) Individual, Micro and Small Enterprises

To assist individuals/sole-proprietors, micro and small businesses/enterprises to develop new or improve existing products, process or services with elements of innovation for commercialisation.

ii) Community Groups

To assist community groups to convert knowledge/idea into products/processes/ services that improves the quality of life of communities.

Enterprise Innovation Fund (EIF)

Eligibility

To be eligible for EIF:

- applicants must be a Malaysian individual/sole-proprietor, micro, or small enterprise;
- applicants must show proof that they can fund their share of project costs not funded under Innofund;
- project proposal must contain elements of technological innovation leading to commercialisable applications, products or services;
- the technological innovation may be either:
 - recombination/fusion/integration or
 - replication/refinement of existing technologies with improved value, enhanced efficiency or cost reduction.
- have appropriate management team (for micro and small enterprise only).

Note: Micro Enterprise – annual sales turn over of less than RM250,000 or full time employees of less than 5; Small Enterprise – annual sales turn over of RM250,000 to less than RM10 million or full time employees of 5 to 50

Target Group

- Individual/Sole Proprietor;
- Micro Enterprise; or
- Small Enterprise.

Note: MSC Status companies are not eligible to apply for this fund

Quantum of Funding

The quantum of funding approved under EIF will be determined on the merits of each application listed below:

Target Group Quantum

- Individual/Sole Proprietor - Up to RM20,000;
- Micro - Up to RM50,000; and
- Small - Up to RM250,000.

Scope of Funding

The eligible expenditures are:

- Consumables/materials;
- Equipment (not more than 40% of total project cost);
- Expenditure for services (consultancy and testing);
- Project Documentation;
- Regulatory and Standard Compliance; and
- Market testing (including samples, fees and documentation for participation in trade fairs and exhibitions).

Technology Clusters

Project proposals eligible for consideration must fall under any of the technology clusters listed below:

- Agriculture Cluster
- Information and Communication Technology (ICT) Cluster:
 - Information System;
 - ICT Infrastructure;
 - Software;
 - Emerging Information Technology;
 - Communication;
 - Security System;
 - Signal Processing;
 - Database Technology; and
 - ICT Application.
- Biotechnology Cluster:
 - healthcare; and
 - industrial.
- Industry Cluster:
 - Advanced Materials;
 - Advanced Manufacturing;

- Nanotechnology;
- Alternative Energy;
- Radiation Technology;
- Waste to Wealth;
- Processing Technology;
- Engineering Development; and
- Environment.

Approval Criteria

Approval of projects takes into consideration, among others, the following criteria:

- applicants must submit proposals leading to commercialisation of innovative products, processes and services;
- applicants must belong to any of the target groups listed above;
- person(s) involved in project should have suitable qualification or experience;
- projects must focus on either one of the technology cluster identified;
- applicants (for individual applicants only) must identify one key person that MOSTI may contact as referee for your application. Please ensure that you have the consent of this individual to be listed as your application referee. The referee must be aware of the details of your application;
- applicants must show proof of financial capability to finance the portion not funded by EIF;
- projects must contribute economic benefits to Malaysian economy; and
- fulfill other conditions stipulated under the guidelines and policies of the Inno-Fund.

Community Innovation Fund (CIF)

Eligibility

To be eligible for CIF:

- Applicants must be a Malaysian community group; and
- The proposal must contain innovative elements leading to the development of products / services/processes that improve societal well-being.

Target Group

Community Groups (such as Non Governmental Organisations, Community Associations, Village Development and Security Committees (JKKK)).

Quantum of Funding

The quantum of funding approved under CIF will be determined on the merits of each application listed below:

- Community group - Up to RM500,000

Scope of Funding

The eligible expenditure are:

- Consumables/materials;
- Equipment (not more than 40% of total project cost);
- Expenditure for services (consultancy);
- Product Documentation; and
- Demonstration application (including samples, fees and documentation for participation exhibitions).

Technology Clusters

There is no technology clusters for CIF. However, the emphasis is innovation that improves societal well-being.

Approval Criteria

Approval of projects takes into consideration, among others, the following criteria:

- applicants must submit proposals which clearly projects social benefit;
- applicants must belong to any of the target groups listed above;
- proposed project must contain mechanisms of sustainability and diffusion;
- fulfill other conditions stipulated under the guidelines and policies of the InnoFund; and
- applicants must identify one key person that MOSTI may contact as referee for your application. Please ensure that you have the consent of this individual to be listed as your application referee. The referee must be aware of the details of your application.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Ministry of Science, Technology and Innovations (MOSTI)

Science, Technology and Innovation Division

Aras 1 - 7, Blok C5,

Pusat Pentadbiran Kerajaan Persekutuan,

62662 Putrajaya, Malaysia

Tel: 603-8885 8153 / 8841 / 8050 / 8750 / 8543

Fax: 603-8888 9473

Email: innofund@mosti.gov.my

Web Site: <http://www.mosti.gov.my>

Techno - Fund

Techno-Fund aims to:

- stimulate the growth and successful innovation of Malaysian medium and large enterprises by increasing the level of R&D and its commercialisation;
- increase capability and capacity of Malaysian Government Research Institutes (GRI) and Institutions of Higher Learning (IHL) to undertake market driven R&D and to commercialise the R&D findings through spin-offs/licensing;
- enhance global competitiveness and R&D culture among Malaysian medium and large enterprises;
- increase contribution to Malaysia's GDP through economic wealth creation and exports; and
- foster greater collaboration between Malaysian enterprises and GRI/IHL.

Types of Techno-fund

There are two types of funding:

- Type A - Pre-Commercialisation; and
- Type B - IP Acquisition.

Applicants can apply for a combination of Types A and B or Type A only.

Note: IGS, DAGS, IRPA-EAR, IRPA-PR and IRPA-SR funded projects are not eligible for Type B. MGS, CRDF and TAF funded projects are not eligible for any Type including MSC Status companies.

TYPE A: Pre-Commercialisation

Pre-commercialisation activities comprise development of commercial ready prototypes/ pilot plants/clinical trials/upscaling for demonstration and testing purposes but not commercial exploitation.

TYPE B: Intellectual Property (IP) Acquisition

Type B comprises acquisition of IP (academic/laboratory scale prototype) from overseas or local sources for further development up to pre-commercialisation stage.

Target Group

- Medium and Large Malaysian Companies (minimum 51% equity held by Malaysian) including Government Linked Companies (GLC) and Public Listed Companies (PLC); and
- Malaysian GRI and IHL.

(Note: A medium or large Malaysian company is defined as a business entity with an annual sales turnover of more than RM10 million or more than 50 full-time employees)

Collaboration

- Industry applicants are encouraged to collaborate with one or more GRI/IHL (public or private); and
- GRI/IHL must identify industry partner(s) to undertake joint collaboration. In the collaboration, industry partner(s) should jointly contribute financial or non-financial resources to the project.

Technology Clusters

Project proposals eligible for consideration must fall under any of the technology clusters listed below:

- Agriculture;
- Biotechnology;
- Information and Communication Technology (ICT); and
- Industry.

Approval Criteria

Approval of application takes into consideration the following criteria:

- applicants must submit project proposals in the technology clusters listed above leading to commercialisation of new, cutting edge and breakthrough technologies;
- applicants must belong to any of the target groups listed above;

- project teams should consist of appropriate mix of suitable and qualified members in technical and commercialization aspects;
- applicants must show proof of financial capability to finance the project portion not funded by the Techno-Fund;
- project proposals must lead to outputs that are technically and commercially viable within the stated technology clusters;
- project proposals must show evidence that the project outcome has direct economic benefit to Malaysia and enhancement of Malaysia's competitiveness;
- for Type B: IP Acquisition funding, applicants must additionally show that their prospective IP is an outright purchase (IP licensing is not allowed) that requires further development; and
- applicants must fulfill other conditions stipulated under the guidelines and policies of the TechnoFund.

Location of Proposed Project

Approved proposals under Techno-Fund must be undertaken in Malaysia or overseas (if justified)

Funding Quantum

The quantum of funding and percentage of funding support under TechnoFund will be determined on the merit of each application.

Scope Of Funding

The eligible expenditure are:

Type Scope of Funding

Type A: Pre-Commercialisation:

- Pilot plant set up/commercial ready prototype development/clinical trial;
- IP preparation and registration excluding maintenance of IP;
- Market testing of commercial ready prototypes (participation in trade fairs and exhibitions);
- Regulatory and standard compliance;
- Product documentation;
- Equipment and materials for pre-commercialisation;*
- Contract expenditure; and
- Expenditure for services (market survey, consultancy and testing).

Type B: IP Acquisition

- Acquisition of IP; and
- Training (technology transfer).

**Not more than 40% of total project cost.*

FOR MORE INFORMATION, PLEASE CONTACT:

Technology Development Unit,

Ministry of Science, Technology and Innovations (MOSTI)

Aras 1 - 7, Blok C5,

Pusat Pentadbiran Kerajaan Persekutuan,

62662 Putrajaya, Malaysia

Tel: 603 - 8885 8810 / 8163 (Helpdesk)

Fax: 603 - 8888 4284

E-mail: technofund@mosti.gov.my

Web Site: <http://www.mosti.gov.my>

Science Fund

The Science Fund supports R&D projects which can generate new knowledge in strategic basic and applied sciences, and develop new products or processes necessary for further development and commercialisation in specific research clusters (RC). It is also aimed at generating more research capabilities and expertise within the country.

The outcome of research under Science Fund which has commercial potential can be considered for additional funding under the TechnoFund.

Research Cluster (RC)

The research activities are focused towards meeting the industrial needs in new and emerging fields of science, engineering and technology in the context of national interest. Under Science Fund, the 4 clusters identified are:

- Information and Communication Technology (ICT)
- Biotechnology
- Industry
 - Nanotechnology
 - Advanced Material
 - Advanced Manufacturing
 - Alternative Energy
- Sea to Space

Eligibility

The following entities are eligible for ScienceFund:

- Research Institutions (RIs) and Institutions of Higher Learning (IHLs) in the public sector;
- IHLs and RIs in the private sector, subject to approval by MOSTI;
- Government Science, Technology and Innovation (STI) Agencies;
- Government Linked Company (GLC) Research Laboratories;
- Private sector entities can participate in collaboration with the above mentioned institutions; and
- Local scientists or expatriates working under contract must furnish contractual documents as proof of employment during the period of the project duration.

Types of Research (TOR)

ScienceFund supports the following types of research activities:

- **Strategic Basic Research**
Experimental or theoretical work undertaken primarily to acquire new knowledge directed into specified broad areas that are expected to lead to useful discoveries.
- **Applied Research**
Research undertaken to acquire new knowledge for a specific application.

Scope of Funding

The scope of funding under ScienceFund will be up to laboratory proof of concept. The quantum of funds approved will be determined on the merits of each application.

The funding (based on calendar year) can be utilised for the following categories:

- **Wages and Allowances for Temporary and Contract Personnel (V11000)**
Includes wages and allowances for temporary and contract personnel who are directly engaged in the project. Only three (3) temporary or contract personnel are allowed for each project.
- **Travel and Transportation**
Includes travel and transportation expenses for domestic and overseas trips which are directly related to the project.

Overseas trips must meet the following criteria:

- the purpose of the overseas trip should either be for attending conferences, seminars or workshops to present the results of the project, or for conducting a portion of the required research when domestic facilities and expertise are inadequate;
- the location of the overseas trip must appear as most suitable in terms of facilities, expertise and technology transfer;
- a maximum of one overseas trip is allowed during the duration of the project. The number of persons allowed for the overseas trip is limited to two, of which should include the Project Leader and a collaborator; and
- travel is limited to economy class using MAS carrier and as far as possible using the shortest direct routes.

(Please note that expenses related to overseas trips will be funded under the Science Fund up to 15% of the total expenses of the project or RM30,000, whichever is less. Any excess must be funded from other sources.)

- **Rentals**
Only rental expenses for building space, equipment, transportation and any other item directly related to the project should be included.

Rental of vehicles for the purpose of transportation must be from a licensed transport company.

- **Research Materials and Supplies**
Only expenses for research materials and supplies directly related to the project should be included.

- **Minor Modifications and Repairs**

Only expenses for minor modifications and repairs of the building, laboratory, equipment or any other item directly related to the project.

The maintenance costs of existing equipment used during the duration of project period should also be included. The cost of maintenance of any equipment purchased will not be borne by the ScienceFund after the project is completed.

- **Special Services**

Includes expenses for special services directly related to the project (such as consultancy, payment for enumerators, usage of computer facilities, chemical analysis and data processing). Engagement of foreign expert(s) will be considered on a case-by-case basis.

- **R&D Equipment and Accessories**

Only purchase of special equipment and accessories (including accessories to upgrade the capability of existing equipment) directly related to the project should be included.

Funding for special equipment and accessories is up to a maximum of 40% of total project expenses or RM100,000 whichever is lower.

Any excess over this amount must be funded from other sources.

Types of Application

Science Fund allows for two types of application, namely:

- **Applicant Initiated Project (AIP)**

Researchers can apply for funding under the four research clusters.

- **Request For Proposal (RFP)/Competitive Bidding**

Researchers will be invited to bid for research funding on specific areas of research, identified as priority research. The list of projects open for bidding will be announced from time to time.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Technology Development Unit,

Science, Technology and Innovation Division,

Ministry of Science, Technology and Innovation (MOSTI)

Tel: 603 - 8885 8848 / 8851 (Helpdesk)

Fax: 603 - 8888 4284

E-mail: sciencefund@mosti.gov.my

Website: www.mosti.gov.my

Matching Grant for Market Development

The objective of the scheme is to provide a matching grant to assist SMEs to undertake activities for the development of export markets.

Qualifying Criteria

To qualify SMEs must be:

- incorporated under the Companies Act 1965;
- for professional services (such as lawyers, accountants, doctors, engineers and architects), partnerships and sole proprietors are also eligible;

- at least 60% equity held by Malaysians;
- for manufacturing sector, having an annual sales turnover not exceeding RM 25 million (based on the latest financial report) or not more than 150 full-time employees;
- for services sector, having an annual sales turnover not exceeding RM 5 million (based on the latest financial report) or not more than 50 full-time employees (financial services are not eligible for MDG); and
- for trading companies that meet the following conditions:
 - having annual sales turnover of between RM10 million to RM25 million or export sales of RM3 million or not more than 150 full-time employees (Women owned enterprise are exempted from this condition);
 - exporting "Made In Malaysia" products especially those manufactured by SMEs; and
 - not more than 20% of the company's annual sales is derived from trading in primary commodities. For description of primary commodities, please refer to Annex A of MDG Application form.

Form of Grant

Companies can obtain a 50% reimbursable matching grant on the approved cost of the eligible activities. The grant is available for one or more of the eligible activities subject to restriction on repeat participation.

Eligible Activities

Eligible activities are:

- participation in trade and investment missions, Specialised Marketing Missions and industry related conferences;
- export market study;
- participation in local or overseas international trade fairs and In-store Promotion overseas;
- participation in meetings related to negotiations on Mutual Recognition Agreements (MRA), Free Trade Agreement (FTA), ASEAN, World Trade Organisation (WTO) and other market access negotiations by representatives of Trade and Industry and Associations and Professional Bodies;
- preparation of Promotional Items;
- initial cost of setting up office overseas for the purpose of:
 - promoting exports of Malaysian product and services;
 - seeking opportunity for outstanding and subcontracting business;
 - to undertake market research; and
 - to undertake and monitor implementation of projects and contract.
- marketing cost with hypermarkets and retail stores overseas;
- participation in overseas international tenders for supply of Malaysian products or services; and
- women owned enterprise special programme (participate in Malaysia export exhibition centre/export training programmes)

FOR MORE INFORMATION, PLEASE CONTACT:

Market Development Grant Unit

Malaysia External Trade Development (MATRADE)

7th Floor, Wisma Sime Darby

Jalan Raja Laut

50350 Kuala Lumpur

Tel: 603-26163333

Fax: 603-26947262 / 03-26947270

E-mail: info@matrade.gov.my

Website: www.matrade.gov.my

Brand Promotion Grant (BPG)

The objective of the Brand Promotion Grant (BPG) is to develop and promote in the international market, brand names owned by Malaysian companies for products and services originating from Malaysia.

The Brand Promotion Grant will only be granted to eligible brands identified to be assisted by the Brand Grant Approval Committee. Evaluation of brands to be selected for the grant will be based on several considerations including:

- Branding Strategy and Plan;
- Business and Marketing Plan;
- Resources invested by the company on branding and its commitment to the branding programme;
- Activities undertaken to promote the brand;
- Trend in overall sales and exports over past 3 years;
- Market share both local and overseas markets;
- Potential for the brand to further expand in the international market; and
- How the brand will help project Malaysia's image as supplier of quality products and services.

Form of Grant

Companies can apply for either one of the following forms of grant:

- a 100% reimbursable grant for the development and promotion of brand subject to maximum grant of RM1 million. SMEs are eligible to apply for the 100% reimbursable grant;
- a 50% reimbursable grant for non-SMEs subject to maximum grant of RM2 million per company; and
- a 100% reimbursable grant and a 50% reimbursable grant for SMEs only (Maximum grant of RM2 million per company).

Eligibility Criteria

To be eligible for the grant companies must fulfill the following conditions:

- incorporated under the Companies Act 1965;
- at least 60% equity is owned by Malaysians;
- company owns the brand and is the registered approved owner of the trademark;
- for the Brand Promotion Grant focus market, company must own the trademark or have filed for the trademark registration; and
- annual sales turnover of not more than RM250 million (based on the latest financial report).

For 100% reimbursable grant:

- manufacturing company - annual sales turnover must not exceed RM25 million or with not more than 150 full time employees;
- services sectors enterprises - annual sales turnover not exceeding RM5 million or with full time employees not exceeding 50;
- product/services are already exported with at least 20% of the sales from export;
- for companies that do not meet the 20% export condition, the application may be considered based on the export potential and commitment of the company to develop the brand into an international brand. Factors to be considered:
 - resources invested on branding and company's commitment to the branding programme;
 - promotion programmes and activities undertaken by company to promote brand;
 - indication of market penetration and consumer acceptance (e.g. share of market) both local and overseas;

- trend in overall sales and export growth;
- awards and recognitions received;
- international quality certifications obtained such as HACCP, ISO or Quality Improvement Programme, GMP or approved the use of the 'Malaysia's Best' quality seal; and
- products/services should originate from Malaysia. For products manufactured offshore, the brand can be considered if the company undertakes value-added activities in Malaysia such as research and development, designing, packaging, marketing, distribution and invoicing.

Eligible Expenses

The grant will cover the cost of developing and promoting only one brand per company. Companies can apply for the grant for any of the following expenses involved in brand development and promotion:

- Branding/Marketing Strategy Consultancy (subject to maximum limit of not more than 10% of grant approved) such as:
 - Brand Strategy, creation and development;
 - Marketing strategy and implementation;
 - Media Strategy;
 - Brand Communication Strategy;
 - Brand Management System; and
 - Brand Manual & Information System.
- Brand Development such as:
 - logo design and redesign;
 - packaging design and redesign; and
 - intellectual property matters, including registration and trademark works for other targeted markets (excluding renewal of trademark and patent)
- Brand Promotion such as:
 - Customer relationship management system to monitor brand;
 - Advertising and Promotion (maximum 50% of grant approved); and
 - Enhancement of Brand Website (maximum grant RM 50,000.00).
- Brand Research such as:
 - Brand Audit; and
 - Brand Tracking.

FOR MORE INFORMATION, PLEASE CONTACT: Malaysian External Trade Development (MATRADE)

7th Floor, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 603-26163333
Fax: 603-26947262 / 03-26947270
E-mail: info@matrade.gov.my
Website: www.matrade.gov.my

Grant for Small & Medium Enterprise - Lembaga Pertubuhan Peladang

Lembaga Pertubuhan Peladang was established in 1973. The board is primarily responsible for the economic development of farmers in the country. To fulfill its responsibilities, the board has drawn up a series of programmes to assist the farming communities.

Objectives

- implementing agricultural production projects, especially in the area of systematic food production;
- promote the growth of small and medium enterprises (SMEs);
- utilize marketing as the core activities for the board;
- promote schemes for savings and loans;
- encourage farmers to grow into entrepreneurs; and
- improve the effectiveness of the management of the Board and the Pertubuhan Peladang.

Scope of Financing

- Construction of buildings and premises for businesses;
- Supply of machineries and equipment; and
- Payments for consultancy services.

Qualifying Criteria

The programme is extended only to Peladang organizations – area, state and national levels.

Form of Financing

- grant

FOR MORE INFORMATION, PLEASE CONTACT: Farmer's Organization Authority of Malaysia (LPP)

Blok C Utara, Pusat Bandar Damansara
Bukit Damansara
50460 Kuala Lumpur
Tel: 603 - 2094 5222
Fax: 603 - 2095 4239
E-mail: info@farm-my.net
Website: <http://agrolink.moa.my/lpp/>

2. Loans

Fund for Small And Medium Industries 2

The objective of this fund is to ensure eligible SMEs in both the export and domestic-oriented sectors have access to financing at reasonable cost.

Maximum financing rate

- 4% to 6% per annum

Maximum tenure

- 5 years

Minimum financing

- RM50,000

Maximum financing

- RM5 million

Participating financial institutions / Implementing Ministry / Agency

- All commercial banks and Islamic banks;
- Bank Perusahaan Kecil & Sederhana Malaysia Berhad (SME Bank);
- Malaysian Industrial Development Finance Berhad; and
- Bank Pertanian Malaysia.

Eligibility criteria

- business enterprise based on the definition of SMEs;
- maximum shareholders' funds not exceeding RM2 million;
- shareholding by Public Listed Companies and Government-Link Companies (if any) should not exceed 20%;
- Malaysian residing in Malaysia and owned minimum 51% shareholding incorporated under the Companies Act 1965, the Co-operative Societies Act 1993, the Societies Act 1966, registered with the Companies Commission of Malaysia or any other authoritative bodies; and
- not more than 7 years in operation. However participating financial institution may consider cases of SMEs who have been in operation for more than seven years.

Purpose of Financing

- Expansion of productive capacity;
- Working capital; or
- Both of the above.

Financing should not be used for

- Purchase of shares;
- Refinancing of existing credit facilities;
- Purchase of land/Real estate investment;

- Properties development;
- Investment holding company;
- Activities where stock in trade is money (including credit, leasing, factoring and insurance businesses); and
- Non-economic or non-healthy activities.

Eligible Sector / Types of Financing

All economic sectors/All type of facilities.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Development Finance and Enterprise Department

Bank Negara Malaysia (BNM)

Jalan Dato' Onn

50480 Kuala Lumpur

Tel: 603-2691 3764 / 603-2693 2330 / 603-2691 6539 /
603-2691 3486 / 603-2698 8044 ext 7865

Fax: 603-2691 6954 / 603-2698 7542 / 603-2691 7052

E-mail: admin@smeinfo.com.my

Website: www.smeinfo.com.my

New Entrepreneurs Fund 2

The objective of this fund is to promote the growth of small and medium-sized Bumiputera enterprises by ensuring that they have access to financing at reasonable cost.

Maximum financing rate

- 4% to 6% per annum

Maximum tenure

- 5 years

Maximum financing

- RM5 million

Participating financial institutions / Implementing Ministry / Agency

- All commercial banks and Islamic banks;
- Bank Perusahaan Kecil & Sederhana Malaysia Berhad (SME Bank); and
- Malaysian Industrial Development Finance Berhad.

Eligibility Criteria

- business enterprise based on the definition of SMEs;
- maximum shareholders' funds not exceeding RM2 million;
- shareholding by Public Listed Companies and Government-Link Companies (if any) should not exceed 20%;
- wholly-owned Bumiputera institutions residing in Malaysia incorporated under the Companies Act 1965, the Co-operative Societies Act 1993, the Societies Act 1966, and registered with the Companies Commission of Malaysia or any other authoritative bodies
- not more than 7 years in operation. However, participating financial institution may consider cases of SMEs who have been in operation for more than seven years; or

- small and medium sized Bumiputera enterprises participating under the vendor development programmes of the Ministry of Entrepreneur Development, or Ministry of Finance, with of legal 70% Bumiputera equity and management control.

Purpose of Financing

- Expansion in productive capacity;
- Working capital; or
- Both of the above.

Financing should not be used for

- Purchase of shares;
- Refinancing of existing credit facilities;
- Purchase of land/Real estate investment;
- Properties development;
- Investment holding company;
- Activities where stock in trade is money (including credit, leasing, factoring and insurance businesses); and
- Non-economic or non-healthy activities.

Eligible Sector / Types of Financing

All economic sectors/All type of facilities.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Development Finance and Enterprise Department

Bank Negara Malaysia (BNM)

Jalan Dato' Onn

50480 Kuala Lumpur

Tel: 603-2691 3764 / 603-2693 2330 / 603-2691 6539 /
603-2691 3486 / 603-2698 8044 ext 7865

Fax: 603-2691 6954 / 603-2698 7542 / 03-2691 7052

E-mail: admin@smeinfo.com.my

Website: www.smeinfo.com.my

Rehabilitation Fund for Small Businesses

The objective of this fund is to assist viable SMEs that are constrained by non performing loans (NPLs) through Small Debt Restructuring Scheme (SDRS) by facilitating their request for loan restructuring and arranging for new financing, if necessary.

Scheme Mechanism

Unders SDRS, the Small Debt Resolution Committee (SDRC) has been established to undertake an independent assessment on the viability of SMEs after their applications for debt restructuring together with request for new financing have been declined by participating financial institutions.

Maximum financing rate

- 5% per annum

Maximum tenure

- 5 years

Maximum financing

- RM1.5 million per customer

Participating financial institutions / Implementing Ministry / Agency

- All commercial banks, finance companies and Islamic banks;
- Bank Pembangunan Malaysia Berhad; and
- Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank).

Eligibility Criteria

- Malaysian owned company (at least 51%) and institution registered under the Companies Act 1965, Registration of Businesses Act 1956, Societies Act 1966 or the Cooperative Societies Act 1993;
- business enterprises with full-time employees not exceeding 150 and annual sales turnover not exceeding RM25 million;
- business related loans (excluding share financing and personal consumption) with an aggregate NPLs outstanding not more than RM3.0 million with the participating financial institutions; and
- applicants must have on-going business.

Guarantee Coverage

New financing may also obtain a guarantee cover of up to 80% provided by the Credit Guarantee Corporation Malaysia Berhad (CGC).

Purpose of Financing

Working capital and business expansion purposes. The facility cannot be used to refinance the existing credit facilities.

Eligible Sector / Types of Financing

All sectors

FOR FURTHER INFORMATION, PLEASE CONTACT:

SDRC Secretariat

Development Finance and Enterprise Department

Bank Negara Malaysia (BNM)

Jalan Dato' Onn

50480 Kuala Lumpur

Tel: 03-2691 3764 / 03-2693 2330 / 03-2691 6539 /
03-2691 3486 / 03-2698 8044 ext 7865

Fax: 03-2691 6954 / 03-2698 7542 / 03-2691 7052

E-mail: admin@smeinfo.com.my

Website: www.smeinfo.com.my

ERF Sdn Bhd

7th & 9th Floor, Dataran Kewangan Darul Takaful

No. 4, Jalan Sultan Sulaiman

50000 Kuala Lumpur

Tel: 603-2078 1378

Fax: 603-2072 1411

Bumiputera Entrepreneur Project Fund

The objective of this fund is to provide financing to Bumiputera entrepreneurs who have been awarded contracts/projects by the Government, Government-related agencies, statutory bodies and reputable private/public companies.

- maximum financing rate: 5% per annum;
- maximum tenure: 5 years; and
- maximum financing: 60% of the contract value less advance given by the Government (if any) or RM3 million, whichever is lower.

Eligibility Criteria

- Bumiputera entrepreneurs or enterprises which are wholly-owned by Bumiputera with viable contracts in hand
- members of one of the following bodies:
 - Dewan Perniagaan Melayu Malaysia/Sabah/W.P. Labuan;
 - Dewan Usahawan Bumiputera Sarawak;
 - Dewan Perniagaan Bumiputera Sabah;
 - Dewan Perniagaan dan Perindustrian Kadazan Dusun Sabah - USAHANITA, PERDASAMA; and
 - any other bodies approved by Panel Khas ERF Sdn Bhd.
- for contractors, they must be registered with Pusat Khidmat Kontraktor.
- credit facilities have not been obtained from financial institutions to finance the project.

Purpose of Financing

- Working capital only

Financing should not be used for

- Purchase of shares; and
- Refinancing of existing credit facilities.

Eligible Sector / Types of Financing

- All economic sectors

FOR MORE INFORMATION, PLEASE CONTACT:

ERF Sdn. Bhd.

7th & 9th Floor,
Dataran Kewangan Darul Takaful,
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel: 603-20781378
Fax: 603-20708288

New Trade Finance Products for SMEs

Effective 16th of January 2006, all bankings participated will offer new trade finance products namely, Multi Currency Trade Finance (MCTF) and Indirect Exporter Financing Scheme (IEFS), under both conventional and Islamic financing to the small and medium enterprises (SMEs). The MCTF provides financing to Malaysian direct exporters in Ringgit and major foreign currencies in the form of pre and post shipment financing.

The IEFS provides Ringgit financing to indirect exporters without recourse, whereby the participating banks will discount their trade invoices arising from the supply of goods and services to direct exporters.

These new trade finance products were introduced to encourage greater SMEs' participation in the export markets, especially in the non-traditional markets as well as trade with members of the Organisation of Islamic Conference (OIC). These products will benefit the SMEs by lowering financing costs, without collateral requirements. Under the arrangements, the SMEs can obtain financing from the participating banks, with the credit risks being shared between the banks and Export-Import Bank of Malaysia Berhad (EXIM Bank).

The participating banks in this scheme are Malayan Banking Berhad, CIMB Bank, RHB Bank Berhad, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank Berhad, EON Bank Berhad, Hong Leong Bank Berhad, Public Bank Berhad, Bank Islam Malaysia Berhad, Bank Muamalat Malaysia Berhad, RHB Islamic Bank Berhad, Hong Leong Islamic Bank Berhad and SME Bank.

SMEs can contact the participating banks or EXIM Bank for further information on MCTF and IEFS.

Soft Loan for Small and Medium Enterprises

This scheme is to assist existing as well as new start-up companies in project, fixed assets and working capital financing.

Loan Amount

- minimum: RM50,000

The maximum amount depends on the following

- Project Financing - RM5 million (including preoperational expenses of up to RM250,000);
- Fixed Assets Financing - RM2.5 million; and
- Working Capital Financing - RM1 million.

Qualifying Criteria

- manufacturing companies or companies providing manufacturing related services, incorporated under the Companies Act 1965 with annual sales turnover not exceeding RM25 million, or with full-time employees not exceeding 150;
- for the services sector, businesses must be incorporated under the Registration of Business Ordinance 1956 with annual sales turnover not exceeding RM5 million, or with full-time employees not exceeding 50;
- at least 60% of the equity held by Malaysians; and
- possess valid premise license.

Eligible Expenses

- **Project Financing**

Covers the entire project cost items, including pre-operational expenses. Preoperational expenses include:

- market survey and feasibility study;
- professional fees for technical expertise;
- office set-up prior to production;
- staff salary;
- advertisement and promotion cost;
- production labour cost;
- factory overhead; and
- raw material costs for trial production.

- **Fixed Assets Financing**

For the purchase of land and building, plant and machinery and office equipment for:

- project start-ups;
- existing ventures undergoing expansion, diversification or modernisation; and
- relocation of projects.

- **Working Capital Financing**

For the purchase of raw materials, components, inventory and labour costs.

Percentage of Financing

- **Fixed Assets**

- up to 85% of the cost for new assets (90% for Bumiputera companies); and
- up to 60% for used equipment.

- **Working Capital**

- up to 75% of the working capital requirements (80% for Bumiputera companies).

Repayment, including grace period

- Land and building - up to 15 years including grace period of up to 2 years;
- Machinery and equipment - 5-10 years including a grace period of up to 2 years;
- IT equipment - up to 3 years including a grace period of up to 1 year;
- Term Working Capital - up to 3 years including a grace period of up to 6 months; and
- Revolving Working Capital - up to 3 years but subject to annual reviews.

Interest Rate

- 4% per annum

Security

- debenture on the machinery/equipment financed;
- charge on the land and building financed; and
- guarantee by the directors and/or shareholders.

Mode of Disbursement

Direct payment to supplier/contractor/bank or reimbursement or letter of undertaking to bank/supplier or other supporting documentary evidence.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5
No. 5, Jalan SS21/39, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan.
Tel: 603-7628 7400
Fax: 603-7660 1919
Toll Free Line: 1-800-18-1801
E-mail: info@smidec.gov.my
Website: www.smidec.gov.my

Development Finance Division

Malaysian Industrial Development Finance Berhad

195A Jalan Tun Razak
50400 Kuala Lumpur
Tel: 603-21611166 / 21610066
Fax: 603-21615973
E-Mail: inquiry@midf.com.my
Website: www.midf.com.my

Soft Loan Scheme for Factory Relocation

SMEs operating in non-designated industrial sites are hampered from gaining access to institutional credits, government assistance programmes as well as having limited capacity to expand. The Soft Loan Scheme provides assistance for Small and Medium Enterprises (SMEs) to relocate their factories to designated industrial sites.

Objective

The Soft Loan for Factory Relocation is introduced to assist SMEs to relocate to designated industrial sites, and at the same time to enable SMEs to acquire assets that will enhance their capabilities and obtain other financial assistance.

This Soft Loan Scheme is provided to fund the:

- purchase of ready-made factories;
- purchase of factory lot and construction of factories including related infrastructure; and
- costs to purchase related machinery and equipment due to relocation.

Qualifying Criteria

- manufacturing companies or companies providing manufacturing related services incorporated under the Companies Act 1965 with annual sales turnover not exceeding RM25 million, or with full-time employees not exceeding 150;
- for the services sector, businesses must be incorporated under the Registration of Business Ordinance 1956 with annual sales turnover not exceeding RM5 million, or with full-time employees not exceeding 50;
- at least 60% of the equity held by Malaysians;
- companies must have been operating not less than three years at the existing premises.
- companies have to verify their operation/business by providing company profile that includes annual sales turnover and other related documents; and
- companies must be relocated to new approved location such as existing industrial estates or other authorised designated business lots and to cease operation at the existing location.

Form of Assistance

- the minimum loan is RM50,000 and the total loan shall not exceed RM1 million per company;
- interest rate is at 4% per annum;
- repayment period of up to 12 years (including a grace period of two years); and
- the loan is only given once to each company, and refinancing for any outstanding loans is not allowed.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5

No. 5, Jalan SS21/39, Damansara Utama

47400 Petaling Jaya, Selangor Darul Ehsan.

Tel: 603-7628 7400

Fax: 603-7660 1919

Toll Free Line: 1-800-18-1801

E-mail: info@smidec.gov.my

Website: www.smidec.gov.my

Development Finance Division

Malaysian Industrial Development Finance Berhad

195A Jalan Tun Razak

50400 Kuala Lumpur

Tel: 03 - 21611166 / 21610066

Fax: 03 - 21615973

E-Mail: inquiry@midf.com.my

Website: www.midf.com.my

Soft Loan Scheme for ICT Adoption

This scheme provides assistance in the form of soft loan for Small and Medium Enterprises (SMEs) to use information and communication technology (ICT) to improve competitiveness, efficiency and productivity.

Objective

This scheme is introduced to assist SMEs to:

- upgrade their engineering design capabilities;
- acquire Enterprise Resource Planning (ERP) software; and
- acquire relevant software for the services sector.

Qualifying Criteria

- manufacturing companies or companies providing manufacturing related services incorporated under the Companies Act 1965 with annual sales turnover not exceeding RM25 million, or with full-time employees not exceeding 150;
- for the services sector, businesses must be incorporated under the Registration of Business Ordinance 1956 with annual sales turnover not exceeding RM5 million, or with full-time employees not exceeding 50;
- at least 60% of the equity held by Malaysians;
- possess valid premise license;
- companies must have been operating for at least two years; and
- companies must have at least one qualified IT Personnel for purchasing of ERP software or other related software and one designer for purchasing of engineering design software to manage and supervise the implementation of the project.

Sector Coverage

- Manufacturing or companies providing manufacturing related services;
- Distributive trade;
- Logistics; and
- Professional management services.

Eligible Expenses

- For the upgrading of engineering design capabilities:
 - Purchase of design software (Computer Aided Design - CAD, Computer Aided Manufacturing - CAM, Computer Aided Engineering - CAE) or subscription fee / license fee for on-line engineering design services;
 - Purchase of computer hardware and related equipment; and
 - Training cost.
- For the purchase of ERP software or other similar software:
 - Purchase of ERP software or first year subscription to on-line ERP system, or other similar software such as Computer Integrated Manufacturing (CIM), Enterprise Resource Management (ERM), Material Resource Planning (MRP), Supply Chain Management (SCM) or Customer Relations Management (CRM);
 - Purchase of other software for services sector such as Point of Sales System, Tracking System, Automated Store Management System and Inventory Management System;
 - Implementation costs such as system study, customization and training; and
 - Purchase of server and related networking equipment.

Form of Assistance

- the minimum loan is RM20,000 and maximum loan is RM250,000;
- interest rate is at 3% per annum;
- repayment period of up to 5 years;
- the loan is not to be used for refinancing of existing loan; and
- the percentage of financing is up to 75%.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5
No. 5, Jalan SS21/39, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan.

Tel: 603-7628 7400

Fax: 603-7660 1919

Toll Free Line: 1-800-18-1801

E-mail: info@smidec.gov.my

Website: www.smidec.gov.my

Development Finance Division

Malaysian Industrial Development Finance Berhad

195A Jalan Tun Razak

50400 Kuala Lumpur

Tel: 03 - 21611166 / 21610066

Fax: 03 - 21615973

E-Mail: inquiry@midf.com.my

Website: www.midf.com.my

Dana Khas Kerajaan Persekutuan for Terengganu-based Small and Medium Enterprises

The RM18.3 million fund for "Dana Khas Kerajaan Persekutuan" for Terengganu-based Small and Medium Enterprises was launched in December 2002 to assist existing as well as new start-up companies/firms in machinery and equipment and also working capital financing.

The fund for the Scheme which comes from the Government via the Small and Medium Industries Development Corporation (SMIDEC) is channeled through Malaysian Industrial Development Finance Berhad (MIDF).

Eligibility Criteria and Main Features

Eligibility	Malaysian incorporated companies under the Companies Act, 1965 or businesses registered with the Registrar of Business, with: <ul style="list-style-type: none"> • at least 60% Malaysian equity ownership; • full-time employees not exceeding 150 and annual sales turnover not exceeding RM25 million; • factory premises located in Terengganu; and • a licensed/approved premises.
Eligible Sectors	<ul style="list-style-type: none"> • Manufacturing; and • Manufacturing-related Services: <ul style="list-style-type: none"> - Engineering support services such as calibration, electroplating, machining, heat treatment, metal casting and forging; - Logistic services such as warehousing, bulk breaking, international procurement centre and haulage; - Maintenance and repair of factory machinery and equipment ; - Software development; - Automation of production line; and - Design and packaging services.
Loan Amount	<ul style="list-style-type: none"> • Machine and equipment - up to RM50,000 • Working Capital - up to RM50,000
Eligible Items to be Financed	Machinery and equipment and/or working capital
Percentage Financing	<ul style="list-style-type: none"> • machinery and equipment; <ul style="list-style-type: none"> - up to 100% of the cost of new equipment - up to 60% for used equipment • working capital financing; <ul style="list-style-type: none"> - up to 100% of the working capital requirements
Loan Period	<ul style="list-style-type: none"> • machinery and equipment; <ul style="list-style-type: none"> - up to 6 years including grace period of up to 2 years • term working capital financing. <ul style="list-style-type: none"> - up to 4 years including grace period of up to 6 months
Interest Rate	3% per annum
Commitment Fee	Nil

FOR FURTHER INFORMATION, PLEASE CONTACT:

Small and Medium Industries Development Corporation (SMIDEC)

701D, Level 7, Tower D, Uptown 5
No. 5, Jalan SS21/39, Damansara Utama
47400 Petaling Jaya, Selangor Darul Ehsan.
Tel: 603-7628 7400
Fax: 603-7660 1919
Toll Free Line: 1-800-18-1801
E-mail: info@smidec.gov.my
Website: www.smidec.gov.my

Development Finance Division

Malaysian Industrial Development Finance Berhad

195A Jalan Tun Razak
50400 Kuala Lumpur
Tel: 603-21611166 / 21610066
Fax: 603-21615973
E-Mail: inquiry@midf.com.my
Website: www.midf.com.my

Bumiputera Entrepreneurs Retail Project Fund (PROSPER)

To increase and upgrade Bumiputera entrepreneurs participation in the retail business. PUNB provides assistance through the PROSPER scheme by providing equity and capital financing up to 30% or loan up to 90% of the total project cost based on Islamic financing.

Eligibility criteria

- entrepreneur
 - at least 18 years old;
 - possess the necessary entrepreneurial skills;
 - does not has any unsatisfactory record with financial institutions; and
 - financing at least 10% of project's costs.
- business
 - wholly owned by Bumiputera; and
 - business location has been identified.

Eligible activities

- Franchise and non-franchise retail business

Application procedure

- Application to be submitted to PUNB

FOR FURTHER INFORMATION, PLEASE CONTACT:

Perbadanan Usahawan Nasional Berhad (PUNB)

18th & 19th Floor, Wisma UOA II
No. 21, Jalan Pinang
50450 Kuala Lumpur
Tel: 603-2171 5900
Fax: 603-2163 2212 / 603-2164 6989 / 603-2163 2788
Website: www.punb.com.my

Investment in Mezzanine Franchise Scheme

Criteria of Target Companies

- registered with Registrar of Franchise (ROF) and Malaysian Franchise Association (MFA) as a franchisor/master franchisee/franchisee to a foreign franchisor;
- 51% equity owned by Bumiputeras;
- 51% of BOD and management are Bumiputeras;
- minimum of 2 years uninterrupted Profit After Tax (PAT) track record;
- minimum PAT of RM500,000 for recent financial year; and
- minimum shareholders' funds of RM3 million.

Investment Structure

- to subscribe Ordinary Shares only or combination of Ordinary Shares and 5% Cumulative Redeemable Convertible Preference Shares (CRCPS)

Size of Investment

- Ordinary Shares: minimum of 30% and maximum of 49% equity interest in target company or RM10 million, whichever is lower; and
- Preference Shares: minimum of RM1 million and maximum of RM5 million, subject to a gearing ratio of 2 times.

Tenure of Investment

- Ordinary Shares: maximum of 4 years; and
- Preferences Shares: maximum of 5 years.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Perbadanan Nasional Berhad (PNS)

Level 9B, Menara Dato' Onn,
PWTC, 45 Jalan Tun Ismail,
50480 Kuala Lumpur
Tel: 603-2698 6670
Fax: 603-2698 6617
Website: www.pns.com.my

Smart Partnership Franchise Scheme

Criteria of Target Companies

- registered with Registrar of Franchise (ROF) and Malaysian Franchise Association (MFA) as a franchisor/master franchisee/franchisee to a foreign franchisor;
- minimum of 2 years uninterrupted Profit After Tax (PAT) track record;
- minimum shareholders' funds of RM3 million;
- minimum PAT of RM500,000 for recent financial year;
- UMB must be involved in the management and operations of target company; and
- UMB must contribute a minimum of 5% of total investment costs.

Investment Structure

- to subscribe Ordinary Shares only or combination of Ordinary Shares and 7% Cumulative Redeemable Convertible Preference Shares (CRCPS).

Size of Investment

- Ordinary Shares: minimum of 30% and maximum of 49% equity interest in target company or RM10 million, whichever is lower; and
- Preference Shares: minimum of RM1 million and maximum of RM5 million, subject to a gearing ratio of 2 times.

Tenure of Investment

- Ordinary Shares: maximum of 4 years; and
- Preference Shares: maximum of 5 years.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Perbadanan Nasional Berhad (PNS)

Level 9B, Menara Dato' Onn,

PWTC, 45 Jalan Tun Ismail,

50480 Kuala Lumpur

Tel: 603-2698 6670

Fax: 603-2698 6617

Website: www.pns.com.my

Budding Franchise Scheme

Criteria of Target Companies

- registered with Registrar of Franchise (ROF) and Malaysian Franchise Association (MFA) as a franchisor/master franchisee/franchisee to a foreign franchis;
- 51% equity owned by Bumiputeras;
- 51% of BOD and management are Bumiputeras;
- target company to set up at least 1 prototype business that has been in operation for at least 6 months; and
- target company's Total Borrowings+Preference Shares to be subscribed by PNS shall not exceed 4 times of its shareholders' funds.

Investment Structure

- to subscribe a combination of Ordinary Shares and 5% Cumulative Redeemable Convertible Preference Shares (CRCPS).

Size of Investment

- maximum of 49% equity interest for ordinary shares and maximum investment allowed is RM5 million.

Tenure of investment

- maximum of 5 years

FOR FURTHER INFORMATION, PLEASE CONTACT:

Perbadanan Nasional Berhad (PNS)

Level 9B, Menara Dato' Onn,
PWTC, 45 Jalan Tun Ismail,
50480 Kuala Lumpur

Tel: 603-2698 6670

Fax: 603-2698 6617

Website: www.pns.com.my

Franchisee Financing Scheme - Term Loan

Criteria of Target Companies

- Franchisor/Master Franchisee must be registered with Registrar of Franchise (ROF) and Malaysian Franchise Association (MFA);
- 100% equity owned by Bumiputeras;
- minimum 51% BOD and Management are Bumiputeras; and
- franchisee must contribute at least 20% of total project cost.

Financing Structure

- Term Loan

Size of Financing

- RM20,000 - RM500,000

Tenure of Financing

- maximum of 5 years

Margin of Financing

- maximum of 80% of total project cost

Interest Rate

- 4% per annum

FOR FURTHER INFORMATION, PLEASE CONTACT:

Perbadanan Nasional Berhad (PNS)

Level 9B, Menara Dato' Onn,
PWTC, 45 Jalan Tun Ismail,
50480 Kuala Lumpur

Tel: 603-2698 6670

Fax: 603-2698 6617

Website: www.pns.com.my

Investment in Strategic Alliance Companies

Criteria of Target Company

- Non-Bumiputera controlled companies with a minimum of 3 years uninterrupted profit after tax (PAT);
- minimum shareholders' fund of RM20 million;
- total PAT for the last 2 years (audited) + current year (forecast) must not less than RM10 million; and
- listing potential within 2 years.

Investment Structure

- to subscribe a minimum of 10% and maximum of 30% equity interest in the target company

Size of Investment

- minimum of RM1 million and maximum of RM10 million in the target company

Tenure of Investment

- maximum of 4 years

FOR FURTHER INFORMATION, PLEASE CONTACT:

Perbadanan Nasional Berhad (PNS)

Level 9B, Menara Dato' Onn,
PWTC, 45 Jalan Tun Ismail,
50480 Kuala Lumpur
Tel: 603-2698 6670
Fax: 603-2698 6617
Website: www.pns.com.my

Investment in Mezzanine Companies

Criteria of Target Companies

Ordinary Shares

- minimum shareholders' funds of RM15 million;
- total PAT for the last 2 years (audited) + current year (forecast) must not be less than RM10 million;
- listing potential within 3 years; and
- 51% of board of director (BOD) and key management are Bumiputeras.

Preference Share

- minimum shareholders' funds of RM2 million;
- total PAT for the last 2 years (audited) + current year (forecast) must not be less than RM1 million; and
- 51% of BOD and key management are Bumiputeras.

Investment Structure

Ordinary Shares

- subscribe to a minimum of 10% and maximum of 30% equity interest in the target company with option to sell back to Middle-Level Bumiputera Entrepreneurs (UMBs).

Preference Shares

- subscribe to 5% Cumulative Redeemable Convertible Preference Shares (CRCPS) in target company.

Size of Investment

Ordinary Shares

- minimum of RM1 million and maximum of RM10 million in the target company.

Preference Shares

- minimum of RM1 million and maximum of RM5 million, subject to gearing ratio of 2 times

Tenure of Investment

Ordinary Shares

- maximum of 4 years

Preference Shares

- maximum of 5 years

FOR FURTHER INFORMATION, PLEASE CONTACT:

Perbadanan Nasional Berhad (PNS)

Level 9B, Menara Dato' Onn,
PWTC, 45 Jalan Tun Ismail,
50480 Kuala Lumpur

Tel: 603-2698 6670

Fax: 603-2698 6617

Website: www.pns.com.my

MESDAQ Bound Companies

Criteria of Target Companies

- Bumiputera or non-Bumiputera controlled companies with the potential to be listed on the MESDAQ within 1 year;
- companies with a minimum of 2 years uninterrupted Profit After Tax (PAX) track record;
- minimum PAT of RM500,000 based on the audited accounts for the most recent financial year;
- the target company must be involved in one of the 12 Technology Priority Areas as identified by MESDAQ as follows:
 - advanced electronics and information technology;
 - telecommunications;
 - equipment/instrumentation, automation & flexible manufacturing systems;
 - biotechnology, bioconversion and genetic engineering;
 - healthcare;
 - electro-optics, non-linear optics and optoelectronics;
 - advanced materials;
 - energy;

- transportation;
- emerging technologies;
- services;
- if the target company is not technology related, it must at least have high growth potential and a minimum 12 months' of operating revenue at the time of application. The following sectors are excluded: construction, property development, banking and financial services;
- the target company must have appointed advisors for the listing exercise prior to PNS approval;
- the target company must have at least 50% of its total assets situated in Malaysia based on its audited accounts for the most recent financial year; and
- the target company has not previously applied for listing on Bursa Malaysia, of which such application has been rejected by the past 1 year.

Investment Structure

- to subscribe a minimum of 10% and maximum 30% equity interest in the target company.

Size of Investment

- maximum of RM5 million

Tenure of investment

- maximum of 4 years

FOR MORE INFORMATION, PLEASE CONTACT:

Perbadanan Nasional Berhad (PNS)

Level 9B, Menara Dato' Onn,
PWTC, 45 Jalan Tun Ismail,
50480 Kuala Lumpur

Tel: 603-2698 6670

Fax: 603-2698 6617

Website: www.pns.com.my

General Financing Scheme

This scheme includes

Financing of trading, services and manufacturing projects. Each contractor is entitled to use this financing facility twice only.

- Financing for Professionals;
- Financing of Transportation;
- Financing of Mini Markets;
- Financing of Entrepreneurial Establishment;
- Financing for Technical Entrepreneurs;
- Financing of RM30,000 and below without guarantor and collateral;
- Financing for Agricultural Entrepreneurs; and
- Financing Purchase of Taxis.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Majlis Amanah Rakyat (MARA)

Bangunan Medan MARA,
No 21, Jalan Raja Laut
50609 Kuala Lumpur
Tel: 603-2691 5111
Fax: 603-2691 3620
Website: www.mara.gov.my

Contract Financing Scheme

Financing of contruction works, supplies, services and electrical works. Financing covers classes F, E and D contractors for Public Agencies.

Each contractor is entitled to use this financing facility twice.

Financing categories

- Financing of General Contracts;
- Overdraft Facilities;
- Financing of Sub-contract under the Umbrella Concept; and
- Financing for Outstanding Contractors.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Majlis Amanah Rakyat (MARA)

Bangunan Medan MARA,
No 21, Jalan Raja Laut
50609 Kuala Lumpur
Tel: 603-2691 5111
Fax: 603-2691 3620
Website: www.mara.gov.my

Special Financing Scheme for Franchise and Manufacturing

Covers the following businesses

- Manufacturing;
- Services; and
- Tourism.

Specific financing is awarded to projects involving advanced technology with priority given to manufacturing, franchise, tourism packages and service.

Each contractor is entitled to use the facility twice.

Requirements

Malaysian citizens - Malay or Bumiputera;

- 18 years of age;
- knowledgeable and experienced in business;
- conduct business full time;
- capital contribution: 10% of total project cost borne by the applicants;
- possess license/permit/consent letter from authorities;
- submit sufficient collateral; and
- must undergo Entrepreneurship Course if experience in relevant fields is less than 6 months.

How to Apply and Processing Fee

- forms can be obtained from State/District MARA Offices;
- completed forms must be submitted to the nearest District MARA Office;
- documents needed to be enclosed include:
 - copies of business documents such as license, permit, agreement of partnership; and
 - working paper on Business Plan (for application of RM50,000 and above financing).

Guarantor Requirements

MARA accepts the following

- Individual Guarantor (must be employed)
 - from the public sector; and
 - from the private sector.
- Land
 - free from any caveat;
 - owned by applicant; and
 - owned by parents/relatives.
- Combination of Guarantor and Land

FOR FURTHER INFORMATION, PLEASE CONTACT:

Majlis Amanah Rakyat (MARA)

Bangunan Medan MARA,
No 21, Jalan Raja Laut
50609 Kuala Lumpur
Tel: 603-2691 5111
Fax: 603-2691 3620
Website: www.mara.gov.my

Financial Assistance for Raw Material and Supporting Equipment

The timber-based industry is recognized to be able to contribute significantly to the national economic growth. The financial package for raw material and supporting equipment is a government fund that is channeled through MTIB. This financing program is specifically intended for the Bumiputera industry sector.

Objectives

- to increase the production capacity of Bumiputera enterprises; and
- to enhance the competitive edge of Bumiputera timber enterprises.

Types of Financing

There are two types of financing available:

- Raw Material Financing: assistance to procure wood material and wood panels; and
- Supporting Equipment Financing: assistance to acquire supporting equipment to increase productivity and quality.

Qualifying Criteria

- Bumiputera status;
- involved in the activities for manufacturing/processing/productions of finished products;
- possess sales order or confirmed letter of credit (LC) or other documents that confirm sales order or contract; and
- for supporting equipment financing, the assistance is for machineries that would lead to increased production efficiency.

Financing approval is based on qualification. The payment for the procurements would be made directly by MTIB to the suppliers. Recipients of these assistances are required to repay the loan together with service charges at 2% on the total loan disbursed. All applications are considered by a committee and the decision are final.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Malaysian Timber Industry Board (MTIB)

Level 13-17, Menara PGRM,

No. 8, Jalan Pudu Ulu,

56100 Cheras, Kuala Lumpur.

Tel: 603-9282 2235

Fax: 603-9285 1477 / 1744

Email: info@mtib.gov.my

Website: www.mtib.gov.my

Farming Entrepreneur Development

Scope of Financing

- Construction of buildings; and
- Supply of machineries and equipment.

Qualifying Criteria

- Peladang organizations

Form of Financing

- loan up to RM25,000 only for each applicant

FOR FURTHER INFORMATION, PLEASE CONTACT:

Farmers' Organization Authority of Malaysia (LPP)

Blok C Utara, Pusat Bandar Damansara

Bukit Damansara

50460 Kuala Lumpur

Tel: 603-2094 5222

Fax: 603-2095 4239

E-mail: info@farm-my.net

Website: <http://agrolink.moa.my/lpp>

Rural-based Human Resources Development

Scope of Financing

- Construction of buildings and premises; and
- Supply of equipment and machineries.

Target Group

- members of Peladang

Form of Financing

- loan up to a maximum of RM10,000 for each applicant

FOR FURTHER INFORMATION, PLEASE CONTACT:

Farmers' Organization Authority of Malaysia (LPP)

Blok C Utara, Pusat Bandar Damansara

Bukit Damansara

50460 Kuala Lumpur

Tel: 603-2094 5222

Fax: 603-2095 4239

E-mail: info@farm-my.net

Website: <http://agrolink.moa.my/lpp>

Peladang Unit Development

Scope of Financing

- construction of buildings and premise; and
- supply of equipment and machineries.

Target Group

- members of any Peladang units that has been set up

Form of Financing

- loan up to a maximum of RM10,000 for each applicant

FOR FURTHER INFORMATION, PLEASE CONTACT:

Farmers' Organization Authority of Malaysia (LPP)

Blok C Utara, Pusat Bandar Damansara

Bukit Damansara

50460 Kuala Lumpur

Tel: 603-2094 5222

Fax: 603-2095 4239

E-mail: info@farm-my.net

Website: <http://agrolink.moa.my/lpp>

Soft Loan for the Construction of Curing Houses with the Latest Technology

Objective

- to provide growers and curers with the opportunity to acquire the latest technology in curing facilities in order to enhance the quality of tobacco produced, and to reduce costs

Qualifying Criteria

- existing tobacco growers or curers who are licensed by the National Tobacco Board; and
- current outstanding loan(s) is/are not significant (deductions from sales of tobacco do not exceed 20%).

Sector Coverage

- Licensed tobacco growers and curers.

Loan Amount

- total loan is according to the cost determined by the National Tobacco Board, based on the technology package selected.

Repayment Period

- total repayment is 70% of total loan amount; and
- repayment period is five years.

Interest Rates

- 3% per annum

FOR FURTHER INFORMATION, PLEASE CONTACT:

National Tobacco Board

Kubang Kerian, Peti Surat 198,
15720 Kota Bharu, Kelantan

Tel: 609-7652 933 / 7651 182 / 7652 802

Fax: 609-7655 640 / 7651 934 / 7642 248

Website: www.ltn.gov.my

Soft Loan for Farm and Curing House Equipment

Objective

- to equip growers and curers with farming equipment such as water pump, mini tillers, power sprayer, diesel burners for curing houses, and others in order to improve farm productivity.

Qualifying Criteria

- existing growers and curers licensed by the National Tobacco Board; and
- current outstanding loan(s) is/are not significant (deductions from sales of tobacco do not exceed 20%).

Sector Coverage

- licensed tobacco grower and curer

Loan Amount

- loan amount depends on the cost of equipment

Repayment Period

- total repayment is 70% of total loan amount;
- repayment period is five years.

Interest Rates

- 3% per annum

FOR FURTHER INFORMATION, PLEASE CONTACT:**National Tobacco Board**

Kubang Kerian, Peti Surat 198,
15720 Kota Bharu, Kelantan

Tel: 609-7652 933 / 7651 182 / 7652 802

Fax: 609-7655 640 / 7651 934 / 7642 248

Website: www.ltn.gov.my

Soft Loan for Integration Project**Objective**

- to assist the implementation of integrated projects by the targeted group as well as the marginalised groups (to plant other crops and rear livestock) to increase their income.

Qualifying Criteria

- existing tobacco growers and curers who are licensed by the National Tobacco Board
- carrying out farming or livestock activities commercially.

Sector Coverage

- Licensed tobacco growers and curers

Loan Amount

- loan amount depends on the viability of project

Repayment Period

- total repayment is 70% of total loan amount; and
- loans for operational cost – repayment must be made as soon as returns from the project is realised.

Interest Rates

- nil

FOR FURTHER INFORMATION, PLEASE CONTACT:

For further information on the programmes offered by the National Tobacco Board, please contact:

- LTN's Entrepreneur Development Technician, who are responsible for growers and curers;
- LTN's Branch Officer; and
- Main Office:

National Tobacco Board

Kubang Kerian, Peti Surat 198,

15720 Kota Bharu, Kelantan

Tel: 609-7652 933 / 7651 182 / 7652 802

Fax: 609-7655 640 / 7651 934 / 7642 248

Website: www.ltn.gov.my

Group Economic Cooperative Fund (TEKUN)

Objectives

- TEKUN programme was initiated with the following objectives:
 - to offer additional capital financing to small Bumiputera enterprises;
 - to encourage saving culture;
 - to create a network of Bumiputera entrepreneurs; and
 - to develop TEKUN entrepreneurs who are competitive and successful.

Qualifying Criteria

- The qualifying criteria are:
 - bumiputera and aged between 18 and 60 years;
 - possess valid business license/permit/registration;
 - appropriate business premise;
 - operate the business on a fulltime basis;
 - current outstanding business loan does not exceed RM20,000;
 - has been operating for at least six months; and
 - only one application per household.

Sector Coverage

- retail/trading;
- wholesale;
- manufacturing;
- services;
- agriculture;
- livestock;
- fishery;
- small contractors.

Loan Amount & Interest Rates

TEKUN offers loans in the amount from RM1,000 to RM10,000 for the first loan, and up to RM20,000 for the second loan, with service charge fixed at 8% annually.

Repayment Period

The repayment period for the loan is based on the following schemes

- Scheme 1 (26 weeks)
- Scheme 2 (52 weeks)
- Scheme 3 (78 weeks)
- Scheme 4 (104 weeks)
- Scheme 5 (130 weeks)
- Scheme 6 (156 weeks)

Payments are made on a weekly basis for loans amounting from RM1,000 to RM10,000, and biweekly for the third loan or amounting from RM11,000 to RM20,000.

Application Procedure

Application forms can be obtained from TEKUN's headquarters, branches or from TEKUN's website at www.tekun.gov.my.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Yayasan TEKUN Nasional

No 2, Wisma Matmunap
Jalan 4/146, Metro Centre
Bandar Tasik Selatan
57000 Kuala Lumpur

Tel: 603-9058 8550

Fax: 603-9059 5805

E-mail: mailbox@tekun.gov.my

Website: www.tekun.gov.my

PRIVATE SECTOR FUNDINGS

1. Development Financial Institutions (DFIs)

Fiction Film Financing Scheme

Objective

- to encourage Malaysian film company to produce successful filming production for local or international

Maximum financing rate

- 4.0% per annum

Maximum tenure

- annuity

Minimum financing

- RM30,000

Maximum financing

- RM3.0 million or up to 90% of the project cost

Participating financial institutions / Implementing Ministry / Agency

- SME Bank

Eligibility criteria

- local film production company registered with Companies Commission of Malaysia
- possessed valid production film licensed under Perbadanan Kemajuan Filem Nasional Act 1981
- shows a good track record or experience in film production

Purpose of financing

- Working capital

Eligible sector / Types of financing

- Filming Industry

Application procedure

- application to be submitted to SME Bank

FOR FURTHER INFORMATION, PLEASE CONTACT:

Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank)

Menara SME Bank

Jalan Sultan Ismail

Peti Surat 12352

50774 Kuala Lumpur

Tel: 603-2615 2020 / 603-2615 2828

Fax: 603-2692 8520 / 603-2698 1748

Website: www.smebank.com.my

Graduate Entrepreneurs Fund

Objective

- to encourage graduates to participate and venture into businesses in selected potentially expanding industry

Maximum financing rate

- 5% per annum

Maximum tenure

- 7 years

Minimum financing

- RM20,000

Maximum financing

- RM250,00 or up to 90% of the project cost

Participating financial institutions / Implementing Ministry / Agency

- SME Bank

Eligibility criteria

- registered with Companies Commission of Malaysia under the Companies Act 1965 and graduates hold majority equity in the company;
- graduate has diploma/degree/doctorate qualification; and
- less than 35 years old and successfully completed training programmes, placement and practical training under Ministry of Entrepreneur and Co-operative Development (MECD) or its agencies.

Purpose of financing

- Working capital; and
- Financing fixed assets or both.

Eligible sector / Types of financing

- transport;
- tourism;
- selected services;
- franchise business; and
- special programme under MECD.

Application procedure

- application to be submitted to SME Bank via MECD

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank)**

Menara SME Bank

Jalan Sultan Ismail

Peti Surat 12352

50774 Kuala Lumpur

Tel: 603-2615 2020 / 603-2615 2828

Fax: 603-2692 8520 / 603-2698 1748

Website: www.smebank.com.my

Ministry of Entrepreneur and Co-operative Development (MECD)

Lot 2G6, Presint 2 Pusat Pentadbiran Kerajaan Persekutuan

62100 Putrajaya

Tel: 603-8880 5000

Fax: 603-88805106

Website: www.mecd.gov.my

Rural Economy Financing Scheme (SPED)**Objective**

- to assist Bumiputera entrepreneurs operating in rural areas to obtain financing for their business activities

Maximum financing rate

- 5.0% per annum

Maximum tenure

- 5 to 7 years

Minimum financing

- RM30,000

Maximum financing

- RM500,000 depending on the period the business has been in operation

Participating financial institutions / Implementing Ministry / Agency

- SME Bank

Eligibility criteria

- wholly owned by Bumiputera and registered with Companies Commission of Malaysia;
- operates outside City Council on full time basis; and
- for sole proprietor, age must below 55 years old.

Purpose of financing

- Purchase of machinery; and
- Working capital.

Eligible sector / Types of financing

- Manufacturing;
- Selected services; and
- Franchise.

Application procedure

- application to be submitted to SME Bank

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank)**

Menara SME Bank

Jalan Sultan Ismail

Peti Surat 12352

50774 Kuala Lumpur

Tel: 603-2615 2020 / 603-2615 2828

Fax: 603-2692 8520 / 603-2698 1748

Website: www.smebank.com.my

Rural Economy Financing Scheme for Indian Community (SPEDI)**Objective**

- to assist rural Indian entrepreneurs involves in pottery business to obtain financing for their business activities.

Maximum financing rate

- 5.0% per annum

Maximum tenure

- 5 years

Maximum financing

- RM40,000

Participating financial institutions / Implementing Ministry / Agency

- SME Bank

Eligibility criteria

- entrepreneurs comprise of Malaysian Indian only;
- sole proprietorship, partnership or company is 100% owned by Malaysian Indian;
- individual entrepreneur age must be below 55 years old; and
- priority is given to businesses operated on full time basis with the business premises located in the rural area and outside the place of residence.

Purpose of financing

- Purchase of machinery & equipment; and
- Working capital.

Eligible sector / Types of financing

- Pottery industry

Application procedure

- application to be submitted to SME Bank

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank)**

Menara SME Bank

Jalan Sultan Ismail

Peti Surat 12352

50774 Kuala Lumpur

Tel: 603-2615 2020 / 603-2615 2828

Fax: 603-2692 8520 / 603-2698 1748

Website: www.smebank.com.my

Seed Capital Scheme (Batik and Craft)**Objective**

- to promote Malaysian textile and craft industry by providing financing to Bumiputera batik and craft operator.

Maximum financing rate

- 4% per annum

Maximum tenure

- 3-8 years

Minimum financing

- RM20,000

Maximum financing

- RM250,000

Participating financial institutions / Implementing Ministry / Agency

- SME Bank

Eligibility criteria

- a company with at least 70% Bumiputera-owned equity;
- company's paid-up capital minimum RM2.5 million;
- companies in operation less than 3 years must attending courses organized by SME Bank or related government agencies; and
- must be supported by Malaysian Handicraft Development Corporation or any other related association.

Purpose of financing

- Purchase of fixed assets; and
- Working capital.

Eligible sector / Types of financing

- Manufacturing and services sector related to batik and craft industry

Application procedure

- application to be submitted to SME Bank

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank)**

Menara SME Bank

Jalan Sultan Ismail

Peti Surat 12352

50774 Kuala Lumpur

Tel: 603-2615 2020 / 603-2615 2828

Fax: 603-2692 8520 / 603-2698 1748

Website: www.smebank.com.my

Special Fund for Tourism 2**Objective**

- to support Government efforts to develop tourism industry.

Maximum financing rate

- 3.75% per annum

Maximum tenure

- 20 years

Minimum financing

- RM50,000

Maximum financing

- 90% of total project cost or up to RM25 million

Participating financial institutions / Implementing Ministry / Agency

- SME Bank

Eligibility criteria

- shareholder's fund not exceeding RM10 million with 60% Bumiputera equity and registered under the Companies Commission of Malaysia; and
- viable tourism project and registered with the Ministry of Tourism.

Purpose of financing

- all small and medium project related to tourism industry; and
- construction of new hotel and resort on Bumiputera Malay reserved land including off shore-island.

Business acquisitions including hotel

Eligible sector / Types of financing

- Tourism

Application procedure

- application to be submitted to SME Bank

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank)**

Menara SME Bank

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Peti Surat 12352

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Tel: 603-2615 2020 / 603-2615 2828

Fax: 603-2692 8520 / 603-2698 1748

Website: www.smebank.com.my

Tanmiah Scheme 1 (Third Window Programme)**Objective**

- to assist bumiputera's company involved in the manufacturing and services industry to enhance their business operation and activities.

Maximum financing rate

- 6.5% per annum

Maximum tenure

- 8 years

Minimum financing

- RM500,000

Maximum financing

- RM5 million

Participating financial institutions / Implementing Ministry / Agency

- SME Bank

Eligibility criteria

- registered with Companies Commission of Malaysia under the Companies Act 1965;
- bumiputera owned company with at least 51% equity and the principal management position held by Bumiputera; and
- paid-up capital between RM5 million to RM40 million.

Business operation conducted in Malaysia

Purpose of financing

- Working capital; and
- Asset acquisition such as machinery, tool and vehicles.

Eligible sector / Types of financing

- Manufacturing; and
- Services.

Application procedure

- application to be submitted to SME Bank

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank)**

Menara SME Bank

Jalan Sultan Ismail

Peti Surat 12352

50774 Kuala Lumpur

Tel: 603-2615 2020 / 603-2615 2828

Fax: 603-2692 8520 / 603-2698 1748

Website: www.smebank.com.my

Tanmiah Scheme 2 (Strategic Industry Programme)**Objective**

- to enhance the competitiveness of the factory belonging to Bumiputera company involve in the wholesale and distribution activities to cater for domestic and international market.

Maximum financing rate

- 5.0% to 6.5% per annum

Maximum tenure

- 3-5 years

Minimum financing

- RM100,000

Maximum financing

- RM2.5 million

Participating financial institutions / Implementing Ministry / Agency

- SME Bank

Eligibility criteria

- Bumiputera's owned company (at least 51% equity) and registered with Companies Commission of Malaysia under the Companies Act 1965;
- management, administration and the operation of the company reflect bumiputera status company; and
- for wholesale and distribution activities, priority will be given to those with experience and background in marketing.

Purpose of financing

- Working capital; and
- Asset acquisition.

Eligible sector / Types of financing

- Wholesale activities;
- Distribution; and
- Services.

Application procedure

- application to be submitted to SME Bank

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Menara SME Bank

Jalan Sultan Ismail

Peti Surat 12352

50774 Kuala Lumpur

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Website: www.smebank.com.my

Terengganu State Entrepreneurs Fund

Objective

- to develop entrepreneurs in the state of Terengganu

Maximum financing rate

- 3.5% per annum

Maximum tenure

- 3-10 years

Minimum financing

- RM20,000

Maximum financing

- RM500,000

Participating financial institutions/Implementing Ministry/Agency

- SME Bank

Eligibility criteria

- business entity registered with Companies Commission of Malaysia;
- entity at least 50% owned by Terengganu people;
- entity at least 70% owned by Bumiputera;
- paid up capital not exceeding RM2.5 million; and
- project located in Terengganu.

Eligible sector / Types of financing

- Manufacturing, services and tourism;
- Vendor's project and franchising;
- Trading of products produced in Terengganu;
- Construction; and
- Processing of agriculture based products.

Application procedure

- application to be submitted to SME Bank

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Perusahaan Kecil dan Sederhana Malaysia Berhad (SME Bank)**

Menara SME Bank

Jalan Sultan Ismail

Peti Surat 12352

50774 Kuala Lumpur

Tel: 603-2615 2020 / 603-2615 2828

Fax: 603-2692 8520 / 603-2698 1748

Website: www.smebank.com.my**New Schemes Under SME Bank****SME Start-Up**

The SME Start-Up offers financing and/or business development support for entrepreneurs to commercialise their product or service including ICT and agro-based activities and is specially targeted towards businesses with market-viable products or services ready for domestic and/or international commercialisation.

SME Classification	Micro	Small	Medium
SME Profile	Start-ups and new businesses in Manufacturing and Manufacturing-Related Services and priority growth sectors/industries as outlined in the Ninth Malaysia Plan.		
SME Classification	Credentialed and experienced entrepreneur and service provider. Viable product, service or solution prototype ready for domestic market distribution.	Credentialed and experienced entrepreneur and service provider. Viable business idea or product already distributed locally but with new opportunities for market expansion and growth, e.g. franchise option.	Credentialed and experienced entrepreneur and service provider. Viable products / services with new opportunities in local and international markets.

Special Funds for SME Start-Up

SME Bank may also match entrepreneurs' start-up development requirements with the appropriate dedicated funds or programmes. The main criteria is the viability of the business idea and how that idea can effectively be translated into a business plan to produce, commercialise and market to identified local or international markets.

SME Classification	Micro	Small	Medium
Type of Financing	Conventional and Islamic	Conventional and Islamic	Conventional and Islamic
Facilities	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit Loan Stock	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit Loan Stock
Limit of Financing	Up to RM500,000 (for Special Programmes only)	Up to RM5 million	Up to RM10 million
Interest Rates	Competitive rates subject to terms of funds and risk ratings where applicable		
Tenure	Up to a maximum of 15 years subject to assets financed Working capital up to 5 years subject to annual review Up to a maximum of 3 years grace period		
Method of Repayment	Monthly, Quarterly, Fixed or Contract Terms		
Processing Fee	Nil	0.25% of approved loan	0.25% of approved loan

SME Professional

Building a business in professional services

This scheme will enable the development and growth of the professional services business in Malaysia. As the country evolves into a developed nation, the need to strengthen the services infrastructure to support an evolving service-driven economy calls for accelerated entrepreneurship in the services industry.

SME Classification	Micro	Small	Medium
SME Profile	<p>Professional graduate on completion of compulsory job training / housemanship / chambering / articleship, etc. (if and where applicable).</p> <p>Professionals who wish to start their own private practice / company.</p> <p>Firm or company of professional services with less than two year track record and audited financial statements.</p>	<p>Professional services company seeking financing to support business operations.</p> <p>Professional services company with at least 2 years business track record and audited financial statements.</p>	<p>Professional services firm or company seeking financing to expand and accelerate business growth through opening of new branches.</p> <p>Professional services firm with high growth potential with at least 2 years profitable business track record.</p>
Eligibility	Viable professional service ready for domestic market development.	Viable services already distributed locally but with new opportunities for market expansion and growth.	Viable services with new opportunities in local and international markets.

Special Funds for SME Professional

This fund is also be match with other appropriate dedicated funds or programmes which are being channeled through the SME Bank and also through its partner organisations. The most important consideration is the competitiveness of their service offering (for start-ups) or the viability of their business (for small to medium sized enterprises).

SME Franchise

The Franchise Option

The SME Franchise scheme is a joint offering by the SME Bank and PNS as the Government agency focusing on strategic and national franchise development in the country, the product focuses on the evaluation, growth and sustenance of the franchise route for local would-be franchisors and franchisees.

SME Classification	Micro	Small	Medium
SME Profile	Start-Up Franchisors, Would be Franchisors, Established Local Franchisors, Master Franchisee in Manufacturing and Manufacturing-Related Services (including food, retailing, education, healthcare, ICT, agro-based, hotel and tourism)		
Eligibility	Franchisees only Malaysian-owned and controlled company Registered with the Malaysian Franchise Association (MFA) Franchisors registered with the Registrar of Franchise (ROF) Completed mandatory franchise courses with MFA Franchisee with less than 2 years business track record	Franchisors Master franchisees Franchisee to a foreign franchisor Would-be franchisors Franchisees Malaysian-owned and controlled company Registered with the Malaysian Franchise Association (MFA) Franchisors registered with the Registrar of Franchise (ROF) Completed mandatory franchise courses with MFA Potential franchisors with less than 2 years track record developing franchise product, or converting existing business to franchise business Franchisee opening or expanding franchise operations with less or more than 2 years record	Franchisors Master franchisees Franchisee to a foreign franchisor Would-be franchisors Franchisees Malaysian-owned and controlled company Registered with the Malaysian Franchise Association (MFA) Franchisors registered with the Registrar of Franchise (ROF) Completed mandatory franchise courses with MFA Potential franchisors with at least 2 years track record developing franchise product, or converting existing business to franchise business Franchisee opening or expanding franchise operations with less or more than 2 years record

Special Funds for SME Franchise

The Bank will also match entrepreneurs' franchise development requirements with the appropriate dedicated funds or programmes which are being channeled through the SME Bank and PNS.

SME Classification	Micro	Small	Medium
Type of Financing	Conventional and Islamic	Conventional and Islamic	Conventional and Islamic
Facilities	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit Loan Stock	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit Loan Stock
Limit of Financing	Franchisee - Up to RM500,000	Potential / Would-be Franchisor and existing Franchisor - Up to RM5 million Franchisee - Up to RM3 million	Potential / Would-be Franchisor and existing Franchisor - Up to RM10 million Franchisee - Up to RM3 million
Interest Rates	Competitive rates subject to terms of funds and risk ratings where applicable		
Tenure	Up to a maximum of 15 years subject to assets financed Working capital up to 5 years subject to annual review Up to a maximum of 3 years grace period		
Method of Repayment	Monthly, Quarterly, Fixed or Contract Terms		
Processing Fee	0.25% of approved loan amount		

SME Procurement

A comprehensive financial product and service for vendors

As one of the key thrusts of the Ninth Malaysia Plan is to move the economy up the value chain and strengthen the country's implementation capacity to remain globally competitive as a trading nation, the SME Procurement fast tracks access to financing and business development support the Malaysian vendor.

The SME Procurement is unique as it focusses on vendors' special needs. Supporting vendors' business developmental stages, the SME Bank and its network of partners will coordinate efforts to ensure that sufficient funds and business advisory support is extended to the Malaysian vendors.

SME Classification	Small	Medium
SME Profile	<p>Vendor / Contractor in manufacturing of components, materials and services to GLCs and MNCs (Manufacturing and Manufacturing-Related Services, selected services and priority growth sectors under the Ninth Malaysia Plan).</p> <p>Sub-Vendor / Contractor to Main Vendor / Contractor in above sectors and industries.</p> <p>Credentialed and experienced entrepreneur and service provider.</p> <p>Applies to all SME classifications except Micros (Annual turnover of less than RM200,000 for the services sector and RM250,000 for the manufacturing sector).</p>	
Eligibility	<p>Viable businesses with high growth opportunities in local and international markets.</p> <p>Vendors with letter of appointment / intent / award by contract awarder.</p> <p>Viable businesses with strong product / services but experiencing growth issues.</p> <p>Vendors with access to ready market (MNC, GLC or other domestic buyers)</p> <p>Vendor developmental projects in priority or target growth sectors.</p>	

Special Funds for SME Procurement

The Bank will also match vendors' business development requirements with the appropriate dedicated funds or programmes which are being channeled through the SME Bank.

SME Classification	Small	Medium
Type of Financing	Conventional and Islamic	Conventional and Islamic
Facilities	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit Factoring Loan Stock	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit Factoring Loan Stock
Limit of Financing	Up to RM15 million	Up to RM50 million (subject to single customer limit)
Interest Rates	Competitive rates subject to terms of funds and risk ratings where applicable	
Tenure	Up to a maximum of 15 years subject to assets financed Working capital up to 5 years subject to annual review Up to a maximum of 3 years grace period	
Method of Repayment	Monthly, Quarterly, Fixed or Contract Terms	
Processing Fee	0.25% of approved loan amount	

SME Global

Accelerating the active participation of SMEs in global markets

The SME Global focusses on the evaluation, growth and promotion of internationalising business. Together with its partners, the SME Bank will assess the export potential of a business and help business owners with the financing and the development of the export business when they are ready to expand their operations overseas.

SME Classification	Small	Medium
SME Profile	<p>Applies only to Small and Medium-sized Enterprises (Annual turnover of between RM1 million to RM25 million in the manufacturing sector and between RM1 million to RM5 million in the services sector).</p> <p>High growth companies ready to expand and export internationally with minimum 25% annual export sales in the manufacturing and manufacturing-related services, selected services and priority growth sectors and industries as outlined under the Ninth Malaysia Plan.</p> <p>Indirect exporter and traders supplying goods and services to direct exporters.</p> <p>Exporters and traders exporting products / services directly to overseas markets.</p> <p>Malaysian company or Malaysian controlled company (at least 51% local shareholding) exporting to foreign markets.</p>	
Eligibility	<p>Domestically-established companies with the products, services and / or capacity to compete effectively in the international market.</p> <p>ICT companies with patented and / or patent pending products, services and / or solutions in target international market(s).</p> <p>Companies involved in export of consultancy services, product research and development with regional headquarters located in Malaysia.</p> <p>Manufacturers, traders and service providers to MNCs (multinationals) and large corporations in Malaysia and worldwide.</p> <p>Service providers in global IT services, shared services and business process outsourcing (BPO) and tourism services.</p> <p>Companies involved in trading activities for homegrown goods and content.</p>	

Special Funds for SME Global

In addition, the Bank will match business owners' global business development requirements with the appropriate dedicated funds or programmes which are being channeled through the strategic partners and the SME Bank.

SME Classification	Small	Medium
Type of Financing	Conventional and Islamic	Conventional and Islamic
Facilities	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit Factoring Loan Stock	Term Loan Revolving Loan IHP / Leasing BG / Letter of Credit Factoring Loan Stock
Limit of Financing	Up to RM25 million	Up to RM50 million (subject to single customer limit)
Interest Rates	Competitive rates subject to terms of funds and risk ratings where applicable	
Tenure	Up to a maximum of 15 years subject to assets financed Working capital up to 5 years subject to annual review Up to a maximum of 3 years grace period	
Method of Repayment	Monthly, Quarterly, Fixed or Contract Terms	
Processing Fee	0.25% of approved loan amount.	

Direct Access Guarantee Scheme (DAGS)

Eligibility Criteria

- all Malaysian owned, controlled and registered businesses (with the exception of co-operatives), with annual sales turnover not exceeding RM25 million or full time workers of 150 or less;
- the company should be Malaysian owned and controlled private limited companies registered under the Companies Act 1965;
- no adverse record with CGC or other Financial Institutions or listed under Biro Maklumat Cek, Bank Negara Malaysia;
- all legal business activities under "Sdn Bhd", partnership or sole proprietorship;
- a start-up company may apply provided a satisfactory and reasonable cash flow indicating repayment capacity of about 1.5 times; and
- franchise businesses can apply under this scheme.

Submission of Loan Guarantee Applications

All loan guarantee applications are to be submitted directly to CGC using a standard application form accompanied by the necessary documents as per normal loan processing requirement.

Loan Amount and Guarantee Coverage

For loan amount ranging between RM50,000 to RM2.0 million, the guarantee cover is up to 100% and shall be valid up to the maturity date of the loan with a maximum tenure of five years.

Credit Facilities Covered

- term Loans/fixed Loan;
- overdrafts; yearly review;
- trade lines; yearly review; and
- any other credit facilities determined by CGC from time to time.

Costs of Borrowing

- the lending rate is between 1.00% to 1.75%+BLR; and
- the guarantee fee is between 0.75% and 1.50% per annum based on the guarantee coverage to be charged to the borrower.

CGC will charge a processing fee of RM300 on each successful application and an annual renewal fee of RM150.

Participating Institutions

A panel of financial institutions assigned by CGC.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Credit Guarantee Corporation (CGC)

Level 13-16, Bangunan CGC, Kelana Business Centre
97, Jalan SS7/2, 47301 Petaling Jaya
Selangor Darul Ehsan

Tel: 603-7806 2300
Fax: 603-7806 3308
E-mail: mailbox@cgc.com.my

Client Service Centre
Tel: 603-7880 0088
Website: www.iguarantee.com.my

Small Entrepreneurs Guarantee Scheme

Eligibility Criteria

- all Malaysian owned and controlled companies registered under the Companies Act 1965, the Co-operative Societies Act 1993, and entrepreneurs registered with the Companies Commission of Malaysia, or any other authoritative body;
- a borrower can only have one loan under one CGC guarantee at any one time;
- a borrower should not have any adverse record in respect of borrowing from any other financial institution or any Government agencies; and
- franchise businesses can also apply under this scheme.

Credit Facilities Covered

- term loans; and
- overdrafts.

Interest Rate

- the interest rate charged by the Financial Institution will not exceed BLR + 1.5%.

Credit Tenure

- the tenure of the guarantee cover shall be for a maximum of five years

Guarantee Cover

- the guarantee cover shall be between 80 % and 100%

Guarantee Fee

- the guarantee fee is 1.25% per annum based on the guarantee cover, and is payable annually in advance

Participating Institution

- all commercial banks and finance companies

FOR FURTHER INFORMATION, PLEASE CONTACT:

Credit Guarantee Corporation (CGC)

Level 13-16, Bangunan CGC, Kelana Business Centre
97, Jalan SS7/2, 47301 Petaling Jaya
Selangor Darul Ehsan
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E-mail: mailbox@cgc.com.my

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Franchise Financing Scheme

Eligibility Criteria

- all Malaysian owned and controlled companies with net assets or shareholders' funds not exceeding RM1.5 million; and
- the existing total credit facilities of the borrower should not exceed RM7.5 million. The borrower should not have any adverse record in respect of borrowing from any other financial institution or other agencies.

Maximum Loan Limit

- RM7.5 million

Credit Facilities Covered

- Term loans;
- Overdrafts;
- Trade financing; and
- Any other credit facilities determined from time to time by the Corporation.

Interest Rate

The prescribed rate of interest charged by the Financial Institutions will not exceed BLR +1.5%, while the actual cost to the borrower will be reduced through payment of subsidised interest whereby Ministry of Entrepreneur and Cooperative Development via CGC will pay the difference for the loan interest in the manner as follows:

Loan Duration	Interest Rate	Subsidised rate	Cost to the Borrower
Year 1 & 2	BLR + 1.5%	6%	6%
Year 3	BLR + 1.5%	4%	8%
Year 4	BLR + 1.5%	2%	10%
Year 5	BLR + 1.5%	-	12%

Guarantee Coverage

Percentage of Guarantee Cover
Unsecured portion- 80%,
Secured portion - 90%

Guarantee Fee

Total Credit Facilities	Unsecured Portion	Secured Portion
Loans up to RM1 million	0.75%	0.50%
Loans above RM1 million	1.00%	0.50%

Participating Institutions

- Malayan Banking Bhd
- CIMB Bank

Application Procedures

- the franchisor must be registered with MECD before the franchisees can apply through this scheme;
- MECD will ensure the validity of the franchisor and legal relationship between franchisor and franchisee;
- MECD will compile the complete loan application together with working paper and forward it to financial institution to proceed; and
- upon receipt of the guarantee application from financial institution, CGC will process and issue the guarantee letter accordingly.

FOR MORE INFORMATION, PLEASE CONTACT:

Credit Guarantee Corporation (CGC)

Level 13-16, Bangunan CGC, Kelana Business Centre
97, Jalan SS7/2, 47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 603-7806 2300
Fax: 603-7806 3308
E-mail: mailbox@cgc.com.my

Client Service Centre

Tel: 603-7880 0088
Website: www.iguarantee.com.my

Ministry of Entrepreneur and Co-operative Development(MECD)

Lot 2G6, Presint 2 Pusat Pentadbiran Kerajaan Persekutuan
62100 Putrajaya
Tel: 603-8880 5000
Fax: 603-8880 5106
Website: www.mecd.gov.my

New Principal Guarantee Scheme (NPGS)

Eligibility Criteria

- Malaysian-controlled or Malaysian-owned businesses;
- a company with annual sales turnover not exceeding RM25 million, or with full time employees not exceeding 150;
- borrower must have a good credit record and is not listed under Biro Maklumat Cek, Bank Negara Malaysia; and
- franchise businesses can also apply under this scheme.

Maximum Loan Limit

- loan of up to RM10 million

Credit Facilities Covered

- Term Loans;
- Overdraft;
- Letter of Credit;
- Trust Receipt;
- Export Credit Refinancing (ECR);
- Bills Purchased;
- Bankers Acceptances;

- Shipping/Performance/Bank guarantee;
- Hire Purchase; and
- Leasing.

Interest Rate

- the lending institutions are free to quote their interest rate under this scheme.

Guarantee Coverage

- the CGC guarantee coverage ranges from between 30% to 90% subject to the following:
 - Unsecured Portion - Up to 80% (a maximum cover of RM2.5 million); and
 - Secured Portion - Up to 90% (no capping imposed on secured portion).

Guarantee Fee

- Unsecured Portion - 1.25%; and
- Secured Portion - 1.00%.

Participating Institutions

- all commercial banks & finance companies

FOR FURTHER INFORMATION, PLEASE CONTACT:

Credit Guarantee Corporation (CGC)

Level 13-16, Bangunan CGC, Kelana Business Centre
 97, Jalan SS7/2, 47301 Petaling Jaya
 Selangor Darul Ehsan
 Tel: 603-7806 2300
 Fax: 603-7806 3308
 E-mail: mailbox@cgc.com.my

Client Service Centre

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 Website: www.iguarantee.com.my

Islamic Banking Guarantee Scheme

Eligibility Criteria

- Malaysian-controlled or Malaysian-owned businesses;
- a company with annual sales turnover not exceeding RM25 million, or employing not more than 150 full-time employees;
- borrower must have a good credit record and is not listed under Biro Maklumat Cek, Bank Negara Malaysia; and
- franchise businesses can apply under this scheme.

Maximum Funding

- loan of up to RM10 million

Credit Facilities Covered

- Term Loans;
- Overdraft;
- Letter of Credit;

- Trust Receipt;
- Export Credit Refinancing (ECR);
- Bills Purchased;
- Bankers Acceptances;
- Shipping/Performance/Bank guarantee;
- Hire Purchase; and
- Leasing.

Profit Rate

- the financial institutions to determine the profit rate

Guarantee Coverage

- Unsecured Portion - A maximum cover of up to RM2.5 million for unsecured portion; and
- Secured Portion - No capping imposed on the secured portion.
- the CGC guarantee coverage ranges from between 30% to 90% subject to the following:
 - Unsecured Portion - Up to 80%; and
 - Secured Portion - Up to 90%.

Guarantee Fee

- The guarantee fee imposed is as follows:
 - Unsecured Secured Portion - 1.00%; and
 - Portion - 1.25%.

Participating Institutions

- all commercial banks & finance companies offering financing under the Islamic Banking concept

FOR FURTHER INFORMATION, PLEASE CONTACT:

Credit Guarantee Corporation (CGC)

Level 13-16, Bangunan CGC, Kelana Business Centre
 97, Jalan SS7/2, 47301 Petaling Jaya
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Flexi Guarantee Scheme

Objective

Flexi Guarantee Scheme (FGS) provides guarantee for loans granted under Fund for Small and Medium Industries 2 (FSMI 2), New Entrepreneur Fund 2 (NEF 2) and Rehabilitation Fund for Small Businesses (RFSB).

The funds are designed to facilitate greater access to credit for viable Malaysian Small and Medium Industries (SMLs). A total of RM250 million is allocated for the NEF2, RM400 million for FSMI2 and RM800 million under RFSB.

Among the main characteristics of the FGS are:

- guarantee cover ranging from 30% - 80% as required by participating financial institutions; and
- annual guarantee fee, calculated based on the guarantee cover issued and payable in advance. Fees will be borne by the participating financial institutions as below:
 - Unsecured Portion - between 0.75% and 1.5% per annum.
 - Secured Portion - between 0.5% to 1.25% per annum.

Application Procedures

The loan application is made through any participating financial institutions. Approval will be subjected to normal vetting procedures and security requirements of the participating financial institutions.

FOR FURTHER INFORMATION, PLEASE CONTACT:**Credit Guarantee Corporation (CGC)**

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Government Funded Special Financing Scheme

Over the years MIDF has enjoyed the benefit of being one of the DFIs designated by the Government to manage and disburse funds under the various special financing schemes. Currently, MIDF offers 9 special financing schemes, with fixed interest rates, ranging from 3% to 7%, namely:

Fund Provider	Schemes
SMIDEC	Soft Loan for Small and Medium Enterprises (SLSME) Soft Loan for Factory Relocation (SLFR) Soft Loan for Information and Communications Technology (SLICT) 'Dana Khas Kerajaan Persekutuan' For Small and Medium Enterprises (DKKP) in Terengganu
BNM	New Entrepreneurs Fund 2 (NEF 2) Fund for Small and Medium Industries 2 (FSMI 2)
Japan Bank for International Cooperation (JBIC)	Japan Bank for International Cooperation (JBIC) Fund for Small and Medium-Scale Industries (JBIC / FSMI) ASEAN-Japan Development Fund (AJDF / JBIC) Small and Medium-Scale Industry Promotion Program (SMIPP)/JBIC Fund

Special Fund from MIDF-DFD

Besides the above said funds obtained from the Government, MIDF had in 2004 introduced a fund called, 'Fund for Cross Border Investment', also known as FCBI.

The fund was launched with the objective to increase the investment opportunities of Malaysian based companies in ASEAN countries and China in order to take advantage of the cheaper labour cost as well as to increase the exports of Malaysian based companies to these countries.

The fund is available to the holding companies domiciled in Malaysia to be on-lent to its subsidiaries located within the ASEAN region.

The launching of the fund is timely as it is in line with the Government aspirations to encourage labour intensive Malaysian companies within the manufacturing sector to venture overseas.

Application Procedure

MIDF requires sufficient basic information on the project to assess its merits for financing. Delays in the application processing will occur if the applicant fails to furnish adequate information for MIDF to form a considered judgement of the viability of the project and its suitability for MIDF's assistance. The following information are required to be submitted:

Applicant's Background

A description of the company including name, address, legal status, history and nature of the business and organisation, and capital structure.

Corporate and Management Information

Details of the corporate structure and managerial set-up of the company, including names and biodata of the principal shareholders, directors, managers and other key personnel. While MIDF, as a development finance institution, cannot take any responsibility for the information and operation of the industrial enterprises it finances, it will wish to be fully satisfied that they are to be under the direction of a competent management and that the key personnel are of the required calibre and have the necessary experience to ensure successful completion of the project and its profitable operation.

Project Description

A full description of the project to be financed, including all existing and proposed plant and production facilities and their capabilities, labour, raw materials and other essential requirements, and an estimate of the time required for the completion of the project. This will enable MIDF to review the project and discuss with the applicant all its essential features, such as the type of plant and kind of machinery required, its location, availability of essential services, as well as raw material supplies and other important aspects bearing on the viability of the project.

Cost of Project and Funding Requirement

An estimate of the total cost of project with break-down by major items such as land, buildings, civil works, machinery, ancillary installations, preliminary and pre-operating

expenses and working capital, and an indication of how and in what form this is to be procured, including the amount of financing required from MIDF. This is to ensure that major items of the project cost are within reasonable limits and that the financing plan for the project is adequate and realistic.

Market Review

A review of the market, including an assessment of present and future demand, prices, competition, and a description of the existing and / or proposed distribution system, both for local sales and export, if any. This information should reasonably demonstrate that an adequate market exists for the company's product(s) and that an effective distribution system can be set up to achieve the proposed sales programme.

Operation Plans and Profitability

Adequate information on the planned operation and its estimated profitability, including anticipated sales, selling prices, manufacturing costs and overheads. The information should be sufficiently detailed to enable MIDF to assess the estimated earnings and profitability of the project and its financial position over a period of years ahead. This should help to determine, among other things, the company's debt servicing ability and the amount and terms of the loan or other financing required. Existing companies should provide their latest financial statements as well as copies of past annual reports and audited accounts, including balance sheets and profit and loss statements for periods of 3 or more years.

Other Information

Other relevant information are names and addresses of the company's bankers and documents such as copies of the Memorandum and Articles of Association, manufacturing licences, approvals from Government authorities, joint-venture, royalty and other agreements, if applicable.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Malaysian Industrial Development Finance Berhad (MIDF)

Development Finance Division

Bangunan MIDF

195A Jalan Tun Razak

50400 Kuala Lumpur

Tel: 603-2161 1166 / 603-2161 0066

Fax: 603-2161 3906 / 603-2161 8446

Website: www.midf.com.my

Rural Economy Financing Scheme

Objective

to assist Bumiputera entrepreneurs operating in rural areas.

Maximum financing rate

- 5.0% per annum

Maximum tenure

- 5 to 7 years

Maximum financing

- maximum RM250,000 or RM500,000 depending on the period the business has been in operation.

Participating financial institutions / Implementing Ministry / Agency

- Bank Kerjasama Rakyat Malaysia Berhad (BKRM)

Eligibility criteria

- wholly owned by Bumiputera and registered with Companies Commission of Malaysia; and
- project is carried out on full-time basis and located outside town areas.

Purpose of financing

- machinery; and
- working capital.

Eligible sector / Types of financing

- Manufacturing
- Services
- Agricultural
- Supporting activities associated with production
- Tourism

Application procedure

- application to be submitted to BKRM

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Kerjasama Rakyat Malaysia Berhad (BKRM)**

Bangunan Bank Rakyat

Tingkat Bawah, Jalan Tangsi

50480 Kuala Lumpur

Tel: 603-2617 3888

Fax: 603-2982 109

Email: utama@bankrakyat.com.my

Website: www. bankrakyat.com.my

Financing Scheme for Agricultural Mechanisation and Automation**Objective**

- to modernize and commercialize agricultural sector through the usage of machinery and automation tools in production, processing and marketing of agricultural products except for rubber, palm oil, tobacco, cocoa, pepper, forestry, soft drinks and vegetable oil.

Maximum financing rate

- 3.75% per annum

Maximum tenure

- 7 years

Minimum financing

- individual & partnership: minimum RM2,000, maximum RM300,000 ; and
- company, cooperative and association of farmers/fishermen: minimum RM5,000, maximum RM2 million.

Maximum financing

- 70% to 100% of the total project's cost

Participating financial institutions / Implementing Ministry / Agency

- Bank Pertanian Malaysia (BPM)

Eligibility criteria

- target group: Association of farmers/fishermen or its members, or others as determined by agencies/departments/Ministry of Agricultural or BPM; and
- non-target group: Other than target group with allocation < 30%.

Eligible sector / Types of financing

- To purchase/repair/recondition agriculture machineries and automation tools
- Production of machinery, automation tools and spare parts

Financing should not be used for

- Labour cost, salary and allowance; and
- Refinancing existing loan.

Application procedure

- application to be submitted to BPM

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Pertanian Malaysia (BPM)**

Leboh Pasar Besar, Peti Surat 10815,
50726 Kuala Lumpur

Tel: 603-2731 1600

Fax: 603-2691 4908

Email: bankpertanian@bpm.com.my

Website: www.bpm.com.my

Financing Scheme for Bumiputera Trade & Industry Community

Objective

- to encourage the creation of Bumiputera entrepreneurs in agriculture sector, particularly in the production of food crop, processing and marketing of agriculture products except for rubber, oil palm, tobacco, cocoa, pepper, forestry, drinks and vegetable oil.

Maximum financing rate

- 3.75% per annum

Maximum tenure

- 10 years

Minimum financing

- RM10,000

Maximum financing

- RM5 million or 60% - 90% of total project cost

Eligibility criteria

- private limited company or institution of farmers and fishermen with paid up capital / equity ownership more than RM100,000; and
- application is supported by implementing department or agency.

Eligible sector / Types of financing

- Commercial agriculture sector (crop, livestock, and fishery);
- Agriculture based manufacturing / processing industry (food processing, livestock and fish food, medicine for livestock, fishery and agriculture as well as manufacturing)
- Agriculture services; and
- Land acquisition (not exceeding 25% of total project cost).

Financing should not be used for

- Refinancing of existing loan; and
- Wages, salary and allowances.

Application procedure

- application to be submitted to BPM

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Pertanian Malaysia (BPM)**

Leboh Pasar Besar, Peti Surat 10815,

50726 Kuala Lumpur

Tel: 603-2731 1600

Fax: 603-2691 4908

Email: bankpertanian@bpm.com.my

Website: www.bpm.com.my

Fund for Food (3F)**Objektif**

- The objective for this grant is to increase food production in Malaysia

Maximum financing rate

- 3.75% per annum

Maximum tenure

- 8 years

Minimum financing

- RM10,000

Maximum financing

- 90% of total project cost or RM5 million whichever is lower

Eligibility criteria

- Malaysian-owned institutions (at least 51% ownership) incorporated under the Companies Act 1965, the Co-operative Societies Act 1993, the Societies Act 1966, citizens residing in Malaysia and entrepreneurs registered under the Companies Commission of Malaysia or any other authoritative bodies;
- the investment must be in Malaysia; and
- domestic-oriented projects, whereby at least one-half of the total production is sold in the domestic market.

Purpose of Financing

- Expansion in productive capacity;
- Working capital; or
- Both of the above.

Financing should not be used for

- Purchase of shares;
- Personal consumption;
- Refinancing of existing credit facilities;
- Purchase of existing factories; and
- Labour cost except wages.

Eligible Sector / Types of Financing

- Primary food production i.e. animal husbandry, agriculture cultivation, fishery and biotechnology;
- Integrated agriculture; and
- Processing and/or distribution of food is allowed subject to the raw materials are from domestic sources.

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Pertanian Malaysia (BPM)**

Leboh Pasar Besar, Peti Surat 10815

50726 Kuala Lumpur

Tel: 603-2731 1600

Fax: 603-2691 4908

Email: bankpertanian@bpm.com.my

Website: www.bpm.com.my

Development Finance and Enterprise Department

Bank Negara Malaysia (BNM)

Jalan Dato' Onn

50480 Kuala Lumpur

Tel: 603-2691 3764 / 603-2693 2330 / 603-2691 6539 /
603-2691 3486 / 603-2698 8044 ext 7865

Fax: 603-2691 6954 / 603-2698 7542 / 603-2691 7052

E-mail: admin@smeinfo.com.my

Website: www.smeinfo.com.my

High Technology Fund**Objective**

- to support the development of high technology industry

Maximum financing rate

- 5% per annum

Maximum tenure

- 8 years

Maximum financing

- 75% of the total project cost with gearing ratio less than 3:1

Participating financial institution / Implementing Ministry / Agency

- BPMB

Eligibility criteria

- Malaysian-owned company (at least 51% equity) and registered with Companies Commission of Malaysia under Companies Act 1965; and
- involves in high technology activities.

Purpose of financing

- To purchase machinery, tools and factory; and
- Factory construction and renovation.

Eligible sector / Types of financing

- High technology manufacturing;
- Biotechnology;
- Information technology;
- Photonic optic and laser technology;
- Pure technology;
- Electric and electronic advancement; and
- Power engineering and alternative power resources.

Application procedure

- application to be submitted to BPMB

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Pembangunan Malaysia Berhad (BPMB)**

Menara Bank Pembangunan
Bandar Wawasan
No.1016, Jalan Sultan Ismail
50240 Kuala Lumpur
Tel: 603-2611 3888
Fax: 603-2692 8250
Website: www.bpmb.com.my

New Shipping Fund**Objective**

- to stimulate the growth of shipping and shipyard industry

Maximum financing rate

- 6.5% - 7% per annum

Maximum tenure

- 15 years

Maximum financing

- 75% of the value of the ship

Participating financial institution / Implementing Ministry / Agency

- BPMB

Eligibility criteria

- company incorporated in Malaysia
 - for company listed on KLSE: 70% equity controlled by Malaysians;
 - for unlisted company: 100% equity controlled by Malaysians; and
 - member of Malaysia Shipowners' Association (MASA).

Purpose of financing

- Purchase of new or second-hand ship registered in Malaysia and conducted domestic or international trade operation

Eligible sector / Type of financing

- shipping industry

Application procedure

- application to be submitted to BPMB

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Pembangunan Malaysia Berhad (BPMB)**

Menara Bank Pembangunan
Bandar Wawasan
No.1016, Jalan Sultan Ismail
50240 Kuala Lumpur
Tel: 603- 2611 3888
Fax: 603-2692 8250
Website: www.bpmb.com.my

Tourism Infrastructure Fund**Objective**

- to support Government's efforts to develop tourism industry

Maximum financing rate

- 3.75% per annum

Maximum tenure

- 20 years

Minimum financing

- RM5 million

Maximum financing

- RM50 million or 70% of total project cost, whichever is lower

Participating financial institution / Implementing Ministry / Agency

- BPMB

Eligibility criteria

- Malaysian-owned company (at least 51%) incorporated under Companies Act 1965 or Co-operatives Act 1993;
- involves in eligible tourism infrastructure project;
- company is registered with Ministry of Tourism; and
- paid-up capital not exceeding RM10 million and for companies with 60% Bumiputera equity, the eligible paid-up capital is RM5 million.

Purpose of financing

- to finance the incremental increase of existing and new project cost (excluding land and working capital).

Eligible sector / Types of financing

- Tourism

Application procedure

- application to be submitted to BPMB

FOR FURTHER INFORMATION, PLEASE CONTACT:**Bank Pembangunan Malaysia Berhad (BPMB)**

Menara Bank Pembangunan

Bandar Wawasan

No.1016, Jalan Sultan Ismail

50240 Kuala Lumpur

Tel: 603-2611 3888

Fax: 603-2692 8250

Website: www.bpmb.com.my

Buyer Credit Facility

The Buyer Credit Facility is a loan extended directly to a foreign buyer or a lending institution to facilitate the import of Malaysian goods, particularly capital goods. Loan disbursements are made directly to the Malaysian exporter/contractor. The facility provides opportunities for the Malaysian exporters and contractors in bidding for overseas jobs and contracts.

Purpose	For the development, upgrading or expansion of infrastructural facilities, plant and building and fixed assets purchase such as machinery and equipment as well as any other Malaysian goods and services
Margin of Financing	Maximum 85% of Project Cost or Contract Value
Minimum Amount	Minimum contract value of RM2 million or its foreign currency equivalent
Eligibility	The supplier/contractor must be a Malaysian-controlled and incorporated company The maximisation of Malaysian content are encouraged for the export of capital goods, intermediate goods, manufactured goods and services
Tenor	Maximum 10 years including grace period not exceeding 2 years
Interest Rate	Bank's cost of fund plus spread
Currency	US Dollar or other preferred currencies
Repayment	Quarterly or semi-annually
Disbursement	Direct to the supplier/contractor
Security	Any or more of the following: <ul style="list-style-type: none">• Bank Guarantee acceptable to Exim Bank;• Government Guarantee; and• other securities acceptable to the Bank.

Note: The terms and conditions stated above are subject to review from time to time.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Export-Import Bank of Malaysia Berhad

Aras 8, UBN Tower

No. 10, Jalan P. Ramlee

P.O. Box 13028

50796 Kuala Lumpur

Tel: 603-2034 6666

Fax: 603-2034 6699

Website: www.exim.com.my

Export of Services Facility

This facility is to assist professional consultancy services company to venture into international markets.

Eligibility criteria:

Malaysian companies involved in the export of consultancy services in areas of information technology, construction, telecommunications, management or other technical services.

Purpose	To facilitate Malaysian companies to export their professional services overseas which may be in the form of consultancy, technical skills and other expertise
Margin of Financing	70% of the contract value
Tenor	Maximum of 5 years
Interest Rate	Approximately 5.5% per annum
Repayment	Against contract proceeds of fixed repayment either monthly, quarterly or semi-annually
Security	Shall be determined on case basis but not limited to the following: <ul style="list-style-type: none">• assignment of relevant contracts, agreement and insurance policies;• unconditional and irrevocable joint and several guarantee by shareholders and directors;• corporate Guarantee;• debenture; and• others, as required.

Note: The terms and conditions stated above are subject to review from time to time.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Export-Import Bank of Malaysia Berhad

Aras 8, UBN Tower
No. 10, Jalan P. Ramlee
P.O. Box 13028
50796 Kuala Lumpur
Tel: 603-2034 6666
Fax: 603-2034 6699
Website: www.exim.com.my

Overseas Project Financing Facility

The Overseas Project Financing facility is available to Malaysian companies or Malaysian-controlled joint-venture companies incorporated overseas for the purchase of Malaysian goods. Loan disbursements are generally made direct to the Malaysian exporters / contractors. The facility supports Malaysian investors undertaking projects overseas such as manufacturing, infrastructure and other developmental projects.

Purpose	Development, upgrading or expansion of infrastructural facilities, plant and building and fixed assets purchase such as machinery equipment, as well as any other Malaysian goods and services
Margin of Financing	Maximum 85% of Project Cost or Contract Value
Minimum Amount	Minimum contract value of RM2 million or its foreign currency equivalent
Eligibility	The supplier/contractor must be a Malaysian-controlled and incorporated company. The maximisation of Malaysian content are encouraged for the export of capital goods, intermediate goods, manufactured goods and services
Tenor	Maximum 10 years inclusive grace period not exceeding 2 years
Interest Rate	Bank's cost of fund plus spread
Currency	Ringgit Malaysia, US Dollar or other preferred currencies
Repayment	Quarterly or semi-annually
Disbursement	Direct to the supplier / contractor
Security	Any or more of the following: <ul style="list-style-type: none"> • corporate Guarantee of the Malaysian holding company or share holder's proportionate guarantee; • provision of unconditional and irrevocable joint and several guarantee by shareholders and/or director of borrower; • landed property in Malaysia; • first charge on fixed and floating assets of the borrower, both present and future; and • assignment of relevant contracts, agreements and insurance policies.

Note: The terms and conditions stated above are subject to review from time to time.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Export-Import Bank of Malaysia Berhad

Aras 8, UBN Tower

No. 10, Jalan P. Ramlee

P.O. Box 13028

50796 Kuala Lumpur

Tel: 603-2034 6666

Fax: 603-2034 6699

Website: www.exim.com.my

Export Credit Refinancing (ECR) Scheme

The Export Credit Refinancing (ECR) Scheme was originally launched by Bank Negara Malaysia (BNM) in 1977. In line with the Government's objective to broaden Exim Bank's lending activities, the Scheme was then officially transferred to Exim Bank as the new fund administrator effective January 1998. The fund under the Scheme is disbursed through commercial banks and ECR banks in Malaysia.

The primary objective of the ECR Scheme is to promote the exports of Malaysian manufactured products, agricultural products and primary commodities by offering competitive interest rate to Malaysian exporters via commercial banks participating in the Scheme. The companies that can enjoy ECR financing are those involved in manufacturing activities, agricultural product producers and trading companies. There are two types of facilities available to exporters under the scheme, namely pre-shipment ECR and post-shipment ECR.

Pre-shipment ECR is advanced to manufacturers, agricultural product producers to facilitate the production of eligible products or loan advanced to trading companies for purchase of domestic intermediate or final products for export prior to shipment. Post-shipment ECR is advanced to finance the period after shipment pending receipt of export proceeds either the export is on the sight term or usance.

Export Credit Refinancing (ECR) Scheme

	Pre-shipment ECR	
Purpose	Loan advanced to manufacturer/agricultural product producers to facilitate the production of eligible products or loan advanced to trading company for purchase order of domestic intermediate / final products, for export prior to shipment.	
Method of Financing	Order-Based	Certificate of Performance (CP)
User	(a) Direct Exporter <ul style="list-style-type: none"> • new exporter; or • seasonal exporter; or • exporter whose maximum exports of eligible products for the last preceding 12 months is less than RM 1 million; and (b) Indirect Exporter.	Direct Exporter whose total exports of eligible products for the last preceding 12 months is RM 1 million and above.
Margin of Financing	Max. 95% of the value of export order or ECR Domestic Letter of Credit / ECR Domestic Purchase order / local purchase order	Manufacturing company / agriculture products producer: <ul style="list-style-type: none"> • 80% of export value of eligible products for the last preceding 12 months. Trading company: <ul style="list-style-type: none"> • 90% of export value of eligible products for the last preceding 12 months.
Tenor	Max. of 4 months.	Max. of 4 months.
Interest Rate	Shall be at Exim Bank's ECR funding rate.	Shall be at Exim Bank's ECR funding rate.
Limit	The eligible amount of financing is subject to the administrative limit imposed by Exim Bank from time to time.	The eligible amount of financing is subject to the administrative limit imposed by Exim Bank from time to time.
Repayment	Upon receipt of: Direct Exporter <ul style="list-style-type: none"> • export proceeds; or • post shipment proceeds. Indirect Exporter <ul style="list-style-type: none"> • proceeds from direct exporter. 	Upon receipt of: <ul style="list-style-type: none"> • export proceeds; and/or • post-shipment proceeds.

Export Credit Refinancing (ECR) Scheme

	Post-shipment ECR
Purpose	Loan advance for a period after shipment to finance the export of eligible products either on sights or usance terms.
Method of Financing	Bill Discounting
User	Direct Exporter who exports approved eligible products on sights / usance terms.
Margin of Financing	Max. of 100% of export bill value.
Tenor	Max. of 6 months. Min. of 7 days.
Interest Rate	Shall be at Exim Bank's ECR funding rate.
Limit	The eligible amount of financing is subject to the administrative limit for each exporter imposed by Exim Bank from time to time
Repayment	Upon : <ul style="list-style-type: none">• receipt of export proceeds; or• maturity of the post-shipment bill whichever is earlier.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Export-Import Bank of Malaysia Berhad

Aras 8, UBN Tower

No. 10, Jalan P. Ramlee

P.O. Box 13028

50796 Kuala Lumpur

Tel: 603-2034 6666

Fax: 603-2034 6699

Website: www.exim.com.my

Guarantee Facility

The Guarantee Facility protects the lending institutions against repayment risks of medium to long-term loans. The facility provides that in the event of default, Exim Bank shall repay all the principal and interest on the loan. Risks covered may be comprehensive where 100% of the political and commercial risks are covered or on a partial basis.

Loans are made directly by the lending institution to a foreign buyer or bank. Exim Bank guarantees the lending institution if the foreign buyer defaults in its loan repayments. The facility provides access for Malaysian exports and contractors to financing when arranging for loans for the foreign buyer.

Guarantee Facility

	Buyer / Supplier Credit Guarantee	Bond Indemnity Support
Purpose	To guarantee lenders against the non-repayment of medium and long term credit for contracts involving projects of high value capital goods and services.	To indemnify the bond issuing entity against the calling of the bonds issued for contracts involving projects of high value capital goods and services.
Amount of Guarantee	Up to 100% of the principal amount including interest and overdue interest for a maximum of 3 months.	Up to 100% of the bond value.
Margin of Financing to Contract Value	Maximum 85% of the contract value. The balance must be paid directly by the buyer to the exporter prior to the commencement of the credit period.	
Minimum Amount	Minimum contract value of RM2.0 million or its foreign currency equivalent.	Minimum amount of RM1.0 million or its foreign currency equivalent.
Eligibility	The supplier / contractor must be a Malaysian controlled and incorporated company. Capital goods, intermediate goods, manufactured goods, and projects services that satisfy the minimum 30% Malaysian content requirement.	Bid or Tender Bonds Advance Payment Bonds Performance Bonds Retention Bonds Progress Payment Bonds Warranty Bonds
Tenor / Period of Guarantee	Minimum 2 years up to 10 years inclusive of 2 years grace period.	
Premium	Premium payable will be based on a percentage of the guaranteed amount.	Tender Bonds - 1.25% p.a. All other eligible bonds - 1.5% p.a.
Security	Shall be determined on a case by case basis but not limited to the following: - <ul style="list-style-type: none"> • first fixed and floating charge on assets; • charge on landed properties; • assignment of relevant contracts, agreements and insurance policies; • bank guarantee or Letter of Credit issued by an acceptable bank; • corporate guarantee; • director's guarantee; and • government guarantee (for government projects) 	Shall be determined on a case by case basis but not limited to the following: - <ul style="list-style-type: none"> • director's guarantee • corporate guarantee • back up bonds from major sub-contractors
Other Security / Conditions	Where applicable: <ul style="list-style-type: none"> • Recourse Agreement; • MECIB's Insurance policies; and • Supplier's / Borrower's Counter Guarantee 	Where applicable: <ul style="list-style-type: none"> • Recourse Agreement; • MECIB's Insurance policies; and • for 'on Demand bonds' terms and conditions for the contract must be cash or near cash.

Note: The terms and conditions stated above are subject to review from time to time.

Supplier Credit Facility

Malaysian manufacturers, exporters and suppliers of Malaysian-made goods can take advantage of this facility to boost their exports into international markets through the following financing facilities:

- Pre & Post Shipment Supplier Credit Facility;
- Project Financing; and
- Performance Bond, Advance Payment Bond, Warranty Bond & Tender Bid Bond.

Exim Bank provides you with much-needed working capital to enable you to source and manufacture goods domestically for exports.

Eligibility Criteria

Malaysian-owned companies involved in manufacturing and trading of Malaysian goods. To be eligible for this facility, products must have minimum of 20% value added.

Terms and Conditions refer to table on the next page.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Export-Import Bank of Malaysia Berhad

Aras 8, UBN Tower

No. 10, Jalan P. Ramlee

P.O. Box 13028

50796 Kuala Lumpur

Tel: 603-2034 6666

Fax: 603-2034 6699

Website: www.exim.com.my

Terms and Conditions for Supplier Credit Facility

	Manufacturing companies		Trading companies			
	Pre-shipment Supplier Credit	Post-shipment Supplier Credit	Pre-shipment Supplier Credit	Post-shipment Supplier Credit	Project Financing	Bonds
Purpose	For the development of export of manufactured goods. These facility provide working capital financing for export products and also to finance credit period extended to foreign buyers.		To provide working capital financing for traders to expend their export-based business in international markets.		To facilitate Malaysian companies to undertake projects overseas such as manufacturing, infrastructure and other development projects	To cover export of goods / services for contract awarded to a beneficiary in Malaysia.
Margin of Financing	Max of 85% of export order	Max of 95% of export invoice value for LC and non LC transaction.	Max of 90% of export order	Max of 95% of export invoice value for LC and non LC transaction.	85% of project cost/contract amount	Up to contract requirement
Tenor	Max of 120 days A longer tenor may be extended depending on products	Max of 180 days A longer tenor may be extended depending on products.	Max of 120 days A longer tenor may be extended depending on products.	Max of 180 days A longer tenor may be extended depending on products.	Maximum of 10 years including a grace period of not exceeding 2 years	As per contract requirement
Interest Rate	Approximately 5.5% per annum				Bank's cost of fund plus spread of maximum 2.5%	Maximum of 3.0% p.a.
Repayment	To be deducted from export proceeds				Against contract proceeds of fixed repayment either monthly, quarterly or semi-annually	As per contract requirement
Security	Shall be determined on case to case basis but not limited to the following: <ul style="list-style-type: none"> • assignment of export proceeds • MECIB's Comprehensive/Banker's Letter of Credit Policy • unconditional and irrevocable joint and several guarantee by shareholders or directors • corporate Guarantee • debenture • others, as required. 				Shall be determined on case by case basis but not limited to the following: <ul style="list-style-type: none"> • assignment of relevant contract, agreement and insurance policies • unconditional add irrevocable joint and several guarantee by shareholders and directors • corporate guarantee • debenture • others, as required 	Shall be determined on case by case basis but not limited to the following: - <ul style="list-style-type: none"> • resource agreement • assignment of relevant contracts, agreement and insurance policies • unconditional and irrevocable joint and several guarantee by shareholders and directors • corporate guarantee • debenture • others, as required

Note: The terms and conditions stated above are subject to review from time to time.

2. Venture Capital

Cradle Investment Programme - Microsoft Partnership

Objective

To assist CIP technopreneurs under the CIP in developing, refining and commercialising their technology ideas, built and supported on the Microsoft platform. This is in hopes that more Malaysians will be spurred to innovate and develop world-class ideas especially in the field of technology.

Eligibility

The first 100 CIP technopreneurs who develop software solutions to subscribe to Microsoft's EMPOWER for Independent Software Vendor (ISV) initiative will also receive certification, training, access to latest technology, access to markets and more.

Microsoft's EMPOWER for ISV is designed to enable a software developer to have access to latest Microsoft development tools through an affordable annual subscription model.

CIP technopreneurs who meet the eligibility criteria above will enjoy the following benefits:

- full subsidy for the first 10 CIP technopreneurs to have their solution successfully certified to be Windows and .NET compatible under the Microsoft Platform Test for ISV;
- CIP technopreneurs who have developed a solution based on Microsoft technologies and are ready to market it may be eligible to register in the Microsoft Partner Program (MSPP). MSPP offers a single, integrated partnering framework that recognizes the partner's expertise, rewards them for their total impact in the technology marketplace, and delivers more value to help their business be successful;
- eligible to have access to the .Net Technopreneur Development Centre (NTDC) for development, testing and benchmarking of applications;
- invited to attend workshops related to the areas of the commercialisation of intellectual property, and other issues facing the technology industry and technopreneur environment;
- invited to attend relevant trainings, seminars and other events organized or affiliated to Microsoft; and
- invited to participate in MIND – the Malaysian Independent Developers Community.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Malaysia Venture Capital Management Berhad (MAVCAP)

Level 11, Bangunan Bank Industri

1016 Jalan Sultan Ismail

50250 Kuala Lumpur

Tel: 603-2050 3000

Fax: 603-2698 3800

Website: www.mavcap.com

Venture Capital Financing

Objective

- to provide venture capital financing

Minimum Investment Limit

- RM50,000

Maximum Investment Limit

- RM40 million

Participating financial institutions / Implementing Ministry / Agency

- MAVCAP

Priority sectors

- communication and network;
- medical and health services;
- bio-technology and life sciences;
- internet; and
- electronics and semi-conductors.

Application procedure

- application to be submitted to MAVCAP

FOR FURTHER INFORMATION, PLEASE CONTACT:

Malaysia Venture Capital Management Berhad (MAVCAP)

Level 11, Bangunan Bank Industri

1016 Jalan Sultan Ismail

50250 Kuala Lumpur

Tel: 603-2050 3000

Fax: 603-2698 3800

Website: www.mavcap.com.my

Revolving Project Loans

MDV Revolving Project Loans are structured to finance the implementation of both domestic and foreign contract-backed projects to deliver ICT as well as high-growth solutions.

Up to 85% of the value of the contract, or the total cost of the project, can be financed. Loan sizes from RM2 million up to RM120 million can be considered, depending on risk profile, with repayment periods of between one and five years.

Open-Ended Project Loans

MDV Open-ended Project Loans are structured to finance exceptional open-ended (i.e. non contract-backed) projects, where the likelihood of achieving project success and profitability is high. These include Build-Own-Operate (BOO), Build-Operate-Transfer (BOT), Concession and other similar projects.

Partner Bank Facilities

MDV Partner Bank Facilities involve the provision of additional facilities by our Partner Banks, fully backed against MDV's guarantees. These facilities complement the Project Loans provided directly by MDV.

Loan Eligibility

Entrepreneur need to deliver or implement ICT and ICT related solutions or projects and must meet the following criteria:

- be a public or private limited company incorporated in Malaysia;
- have a minimum paid-up capital of RM100,000;
- have a minimum of five full-time employees; and
- the main activity or product of the company does not fall into any of the following categories:
 - textile manufacturing;
 - metal moulding; and
 - agricultural or Food Production and/or Processing.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Malaysia Debt Ventures Berhad

Level 5, Menara Bank Pembangunan

1016, Jalan Sultan Ismail

50250 Kuala Lumpur

Tel: 603-2617 2888

Fax: 603-2697 8998

Email: info@mdv.com.my

Website: www.mdv.com.my

COMMERCIAL BANKS

ABN AMRO Bank Berhad

HQ Address: Levels 25-27, Tower 2, MNI Twins, 11, Jalan Pinang
50450 Kuala Lumpur

Telephone: 603 2162 7888

Facsimile: 603 2162 5693 / 5624 / 5692

Website: www.abnamromalaysia.com

Participation of SME Programme

Department Name: Loan Products

Address: Levels 25-27, Tower 2, MNI Twins, 11, Jalan Pinang
50450 Kuala Lumpur

Telephone: 603 2162 7888

Facsimile: 603 2163 4270

Fund*: RFSMI, NEF2, FSMI2

Affin Bank Berhad

HQ Address: Tingkat 13, Menara Affin, No. 80, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone: 603 2055 9000
Facsimile: 603 2026 5709
Website: www.affinbank.com.my

Participation of SME Programme

Department Name: Entrepreneur Banking Unit
Address: Tingkat 13, Menara Affin, No. 80, Jalan Raja Chulan
50200 Kuala Lumpur
Telephone: 603 2055 9000
Facsimile: 603 2026 5709
Fund*: RFSMI, NEF2, FSMI2

Alliance Bank Malaysia Berhad

HQ Address: Menara Multi Purpose, Capital Square
No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur
Telephone: 603 2694 8800
Facsimile: 603 2694 6727
Website: www.alliancebank.com.my
Internet Banking Web site: AllianceOnline

Participation of SME Programme

Department Name: Bumiputera SME Department
Address: Level 36, Menara Multi Purpose, Capital Square
No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur
Telephone: 603 2694 8800
Facsimile: 603 2698 4806
Fund*: RFSMI, NEF2, FSMI2

AmBank (M) Berhad

HQ Address: Level 18, Menara Dion, Jalan Sultan Ismail, 50250 Kuala Lumpur
Telephone: 603 2026 3939
Facsimile: 603 2026 6855
Website: www.ambg.com.my
Internet Banking Web site: AMDIRECT Online Banking

Participation of SME Programme

Department Name: Bumiputra Development Unit
Address: Level 18, Menara Dion, Jalan Sultan Ismail, 50250 Kuala Lumpur
Telephone: 603 2026 3939
Facsimile: 603 2031 1471
Fund*: RFSMI, NEF2, FSMI2

Bangkok Bank Berhad

HQ Address: 105, Jalan Tun H.S. Lee, Peti Surat 10734, 50923 Kuala Lumpur
Telephone: 603 2072 4552 / 4555 / 4557
Facsimile: 603 2078 8569

Participation of SME Programme

Department Name: Marketing Department
Address: 105, Jalan Tun H.S. Lee, Peti Surat 10734, 50923 Kuala Lumpur
Telephone: 60 3 2072 4552 / 4555
Facsimile: 60 3 2078 8569
Fund*: RFSMI, NEF2, FSMI2

Bank of America Malaysia Berhad

HQ Address: Wisma Goldhill, Jalan Raja Chulan, 50200 Kuala Lumpur
Telephone: 603 2032 1133
Facsimile: 603 2031 9087
Website: www.bankamerica.com.my

Participation of SME Programme

Department Name: General Department
Address: Tingkat 19, Wisma Goldhill, Jalan Raja Chulan, 50200 Kuala Lumpur
Telephone: 603 2032 1133
Facsimile: 603 2031 9087
Fund*: RFSMI, NEF2, FSMI2

Bank of China (Malaysia) Berhad

HQ Address: Ground, Mezzanine and First Floor, Plaza OSK, 25, Jalan Ampang, 50450 Kuala Lumpur
Telephone: 603 2162 6633
Facsimile: 603 2161 5150

Participation of SME Programme

Department Name: Credit & Marketing Department
Address: Ground, Mezzanine and First Floor, Plaza OSK, 25, Jalan Ampang, 50450 Kuala Lumpur
Telephone: 603 2162 6633
Facsimile: 603 2712 9690
Fund*: RFSMI, NEF2, FSMI2

Bank of Tokyo-Mitsubishi (Malaysia) Berhad

HQ Address: No. 1, Lebu Ampang, 50100 Kuala Lumpur
Telephone: 603 2078 9100 / 5855
Facsimile: 603 2072 1024

Participation of SME Programme

Department Name: Priority Loans
Address: No. 1, Lebu Ampang, 50100 Kuala Lumpur
Telephone: 603 2078 9100
Facsimile: 603 2031 3831
Fund*: RFSMI, NEF2, FSMI2

CIMB Bank

HQ Address: 10th Floor, Bangunan CIMB, Jalan Semantan, Damansara Heights, 50790 Kuala Lumpur
Telephone: 603 2084 8888
Facsimile: 603 2684 8899
Website: www.cimbbank.com.my

Participation of SME Programme

Department Name: Retail Banking Centre
Address: 10th Floor, Bangunan CIMB, Jalan Semantan, Damansara Heights, 50790 Kuala Lumpur
Telephone: 1300 88 0900
Fund*: RFSMI, NEF2, FSMI2

Citibank Berhad

HQ Address: Aras 45 Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Telephone: 603 2383 8585
Facsimile: 603 2166 7932
Website: www.citibank.com.my
Internet Banking Web site: CitiDirect

Participation of SME Programme

Department Name: Corporate Banking Group
Address: Aras 45 Menara Citibank, 165 Jalan Ampang, 50450 Kuala Lumpur
Telephone: 603 2383 8585
Facsimile: 603 2166 7932
Fund*: RFSMI, NEF2, FSMI2

Deutsche Bank (Malaysia) Berhad

HQ Address: Tingkat 18-20, Menara IMC, 8, Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone: 603 2053 6788
Facsimile: 603 2031 9822
Internet Banking Web site: db-direct Internet

Participation of SME Programme

Department Name: Loan Operations Department
Address: Tingkat 18, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur
Telephone: 603 2053 6788
Facsimile: 603 2031 9822
Fund*: RFSMI, NEF2, FSMI2

EON Bank Berhad

HQ Address: Tingkat 11, Wisma Cyclecarri, 288 Jalan Raja Laut 50350 Kuala Lumpur
Peti Surat 12996, 50796 Kuala Lumpur
Telephone: 603 2694 1188
Facsimile: 603 2694 9588
Website: www.eonbank.com.my

Participation of SME Programme

Department Name: Commercial Banking
Address: Tingkat 23, Wisma Cyclecarri, 288 Jalan Raja Laut
50350 Kuala Lumpur
Telephone: 603 2694 1188
Facsimile: 603 2694 2650
Fund*: RFSMI, NEF2, FSMI2

Hong Leong Bank Berhad

HQ Address: Aras 2, Wisma Hong Leong, No 18, Jalan Perak, 50450 Kuala Lumpur
Peti Surat 12372, 50776 Kuala Lumpur
Telephone: 603 2164 2828
Facsimile: 603 2715 8623
Website: www.hlb.com.my
Internet Banking Web site: Hong Leong Online

Participation of SME Programme

Department Name: Credit Management Division
Address: Aras 3, Wisma Hong Leong, No 18, Jalan Perak, 50450 Kuala Lumpur
Telephone: 603 2164 2828
Facsimile: 603 2164 1518
Fund*: RFSMI, NEF2, FSMI2

HSBC Bank Malaysia Berhad

HQ Address: No. 2, Leboh Ampang, Peti Surat 10244, 50912 Kuala Lumpur
Telephone: 603 2070 0744
Facsimile: 603 2070 1146
Website: www.hsbc.com.my
Internet Banking Web site: online@hsbc

Participation of SME Programme

Department Name: Corporate Banking, Marketing & Product Development
Address: 9th Floor, Bangunan HSBC, No. 2, Leboh Ampang
50100 Kuala Lumpur
Telephone: 603 2070 0744 / 9022
Facsimile: 603 2070 6234
Fund*: RFSMI, NEF2, FSMI2

J.P. Morgan Chase Bank Berhad

HQ Address: Aras 26, Menara Dion, Jalan Sultan Ismail, 50250 Kuala Lumpur
Peti Surat 11090, 50734 Kuala Lumpur
Telephone: 603 2270 4111
Facsimile: 603 2270 4110

Participation of SME Programme

Department Name: Priority Sector
Address: Aras 26, Menara Dion, Jalan Sultan Ismail, 50250 Kuala Lumpur
Telephone: 603 2270 4111
Facsimile: 603 2270 4110
Fund*: RFSMI, NEF2, FSMI2

Malayan Banking Berhad

HQ Address: Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur
Telephone: 603 2070 8833
Facsimile: 603 2070 2611
Website: www.maybank2u.com.my
Internet Banking Web site: Maybank2u.com

Participation of SME Programme

Department Name: SME Department
Address: Tingkat 18, Menara Maybank, 100, Jalan Tun Perak
50050 Kuala Lumpur
Telephone: 603 2070 8833
Facsimile: 603 2032 4031
Fund*: RFSMI, NEF2, FSMI2

OCBC Bank (Malaysia) Berhad

HQ Address: Menara OCBC, 18 Jalan Tun Perak, 50050 Kuala Lumpur
Telephone: 603 2034 5034
Facsimile: 603 2698 4363
Website: www.ocbc.com.my
Internet Banking Web site: eCafe

Participation of SME Programme

Department Name: Business Banking Commercial Service Centre
Address: Level 18, Menara OCBC, 18 Jalan Tun Perak, 50050 Kuala Lumpur
Telephone: 1300 88 7000 / 603 8317 5200
Facsimile: 603 8318 5699
Fund*: RFSMI, NEF2, FSMI2

Public Bank Berhad

HQ Address: Menara Public Bank, 146 Jalan Ampang, Peti Surat 12542
50450 Kuala Lumpur
Telephone: 603 2176 6000 / 6666
Facsimile: 603 2163 9917
Website: www.publicbank.com.my
Internet Banking Web site: PBeBank.com

Participation of SME Programme

Department Name: Retail Banking Division
Address: Tingkat 14, Menara Public Bank, 146 Jalan Ampang
50450 Kuala Lumpur
Telephone: 603 2176 6000 / 6666
Facsimile: 603 2163 9909
Fund*: RFSMI, NEF2, FSMI2

RHB Bank Berhad

HQ Address: Tower Two & Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur
Peti Surat 10145, 50907 Kuala Lumpur
Telephone: 603 9287 8888
Facsimile: 603 9287 9000
Website: www.rhb.com.my
Internet Banking Web site: RHBbank.com

Participation of SME Programme

Department Name: Commercial Banking Division
Address: Level 3, Tower Three, RHB Centre, Jalan Tun Razak
50400 Kuala Lumpur
Telephone: 603 9287 8888
Facsimile: 603 9200 3257
Fund*: RFSMI, NEF2, FSMI2

Standard Chartered Bank Malaysia Berhad

HQ Address: 2, Jalan Ampang, Peti Surat 11001, 50732 Kuala Lumpur
Telephone: 603 2072 6555
Facsimile: 603 2072 3403
Website: www.standardchartered.com.my

Participation of SME Programme

Department Name: Islamic Banking & Bumiputera Development Unit
Address: Tingkat 9, No. 2 Jalan Ampang, Peti Surat 11001, 50732 Kuala Lumpur
Telephone: 603 2072 6555
Facsimile: 603 2074 4259
Fund*: RFSMI, NEF2, FSMI2

The Bank of Nova Scotia Berhad

HQ Address: Menara Boustead, 69, Jalan Raja Chulan, Peti Surat 11056
50734 Kuala Lumpur
Telephone: 603 2141 0766
Facsimile: 603 2141 2160
Website: www.scotiabank.com.my

Participation of SME Programme

Department Name: Corporate Banking
Address: Menara Boustead, 69, Jalan Raja Chulan, Peti Surat 11056
50734 Kuala Lumpur
Telephone: 603 2141 0766
Facsimile: 603 2141 2160
Fund*: RFSMI, NEF2, FSMI2

United Overseas Bank (Malaysia) Berhad.

HQ Address: Menara UOB, Jalan Raja Laut, Peti Surat 11212, 50738 Kuala Lumpur
Telephone: 603 2692 4511
Facsimile: 603 2694 0617
Website: www.uob.com.my
Internet Banking Web site: UOB Internet Banking

Participation of SME Programme

Department Name: Commercial Loan Division
Address: Tingkat 7, Menara UOB, Jalan Raja Laut, 50350 Kuala Lumpur
Telephone: 603 2772 6633 / 6691
Facsimile: 603 2691 8418 / 2160
Fund*: RFSMI, NEF2, FSMI2

Islamic Banks

Bank Islam Malaysia Berhad

HQ Address: Tingkat 14, Darul Takaful, Jalan Sultan Ismail, Peti Surat 11080
50734 Kuala Lumpur
Telephone: 603 2693 5566 / 5569 / 2692 2153
Facsimile: 603 2694 9077
Website: www.bankislam.com.my
Internet Banking Web site: bankislam.biz

Customer Service:
Department Name: Customer Services Section
Address: Tingkat 13, Darul Takaful, Jalan Sultan Ismail, 50250 Kuala Lumpur
Telephone: 603 2693 5566 ext 367 / 603 2693 5118
Website: www.bankislam.com.my

Participation of SME Programme

Department Name: Commercial Department
Address: Tingkat 12, Darul Takaful, Jalan Sultan Ismail, Peti Surat 11080
50734 Kuala Lumpur
Telephone: 603 2693 5566 ext 384 / 475 / 603 2698 1126
Facsimile: 603 2694 0373
Fund*: RFSMI, FSMI2

Bank Muamalat Malaysia Berhad

HQ Address: Menara Bumiputera, Jalan Melaka, Peti Surat 10407, 50913 Kuala Lumpur
Telephone: 603 2698 8787
Facsimile: 603 2691 0388
Website: www.muamalat.com.my

Customer Service:
Department Name: Corporate Communications Department
Address: 5th Floor, Menara Bumiputera, Jalan Melaka, 50100 Kuala Lumpur
Telephone: 603 2059 1200 / 1201
Website: www.muamalat.com.my

Participation of SME Programme

Department Name: Credit Risk Management
Address: Tingkat 4, Menara Bumiputera, Jalan Melaka, 50100 Kuala Lumpur
Telephone: 603 2698 8787
Facsimile: 603 2692 6040
Fund*: RFSMI, FSMI2

CIMB Islamic Bank Berhad

HQ Address: 1st Floor Menara Promet, Jalan Sultan Ismail, 50250 Kuala Lumpur
Telephone: 603 2145 5959
Facsimile: 603 2144 4746
E-mail: custcare@tijari.com
Website: www.commerce-tijari.com

Hong Leong Islamic Bank Berhad

HQ Address: Aras 6, Wisma Hong Leong, 18 Jalan Perak, 50450 Kuala Lumpur
Telephone: 603 2161 1240
Facsimile: 603 2161 1278

RHB Islamic Bank Berhad

HQ Address: Level 4, Tower 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur
Telephone: 603 9280 7000 / 9287 8888
Facsimile: 603 9280 6507 / 9287 6181
Website: www.rhbislamicbank.com.my

Notes ():*

RFSMI - Rehabilitation Fund For Small Businesses
NEF2 - New Entrepreneurs Fund 2
FSMI2 - Fund For Small And Medium Industries 2

APPENDICES

LIST OF MITI'S AGENCIES

LIST OF RELEVANT MINISTRIES AND AGENCIES

LIST OF TRADE ASSOCIATIONS

LIST OF SKILL DEVELOPMENT CENTRES

LIST OF PROMOTED ACTIVITIES & PRODUCTS

List of MITI's Agencies

KEMENTERIAN PERDAGANGAN ANTARABANGSA DAN INDUSTRI / MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY (MITI)

Blok 10, Komplek Pejabat-pejabat Kerajaan, Jalan Duta, 50622 Kuala Lumpur
Tel: 603-6203 3022 Fax: 603-6203 2337 Website: <http://www.miti.gov.my>

Lembaga Kemajuan Perindustrian Malaysia / Malaysian Industrial Development Authority (MIDA)

Block 4, Plaza Sentral
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel: 603-2267 3633
Fax: 603-2274 7970
Website: <http://www.mida.gov.my>

Perbadanan Produktiviti Negara / National Productivity Corporation (NPC)

P.O. Box 64, Jalan Sultan
46904 Petaling Jaya
Selangor
Tel: 603-7955 7266
Fax: 603-7957 8068
Website: <http://www.npc.org.my>

Perbadanan Pembangunan Perdagangan Luar Malaysia / Malaysia External Trade Development Corporation (MATRADE)

Tingkat 7, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 603-2616 3333
Fax: 603-2694 7362 / 3
Website: <http://www.matrade.gov.my>

Menara MATRADE
Jalan Khidmat Usaha
Off Jalan Duta
50480 Kuala Lumpur
(Effective from 15th January 2007)

Perbadanan Pembangunan Industri Kecil dan Sederhana / Small and Medium Industries Development Corporation (SMIDEC)

701 D, Level 7, Tower D, Uptown 5,
No.5, Jalan SS21/39, Damansara Uptown,
47400 Petaling Jaya,
Selangor Darul Ehsan.
Tel: 603-7628 7400
Fax: 603-7660 1919
E-mail: info@smidec.gov.my
Website: www.smidec.gov.my

20th Floor, West Wing
Menara MATRADE
Jalan Khidmat Usaha
Off Jalan Duta
50480 Kuala Lumpur
Tel: 603-6027 6000
Fax: 603-6201 6564
E-mail: info@smidec.gov.my
Website: www.smidec.gov.my
(Effective from 2nd February 2007)

Syarikat Permodalan Kemajuan Perusahaan Malaysia Berhad / Malaysian Industrial Development Finance Berhad (MIDF)

Bangunan MIDF
195 A Jalan Tun Razak
P.O.Box 12110
50939 KUALA LUMPUR
Tel: 603-2161 0066
Fax: 603-2161 5973
Website: <http://www.midf.com.my>

List of Relevant Ministries and Agencies

MINISTRY OF AGRICULTURE AND AGRO-BASED INDUSTRY (MOA)

Wisma Tani, Lot 4G1,
Presint 4,
Pusat Pentadbiran Kerajaan Persekutuan,
62624 Putrajaya, Malaysia
Tel: 603-8870 1000
Fax: 603-8870 1467
Email: webmaster@agri.moa.my
Website: <http://agrolink.moa.my>

Federal Agricultural Marketing Authority (FAMA)

FAMA, Bangunan FAMA Point,
Lot 17304 Jalan Persiaran 1,
Bandar Baru Selayang,
68100, Batu Caves
Selangor Darul Ehsan, Malaysia
Tel: 603-6138 9622
Fax: 603-6136 5610
Email: fama@fama.net.my
Website: <http://www.famaxchange.org>

Department/Agencies under Ministry of Agriculture and Agro-Based Industry (MOA):

Agriculture Department

Aras 7-17, Blok 4G2
Wisma Tani, Presint 4,
Pusat Pentadbiran Kerajaan Persekutuan,
62632 Putrajaya, Malaysia
Tel: 603-8870 3000
Fax: 603-8888 6022
Email: webmaster@doa.gov.my
Website: <http://www.doa.gov.my>

Bank Pertanian Malaysia

Leboh Pasar Besar, Peti Surat 10815,
50726 Kuala Lumpur, Malaysia
Tel: 603-2731 1600
Fax: 603-2691 4908
Email: bankpertanian@bpm.com.my
Website: <http://www.bpm.com.my>

Farmers' Organization Authority of Malaysia

Blok C Utara, Pusat Bandar Damansara,
Bukit Damansara,
50460 Kuala Lumpur, Malaysia
Tel: 603-2094 5222
Fax: 603-2095 4239
Website: <http://agrolink.moa.my/lpp>

Malaysian Agricultural Research and Development Institute (MARDI)

Ibu Pejabat, P.O.Box 12301,
General Post Office,
50774 Kuala Lumpur, Malaysia
Tel: 603-8943 7111
Fax: 603-8948 3664
Website: <http://www.mardi.my>

Fisheries Development Authority of Malaysia

Aras 7-11, Wisma PKNS,
Jalan Raja Laut,
50784 Kuala Lumpur, Malaysia
Tel: 603-2617 7000
Fax: 603-2691 1931
Email: info@lkim.moa.my
Website: <http://www.lkim.gov.my>

MINISTRY OF DOMESTIC TRADE AND CONSUMER AFFAIRS

Lot 2G3, Presint 2,
Pusat Pentadbiran Kerajaan Persekutuan
62623 Putrajaya, Malaysia
Tel: 1800-886-800 / 603-8882 5500
Fax: 603-8882 5762
Website: <http://www.kpdnhep.gov.my>

Agencies under Ministry of Domestic Trade and Consumer Affairs:

Companies Commission of Malaysia

Tingkat 2, 10-17,
Putra Place, 100 Jalan Putra,
50622 Kuala Lumpur, Malaysia
Tel: 603-4043 3366
Fax: 603-4043 7505
Email: enquiry@ssm.gov.my
Website: <http://www.ssm.com.my>

Intellectual Property Corporation of Malaysia

Aras 32, Menara Dayabumi,
Jalan Sultan Hishamuddin,
50623 Kuala Lumpur, Malaysia
Tel: 603-2274 2100
Fax: 603-2274 1332
Website: <http://www.mipc.gov.my>

MINISTRY OF ENTREPRENEUR AND COOPERATIVE DEVELOPMENT (MECD)

Lot 2G6, Presint 2,
Pusat Pentadbiran Kerajaan Persekutuan
62100 Putrajaya, Malaysia
Tel: 603-8880 5000
Fax: 603-8880 5106
Email: webmaster@mecd.gov.my
Website: <http://www.mecd.gov.my>

Agencies under Ministry of Entrepreneur and Cooperative Development (MECD):

Council of Trust for Indigenous People (MARA)

Bangunan Medan MARA, No 21,
Jalan Raja Laut,
50609 Kuala Lumpur, Malaysia
Tel: 603-2691 5111
Fax: 603-2691 3620
Email: webmaster@mara.gov.my
Website: <http://www.mara.gov.my>

Credit Guarantee Corporation (CGC)

Tingkat 13-16, Bangunan CGC,
Kelana Business Centre
97, Jalan SS7/2
47301, Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: 603-7806 2300
Fax: 603-7806 3308
Email: mailbox@cgc.gov.my
Website: <http://www.cgc.gov.my>

Bank Pembangunan Malaysia Berhad (BPMB)

1016, Bandar Wawasan,
Jalan Sultan Ismail,
Peti Surat 10788,
50774 Kuala Lumpur, Malaysia
Tel: 603-2611 3888
Fax: 603-2692 8250
Email: enq_y@bpmb.com.my
Website: <http://www.bpmb.com.my>

Bank Perusahaan Kecil & Sederhana Malaysia Berhad

Formerly known as Bank Industri & Teknologi Malaysia Berhad
Menara SME Bank,
Jalan Sultan Ismail,
Peti Surat 12352,
50774 Kuala Lumpur,
Malaysia
Tel: 603-2615 2020 / 603-2615 2828
Fax: 603-2692 8520 / 603-2698 1748
Email: enq_y@smebank.com.my
Website: <http://www.smebank.com.my>

Perbadanan Nasional Berhad (PNS)

Tingkat 9B, Menara Dato' Onn, Pusat
Dagangan Dunia Putra (PWTC),
45, Jalan Tun Ismail,
50480 Kuala Lumpur, Malaysia
Tel: 603-2698 6670
Fax: 603-2698 6617
Website: <http://www.pns.com.my>

UDA Holdings Berhad

BB Plaza, Lot 111,
Jalan Bukit Bintang, P.O. Box 10080,
50704 Kuala Lumpur, Malaysia
Tel: 603-2730 8500
Fax: 603-2713 8500 / 8555
Email: uhb@udanet.com
Website: <http://www.udaholdings.com.my>

Yayasan Tekun Nasional

No. 2, Wisma Matmunap,
Jalan 4/146, Metro Centre,
Bandar Tasik Selatan,
57000 Kuala Lumpur, Malaysia
Tel: 603-9058 8550
Fax: 603-9059 5805
Email: mailbox@tekun.gov.my
Website: <http://www.tekun.gov.my>

MINISTRY OF HUMAN RESOURCE

Aras 6 - 9, Blok D3, Parcel D,
Pusat Pentadbiran Kerajaan Persekutuan,
62502 Putrajaya, Malaysia
Tel: 603-8886 5000
Fax: 603-8889 2381
Website: <http://www.mohr.gov.my>

Agency under Ministry of Human Resource:**Human Resources Development Council**

Tingkat 7, Wisma Chase Perdana,
Off Jalan Semantan, Bukit Damansara,
50490 Kuala Lumpur, Malaysia
Tel: 603-2098 4800
Fax: 603-2093 5722
Email: administrator@hrdnet.com.my
Website: <http://www.hrdnet.com.my>

MINISTRY OF PLANTATION INDUSTRIES AND COMMODITIES

6-13th Floor, Lot 2G4 Presint 2
62654 Putrajaya, Malaysia
Tel: 603-8880 3300
Fax: 603-8880 3482
Email: info@kppk.gov.my
Website: <http://www.kppk.gov.my>

Agencies under Ministry of Plantation Industries and Commodity:**Malaysian Cocoa Board**

Tingkat 5 & 6, Wisma SEDCO,
Beg Berkunci 211,
88999 Kota Kinabalu
Sabah, Malaysia
Tel: 6088-252 572
Fax: 6088-239 575 / 253 037
Email: itservice@koko.gov.my
Website: <http://www.koko.gov.my>

Malaysian Rubber Board (MRB)

Bangunan Getah Asli (Menara), Tingkat 17
& 18, Bangunan Getah Asli, 148 Jalan
Ampang, 50450 Kuala Lumpur, Malaysia
Tel: 603-9206 2000
Fax: 603-2163 4492
Email: general@lgm.gov.my
Website: <http://www.lgm.gov.my>

Malaysian Timber Industry Board (MITB)

Aras 13-17, Menara PGRM,
No.8, Jalan Pudu Ulu, Cheras,
50728 Kuala Lumpur, Malaysia
Tel: 603-9282 2235
Fax: 603-9285 1447 / 9285 1744
Email: info@mtib.gov.my
Web Site: <http://www.mtib.gov.my>

National Tobacco Board

Kubang Kerian, Peti Surat 198
Kota Bharu
15720 Kelantan, Malaysia
Tel: 609-765 2933 / 1182 / 2802
Fax: 609-7655640 / 1934 / 2248
Website: <http://www.ltn.gov.my>

Pepper Marketing Board

1115, Jalan Utama
93916 Kuching
Sarawak, Malaysia
Tel: 6082-331 811
Fax: 6082-336 877
Email: pmb@pepper.po.my
Website: www.sarawakpepper.gov.my

Malaysian Palm Oil Board

6, Persiaran Institusi,
Bandar Baru Bangi,
43000, Kajang
Selangor, Malaysia
Tel: 603-8925 9155 / 8925 9775
Fax: 603-8925 9446
Email: aotcpub@mpob.gov.my
Website: <http://mpob.gov.my>

MINISTRY OF RURAL AND REGIONAL DEVELOPMENT

Blok D9, Parcel D,
Kompleks Kerajaan Persekutuan,
62606 Putrajaya, Malaysia
Tel: 603-8886 3500/3700
Fax: 603-8886 3801
Email: webmaster@rurallink.gov.my
Website: <http://www.rurallink.gov.my>

Department / Agencies under Ministry of Rural and Regional Development:

Community Development Department (KEMAS)

Aras 2 & 3, Blok 1
Menara PJH, Presint 2
62000 Putrajaya
Malaysia
Email: kemas@kplb.gov.my
Website: <http://www.kemas.gov.my>

Rubber Industry Small Holders Development Authority (RISDA)

Ibu Pejabat RISDA, Bangunan RISDA Km7,
Jalan Ampang, Karung Berkunci 11067,
50990 Kuala Lumpur, Malaysia
Tel: 603-4256 4022
Fax: 603-4257 6726
Email: webmaster@risda.gov.my
Website: <http://www.risda.gov.my>

MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION (MOSTI)

Aras 1 - 7, Blok C5,
Pusat Pentadbiran Kerajaan Persekutuan,
62662 Putrajaya, Malaysia
Tel: 603-8885 8000
Fax: 603-8888 9070
Email: webmaster@mosti.gov.my
Website: <http://www.mosti.gov.my>

Agencies under Ministry of Science, Technology and Innovation (MOSTI):

Malaysian Technology Development Corporation (MTDC)

Tingkat 3-4, MIDF Building,
195A, Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia
Tel: 603-2161 2000
Fax: 603-2163 7542
Email: comms@mtdc.com.my
Website: <http://www.mtdc.com.my>

MIMOS Berhad

Taman Teknologi Malaysia,
57000 Kuala Lumpur, Malaysia
Tel: 603-8996 5000
Fax: 603-8996 4658
Email: tbc@mimos.my
media@mimos.my
Website: <http://www.mimos.my>

Multimedia Development Corporation (MDeC)

MSC Headquarters,
2360 Persiaran APEC
63000 Cyberjaya
Selangor, Malaysia
Tel: 603-8315 3000
Fax: 603-8318 8519
Email: info@mdc.com.my
Website: <http://www.mdec.com.my>

National Biotechnology Directorate (BIOTECH)

Aras 3, Blok C4,
Pusat Pentadbiran Kerajaan Persekutuan,
62662 Putrajaya, Malaysia
Tel: 603-8885 8187
Fax: 603-8888 4050
Website: <http://www.biotek.gov.my>

SIRIM Berhad

No 1 Persiaran Dato' Menteri,
P.O. Box 7035, Seksyen 2,
40911 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel: 603-5544 6000 / 5510 3535
Fax: 603-5510 8095
Email: web@sirim.my
Website: <http://www.sirim.my>

Technology Park Malaysia (TPM)

Lebuhraya Puchong-Sg. Besi
Bukit Jalil
57000 Kuala Lumpur, Malaysia
Tel: 603-8998 2404
Email: marketing@tpm.com.my
Website: <http://www.tpm.com.my>

MINISTRY OF TOURISM

Peti Surat 5-7, Tingkat 6,
21, 34-36, Menara Dato' Onn,
Pusat Dagangan Dunia Putra,
45 Jalan Tun Ismail,
50480 Kuala Lumpur, Malaysia
Tel: 603-2693 7111
Fax: 603-2693 0881
Email: webmaster@motour.gov.my
info@motour.gov.my
Website: <http://www.motour.gov.my>

Agency under Ministry of Tourism:

Malaysia Tourism Promotion Board

Tingkat 17, Menara Dato' Onn,
Pusat Dagangan Dunia Putra (PWTC),
45, Jalan Tun Ismail,
50480 Kuala Lumpur, Malaysia
Tel: 603-2615 8188
Fax: 603-2693 5884 / 2693 0207
Email: webmaster@tourism.gov.my
Website: <http://www.tourism.gov.my>

MINISTRY OF CULTURE, ARTS AND HERITAGE

Tingkat 16, Menara TH Perdana,
Maju Junction,
1001 Jalan Sultan Ismail,
50694 Kuala Lumpur, Malaysia
Tel: 603-2612 7600
Fax: 603-2693 5114 / 2697 6100
Email: info@heritage.gov.my
webmaster@heritage.gov.my
Website: <http://www.heritage.gov.my>

Agency under Ministry of Culture, Arts, and Heritage:

Malaysian Handicraft Development Corporation

Perbadanan Kemajuan Kraftangan Malaysia
Kompleks Kraf Kuala Lumpur
Seksyen 63, Jalan Conlay
50450 Kuala Lumpur
Malaysia
Tel: 603-2162 7459
Fax: 603-2161 2622
Website: <http://www.kraftangan.gov.my>

MINISTRY OF FINANCE

Kompleks Kementerian Kewangan, Presint 2,
Pusat Pentadbiran Kerajaan Persekutuan,
62592 Putrajaya, Malaysia
Tel: 603-8882 3000
Fax: 603-8882 3893 / 94
Email: pertanyaan@treasury.gov.my
Website: <http://www.treasury.gov.my>

Agency under Ministry of Finance:

Inland Revenue Board of Malaysia

Tingkat 15, Blok 9,
Kompleks Bangunan Kerajaan,
Jalan Duta,
Peti Surat 11833,
50758 Kuala Lumpur, Malaysia
Tel: 603-6209 1000
Fax: 603-6201 3798
Email: lhdn@hasilnet.org.my
WebTeam@hasilnet.org.my
Website: <http://www.hasilnet.org.my>

MINISTRY OF HOUSING AND LOCAL GOVERNMENT

Aras 3-7 Blok K, Pusat Bandar Damansara,
Peti Surat 12579,
50782 Kuala Lumpur, Malaysia
Tel: 603-2094 7033
Fax: 603-2094 9720
Email: pro@kpkt.gov.my
pentadbiran@kpkt.gov.my
Website: <http://www.kpkt.gov.my>

MINISTRY OF HIGHER EDUCATION

Blok E3, Parcel E
Pusat Pentadbiran Kerajaan Persekutuan,
62505 Putrajaya, Malaysia
Tel: 603-8883 5000
Fax: 603-8889 5854
Email: webmasterkpt@mohe.gov.my
pro@mohe.gov.my
Website: <http://www.mohe.gov.my>

Agency under Ministry of Higher Education:

Malaysian Entrepreneurship Development Center (MEDEC)

Universiti Teknologi MARA
40450, Shah Alam
Selangor Darul Ehsan, Malaysia
Tel: 603-5544 2102
Fax: 603-5544 2086
Email: pnckk@salam.uitm.edu.my
Website: <http://www.uitm.edu.my>

Other Related Agencies :

Bank Negara Malaysia (BNM)

Jalan Dato' Onn
50480 Kuala Lumpur
Tel: 603-2698 8044
Fax: 603-2691 2990
Website: www.bnm.gov.my

ERF Sdn. Bhd.

7th & 9th Floor
Dataran Kewangan Darul Takaful
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel: 603-2078 1378
Fax: 603-2070 8288

Export-Import Bank of Malaysia Berhad

Aras 8, UBN Tower
No. 10, Jalan P. Ramlee
P.O. Box 13028
50796 Kuala Lumpur
Tel: 603-2034 6666
Fax: 603-2034 6699
Website: www.exim.com.my

Perbadanan Usahawan Nasional Berhad (PUNB)

Tingkat 18 & 19
Wisma UOA II
No. 21, Jalan Pinang
50450 Kuala Lumpur
Tel: 603-2171 5900
Fax: 603-2163 2212 / 603-2164 6989 /
603-2163 2788
Website: www.punb.com.my

Malaysian Venture Capital Management Berhad (MAVCAP)

Level 11, Bangunan Bank Industri
1016 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 603-2050 3000
Fax: 603-2698 3800
Website: www.mavcap.com.my

Malaysia Debt Ventures Berhad

Level 5, Menara Bank Pembangunan
Bandar Wawasan
No. 1016, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 603-2617 2888
Fax: 603-2697 8998
E-mail: info@debtventures.com
Website: www.debtventures.com

List of Trade Associations

FMM Aluminium Manufacturers Group of Malaysia (FMM AMGM) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-62776714

Malaysian Food Canners' Association (MFCA) c/o Persekutuan Pekilang-Pekilang Malaysia

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM Concrete Products Industry Group (FMM CPIG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM Malaysian Automotive Tyre Manufacturers Industry Group (FMM MATMIG) c/o Persekutuan Pekilang-Pekilang Malaysia

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52201 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

American Malaysian Chamber of Commerce (AMCHAM)

11.03-11.05
Level 11, AMODA Building
22 Jalan Imbi
55100 Kuala Lumpur
Tel: 603-2148 2407
Fax: 603-2142 8540

Associated Certified Chartered Accountant (ACCA)

27th Floor Wisma Denmark
No 86 Jalan Ampang
50450 Kuala Lumpur
Tel: 603-2713 5051
Fax: 603-2713 5052

The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)

Lot 6.05 & Lot 6.06 6th Floor
Menara Promet
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 603-2145 2503 / 2145 2653
Fax: 603-2145 2562 / 2145 7819

FMM Malaysian Ceramics Industry Group (FMM MCIG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM Prai Chemical & Gas Industry Group (FMM PCIG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM Automation Technology Industry Group (FMM ATIG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM PVC Pipes & Fittings Industry Group (FMM PPFIG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Asean Oleochemical Manufacturers Group (AOMG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM MAFMAG Bottled Water Group (FMM MAFMAG BWG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM MAFMAG Soft Drinks Group (FMM MAFMAG SDG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM MAFMAG Sweetened Condensed Milk Group (FMM MAFMAG SCMG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Society of Automotive Engineer International (SAE) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

The Association of Banks in Malaysia (ABM)

Tingkat 34, Menara UBN
No.10 Jalan P. Ramlee
50250 Kuala Lumpur
Tel: 603-2078 8041
Fax: 603-2078 8004

Association of Consulting Engineers Malaysia (ACEM)

63-2 & 65-2, Medan Setia Satu
Damansara Heights
50490 Kuala Lumpur
Tel: 603-2095 0079
Fax: 603-2095 3499

Malaysian Medical Association (MMA)

4th Floor, Bangunan MMA
No. 124, Jalan Pahang
53000 Kuala Lumpur
Tel: 603-4041 8972
Fax: 603-4043 4444

Automotive Federation of Malaysia (AFM)

17-4 Tingkat 3, Jalan 14/22
46100 Petaling Jaya, Selangor
Tel: 603-7956 2361/77841604
Fax: 603-7955 0954/77843016

British Malaysian Chamber of Commerce (BMCC) c/o British High Commission

185 Jalan Ampang
50450 Kuala Lumpur
Tel: 603-2163 1784 / 1786
Fax: 603-2163 1781

Chemical Industries Council of Malaysia (CICM) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM MAFMAG Cocoa Manufacturers Group (FMM MAFMAG CMG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

FMM Concrete Products Industry Group(FMM CPIG) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Dewan Perniagaan & Perindustrian India Kuala Lumpur dan Selangor

116 (2ND Floor), Jalan Tunku Abdul Rahman
50100 Kuala Lumpur
P.O.BOX 10147
50704 Kuala Lumpur
Tel: 603-2693 1033
Fax: 603-2691 1670

Dewan Perniagaan Melayu Malaysia, Kuala Lumpur

No. 79C Tingkat 3, Kompleks Damai
Jalan Datuk Hj. Eusoff
50400 Kuala Lumpur
Tel: 603-4042 4711
Fax: 603-4042 1540

Dewan Perniagaan Melayu Malaysia (DPMM)

33 & 35, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Tel: 603-2096 2233
Fax: 603-2096 2533

Federation of Malaysian Foundry & Engineering Industries Association (FOMFEIA)

No. 8, 2nd. floor, Jalan 1-77B
off Jalan Changkat Thambi Dollah
55110 Kuala Lumpur
Tel: 603-2148 1149
Fax: 603-2142 1384

Federation of Malaysia Manufacturers (FMM)

Wisma FMM, No. 3, Persiaran Dagang
PJU 9, Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Fertilizer Industry Association of Malaysia (FIAM) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM, No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

**Kelab Vendor Perodua, Malaysia
c/o Procument & Vendor Development
Department**

Lot 9, Kawasan Perindustrian MIEL Fasa II,
Jalan Bursa 23/4 Seksyen 23
40300 Shah Alam, Selangor
Tel: 603-6092 8888 ext 4321
Fax: 603-6733 0777

**Perodua Corporate Building Perodua
Automotive Centre**

Locked Beg, 226 Sungai Choh
48009 Rawang, Selangor

**Malaysian Associated Indian Chambers
of Commerce & Industry (MAICCI)**

Megan Avenue II, Block B, 9th floor, Unit 1
No.12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 603-2171 2616
Fax: 603-2171 1195

**Malaysia Mould and Die Association
(MMADA)**

No. 21-3 Jalan 1/116B, Kuchai
Entrepreneurs Park, Off Jalan Kuchai Lama
58200 Kuala Lumpur
Tel: 603-7980 1415
Fax: 603-7980 1442

**Malaysian-German Chamber of
Commerce & Industry (MGCC)**

Suite 47.01, Level 47, Bangunan
AMFinance, No. 8, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 603-2078 3561
Fax: 603-2072 1198

**Malaysian American Electronics Industry
(MAEI)**

11.03-11.05, Level 11, AMODA Building
22 Jalan IMBI
55100 Kuala Lumpur
Tel: 603-2148 2407
Fax: 603-2142 8540

**Malaysian Automotive Component Parts
Manufacturers (MACPM) c/o Persekutuan
Pekilang-Pekilang Malaysia (FMM)**

Wisma FMM, No. 3 Persiaran Dagang,
PJU 9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

**FMM Malaysian Cosmetics and Toiletries
Industry Group (FMM MCTIG) c/o
Persekutuan Pekilang-Pekilang Malaysia
(FMM)**

Wisma FMM, No. 3 Persiaran Dagang,
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Malaysian CropLife & Public Health Association (MCPA)

No. 11 2ND Floor, Jalan SS 26/8
Taman Mayang Jaya
47301 Petaling Jaya, Selangor
Tel: 603-7804 8968
Fax: 603-7804 8964

**Malaysian Electrical and Electronics Industry Group (FMM MEEIG)
c/o Persekutuan Pekilang-Pekilang Malaysia**

Wisma FMM, No. 3, Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

**Malaysian Food Manufacturing Group (MAFMAG)
c/o Persekutuan Pekilang-Pekilang Malaysia**

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Malaysian Frozen Food Processors Association (MFFPA)

60-B 2ND Floor Jalan Perai Jaya 4
Bandar Perai Jaya
13700 Perai, Pulau Pinang
Tel: 604-390 4737
Fax: 604-390 4736

Malaysian Furniture Promotion Council (MFPC)

5th Floor, Bangunan Getah Asli (Menara)
148 Jalan Ampang
50450 Kuala Lumpur
Tel: 603-2171 1133
Fax: 603-2171 1166

**FMM Malaysian Industrial Gases Manufacturers Group (FMM MIGMA)
c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)**

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Malaysian International Chamber of Commerce (MICCI)

C 8-8, 8th Floor, Block C, Plaza Mont Kiara
No. 2, Jalan 1/70C, Mont Kiara
50480 Kuala Lumpur
Tel: 603-6201 7708
Fax: 603-6201 7705 / 6201 7706

Malaysian Oleochemical Manufacturers Group (MOMG)

Wisma FMM, No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Malaysian Organization of Pharmaceutical Industries (MOPI)

1st Floor Wisma Yan
17 & 19 Jalan Selangor
46050 Petaling Jaya, Selangor
Tel: 603-7957 3070 / 1004
Fax: 603-7956 0018

Malaysian Petrochemicals Association (MPA) c/o Persekutuan Pekilang-Pekilang Malaysia (FMM)

Wisma FMM, No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Malaysian Plastics Manufacturers Association (MPMA)

No. 37 Tingkat Bawah
Jalan 20/14 Paramount Garden
46300 Petaling Jaya, Selangor
Tel: 603-7876 3027
Fax: 603-7876 8352

Malaysian Rubber Glove Manufacturers Association (MARGMA)

A2-20 PJ Industrial Park
Jalan Kemajuan Seksyen 13
46200 Petaling Jaya, Selangor
Tel: 603-7957 8362
Fax: 603-7957 8412

Malaysian Rubber Products Manufacturers Association (MRPMA)

No. 1A Jalan USJ 11/1J, Subang Jaya
47620 Petaling Jaya, Selangor
Tel: 603-5631 6150
Fax: 603-5631 6152

Malaysian Textile Manufacturers Association (MTMA)

C-9-4 Megan Avenue 1
No. 189 Jalan Tun Razak
50400 Kuala Lumpur
Tel: 603-2162 1587
Fax: 603-2162 5148

The National Chamber of Commerce & Industry of Malaysia (NCCIM)

No. 37, Jalan Kia Peng
50450 Kuala Lumpur
Tel: 603-2141 9600
Fax: 603-2141 3775

FMM Packaging Council of Malaysia (FMM-PACMA) c/o Persekutuan Pekilang-Pekilang Malaysia

Wisma FMM No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Persatuan Industri Kecil dan Sederhana Malaysia

No. 20-6 Jalan USJ 9/5T
Subang Business Centre
47620 Petaling Jaya, Selangor
Tel: 603-8026 1306 / 8026 1307
Fax: 603-8026 1309

Persatuan Industri Komputer dan Multimedia Malaysia (PIKOM)

1106 & 1107 Block B
Pusat Dagangan Philleo Damansara II
No. 15 Jalan 16/11
46350 Petaling Jaya, Selangor
Tel: 603-7955 2922
Fax: 603-7955 2933

Proton Vendors Association c/o PROTON Holdings Bhd

HICOM Industrial Estate
Batu 3, P.O. Box 7100
40918 Shah Alam
Tel: 603-55411627
Fax: 603-55415967

Persatuan Pengilang & Industri Perkhidmatan Bumiputra Malaysia

279 Tingkat 4 Suite 4.01
Bangunan PLC
Jalan Tunku Abdul Rahman
50100 Kuala Lumpur
Tel: 603-2698 5116 / 2698 9117
Fax: 603-2698 5116

**Persatuan Pengusaha dan Pedagang
Melayu Malaysia (PERDASAMA)**

Lot 1717, Jalan Ledang off Jalan Duta
50480 Kuala Lumpur
Tel: 603-2095 2002 / 2004 / 2005 / 2006
Fax: 603-2095 1885

**Persatuan Pengusaha-Pengusaha
Makanan Melayu Malaysia
c/o AMISAN Product (M) Sdn Bhd**

Batu 4 Jalan Kapar
Peti Surat 117
41720 Klang, Selangor
Tel: 603-3291 2620
Fax: 603-3291 2900

**Pharmaceutical Association of Malaysia
(PHAMA)**

75-3, Jalan Medan Setia 1
Plaza Damansara
50490 Bukit Damansara
Kuala Lumpur
Tel: 603-2096 2493
Fax: 603-2095 2143

**Malaysian Knitting Manufacturers
Association (MKMA)**

12-1 Jalan Megat
83000 Batu Pahat, Johor
Tel: 607-4343 203
Fax: 607-4314 682

**MPA Plastic Resin Producers Group
(MPA PRPG) Persekutuan Pekilang-
Pekilang Malaysia (FMM)**

Wisma FMM, No. 3 Persiaran Dagang
PJU9 Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 603-6276 1211
Fax: 603-6277 6714

Branding Association of Malaysia

Units 3-27 and 3-28
3rd Floor, FAS Business Avenue 1
Jalan Pandamaran, Kelana Jaya
47301 Petaling Jaya, Selangor
Tel: 603-7880 7010 / 7880 7050
Fax: 603-7880 7009

**Malaysian Rubber Export Promotion
Council (MREPC)**

Block 2A, Level 13A-1
Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur
Tel: 603-2780 5888
Fax: 603-2780 5888

List of Skill Development Centres

Pusat Pembangunan Kemahiran Pulau Pinang (PSDC)

1, Jalan Sultan Azlan Shah
Bandar Baru Bayan
11909 Bayan Lepas
Pulau Pinang
Tel: 604-6437909
Faks: 604-6437929
Website: <http://www.psdcc.org.my>

Pusat Pembangunan Kemahiran Pahang (PSDC)

Kampus PSDC, Lot 150
Taman Perindustrian Semambu
25350 Kuantan
Pahang Darul Makmur
Tel: 609-5673200
Faks: 609-5673192
Website: <http://www.phgsdc.edu.my>

Pusat Pembangunan Tenaga Industri Johor (PUSPATRI)

PLO 2, Jalan Perak 4
Pasir Gudang Industrial Estate
81700 Pasir Gudang
Johor Darul Takzim
Tel: 607-2521606
Faks: 607-2521722
Website: <http://www.puspatri.netsdc.org.my>

Terengganu Advanced Technical Institute (TATI)

Jalan Panchor, Telok Kalong
24000 Kemaman
Terengganu Darul Iman
Tel: 609-8635530
Faks: 609-8635863
Website: <http://www.tati.edu.my>

German-Malaysian Institute (GMI)

No. 119, Jalan 7/91
Taman Shamelin Perkasa
Batu 3 1/2, Cheras
56100 Kuala Lumpur
Tel: 603-9286 1706
Faks: 603-9282 1707
Website: <http://www.gmi.edu.my>

Pusat Pembangunan Kemahiran Industri dan Pengurusan Kedah (KISMEC)

351-352, Jalan Bandar Baru 4
Taman Bandar Baru
08000 Sungai Petani
Kedah Darul Aman
Tel: 604-4414619
Faks: 604-4414622
Website: <http://www.kismec.org.my>

UNIKL - Malaysia France Institute (MFI)

Section 14, Jalan Teras Jernang
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Tel: 603-89262022
Faks: 603-89258845
Website: <http://www.mfi.edu.my>

Pusat Pembangunan Tenaga Manusia Selangor (SHRDC)

No. 1A, Tingkat 1, Blok 2
Pusat Perniagaan Wordwide
Jalan Tinju 13/50, Section 13
40100 Shah Alam
Selangor Darul Ehsan
Tel: 603-55133560
Faks: 603-55133490
Website: <http://www.shrdc.org.my>

Pusat Pembangunan Kemahiran Sarawak (PPKS)

Jalan Wan Alwi, Tabuan Jaya
93350 Kuching
Sarawak
Tel: 6082-364198
Faks: 6082-364197
Website: <http://www.ppkscdc.net.my>

University of Malaya Centre for Continuing Education (UMCCed)

Level 3, A Block
University of Malaya City Campus
Jalan Tun Ismail
50480 Kuala Lumpur, Malaysia
Tel: 603-26173111
Faks: 603-26173120
Website: <http://www.umcced.edu.my>

Pusat Pembangunan Usahawan dan Kemahiran Perak (PESDC)

Kompleks Latihan PESDC
Jalan Johan 2/2
Kawasan Perindustrian Pengkalan 2
31550 Pusing
Perak Darul Ridzuan
Tel: 605-3668869
Faks: 605-3668870
Website: <http://www.pesdc.edu.my>

Pusat Pembangunan Kemahiran Negeri Sembilan (NSSDC)

Batu 8 /2 Jalan Seremban-Mantin
71700 Mantin
Sembilan Darul Khusus
Tel: 606-7587404
Faks: 606-7587401
Website: <http://www.nssdc.org.my>

Pusat Pembangunan Kemahiran Perindustrian Melaka (MISDC)

Lorong 1, Jalan PBB6
Taman Perindustrian Batu Berendam
75350 Melaka
Tel: 606-3353576
Faks: 606-3353577
Website: <http://www.misdc.org.my>

SIRIM Berhad

No. 1 Persiaran Dato' Menteri
P.O. Box 7035, Seksyen 2
40911 Shah Alam
Selangor Darul Ehsan
Tel: 603-55446000
Faks: 603-55194055
Website: <http://www.sirim.my>

Sabah Skills and Technology Centre (SSTC)

No 8, Jalan 1C, KKIP Selatan
Industrial Zone 1 (IZ1)
Kota Kinabalu Industrial Park
88460 Kota Kinabalu
Sabah
Tel: 6088-496614
Faks: 6088-499615
Website: <http://www.sstc.org.my>

TPM Academy Sdn Bhd

Resource Centre
Lebuhraya Puchong-Sg Besi
Bukit Jalil
57000 Kuala Lumpur
Tel: 603-89982020
Faks: 603-89982148
Website: <http://www.tpm.com.my>

Institut Keselamatan dan Kesihatan Pekerjaan Negara (NIOSH)

Lot 1, Jalan 15/1, Section 15
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Tel: 603-89261900
Faks: 603-89251718
Website: <http://www.niosh.com.my>

Institut Latihan dan Pembangunan Infrastruktur Ikram (ITiDI)

Kumpulan Ikram Sdn. Bhd.
Taman Ilmu Ikram
Jalan Serdang-Kajang
43000 Kajang
Selangor Darul Ehsan
Tel: 603-87383388
Faks: 603-87369908
Website: <http://www.ikram.com>

Perbadanan Produktiviti Negara (NPC)

Peti Surat 64, Jalan Sultan
46904 Petaling Jaya
Selangor Darul Ehsan
Tel: 603-73557050
Faks: 603-79578069
Website: <http://www.npc.org.my>

Institut Penyelidikan Teknologi Nuklear Malaysia (MINT)

Bangi, 43000 Kajang
Selangor Darul Ehsan
Tel: 603-8925 0510
Faks: 603-8925 8262
Website: <http://www.mint.org.my>

Biro Inovasi dan Perundingan (BIP)

Universiti Teknologi Malaysia (UTM)
Pusat Industri, Technovation Park
81310 UTM Skudai, Johor
Tel: 607-5591500
Fax: 607-5565899
Website: <http://web.utm.my/bip>

Institut Pengurusan Global (IGM)

No. 39 & 41, 1st & 2nd Floor
Jln USJ 21/10, City Centre
UEP Subang Jaya
P.O. Box 8629
46794 Petaling Jaya
Selangor.
Tel: 603-80240060
Fax: 603-80240086
Website: www.igm.edu.my

List of Promoted Activities & Products

List of Promoted Activities and Products which are Eligible for Consideration of Pioneer Status or Investment Tax Allowance under The Promotion of Investments Act 1986

I. Agricultural production

1. Cultivation of tea
2. Cultivation of fruits
3. Cultivation of vegetables, tubers or roots
4. Cultivation of rice or maize
5. Cultivation of herbs or spices
6. Cultivation of essential oil crops
7. Production of planting materials
8. Cultivation of crops for animal feed
9. Floriculture
10. Apiculture
11. Livestock farming (excluding rearing of chickens, ducks or pigs)
12. Production of breeder stock
13. Spawning, breeding and culturing of aquatic products
14. Off-shore fishing
15. Cultivation of medicinal plants
16. Sericulture*
17. Cultivation of cocoa*
18. Cultivation of coconut*
19. Cultivation of sago palm*
20. Rearing of chickens and ducks*

II. Processing of agricultural produce

1. Chocolate and chocolate confectionery
2. Fruits
3. Vegetables, tubers or roots
4. Essential oils
5. Livestock products
6. Aquatic products
7. Agricultural waste or agricultural by-products

8. Aquaculture feed
9. Plant extracts for pharmaceutical, perfumery, cosmetic or food industries
10. High fructose syrup
11. Cocoa and cocoa products
12. Illipe products*
13. Coconut products except copra or crude coconut oil*
14. Starch products*

III. Forestry and forestry products

1. Cultivation of timber, bamboo or cane
2. Cane products
3. Bamboo products

IV. Manufacture of rubber products

1. Earthmover tyres, agricultural tyres, industrial tyres, commercial vehicle tyres, motorcycle tyres, aircraft tyres or solid tyres
2. Precured tread liners
3. Retreading of aircraft tyres
4. Latex products:
 - a. Surgical gloves
 - b. Safety/special function gloves
 - c. Condoms
 - d. Catheters
 - e. Rubber (elastomeric) specialty coatings
 - f. Rubberised fabrics
5. Dry rubber products:
 - a. Beltings
 - b. Hoses, pipes and tubings
 - c. Rubber profiles
 - d. Inflatable rubber products
 - e. Industrial and office equipment rollers
 - f. Seals, gaskets, washers, packings and rings
 - g. Anti-vibration, damping and sound insulation products
 - h. Rubber linings
 - i. Rubber floorings
 - j. Rubber moulds
 - k. Modified natural rubber

6. Reclaimed rubber
7. Rubber support
8. Latex products:*
 - a. Carpet underlay
 - b. Swimming caps
 - c. Balloons
 - d. Finger cots
 - e. Toys
 - f. Latex thread

V. Manufacture of oil palm products and their derivatives

1. Oleochemicals or oleochemical derivatives or preparations
2. Margarine, vanaspati, shortening or other manufactured fat products
3. Fatty acid distillate derivatives
4. Cocoa butter replacers, cocoa butter substitutes, cocoa butter equivalent, palm mid fraction or special olein
5. Crude palm kernel oil and palm kernel cake/expeller
6. Palm-based nutraceuticals, constituents of palm oil/palm kernel oil
7. Palm-based food products:
 - a. Specialty animal fat replacer
 - b. Palm-based mayonnaise and salad dressing
 - c. Substituted coconut milk/powder
 - d. Red palm oil and its products
 - e. Palm-based food ingredient
 - f. Modified (interesterified) palm oil and palm kernel oil products
 - g. Microencapsulated palm-based products
8. Processed products from:
 - a. Palm fatty acid distillate/palm kernel fatty acid distillate
 - b. Palm kernel cake/expeller
 - c. Palm oil mill effluent
9. Products from palm biomass
10. Refining of palm oil or palm kernel oil*

VI. Manufacture of chemicals and petrochemicals

1. Chemical derivatives from organic or inorganic sources
2. Fine chemicals
3. Basic manufacture of pesticides
4. Petrochemical products
5. Epoxy encapsulation moulding compounds
6. Cable compounds (excluding PVC cable compound)

7. Titanium dioxide pigment
8. Barium sulphate pigment
9. Iron dioxide pigment
10. Metallic pigment
11. Recycling of chemicals
12. Anti-tack solutions
13. Inkjet inks
14. Cleaning preparations, cosmetics or toilet preparations*
15. Wax products*
16. Specialised paints or coatings*

VII. Manufacture of pharmaceutical and related products

1. Pharmaceutical goods
2. Clinical diagnostic reagents
3. Gelatine or gelatine products
4. Intravenous, dialysis or irrigating solutions
5. Vaccines
6. Medicaments

VIII. Manufacture of wood and wood products

1. Reconstituted wood-based panel boards or products
2. Wooden solid or other specialised function doors or wooden solid windows
3. Multi-ply parquet
4. Wooden furniture or parts
5. Insulation for cryogenic vessels
6. All wooden products except sawn timber, veneer and plain plywood*

IX. Manufacture of pulp, paper and paperboard

1. Pulp
2. Newsprint
3. Security paper
4. Resin impregnated paper and products thereof
5. Printing and writing paper
6. Corrugated medium paper, testliner or kraftliner
7. Kraft paper
8. Paperboard
9. Moulded paper
10. Specialty paper
11. All types of paper and paper products from pulp*

X. Manufacture of textiles and textile products

1. Natural or man-made fibres
2. Yarn of natural or man-made fibres
3. Woven fabrics
4. Finished knitted fabrics
5. Finishing of fabrics such as bleaching, dyeing and printing
6. Knitwear
7. Skiwear or winter outerwear
8. Non-woven products
9. Elastic webbings
10. Textile hose piping

XI. Manufacture of clay-based, sand-based and other non-metallic mineral products

1. High alumina or basic refractories
2. Kiln furniture
3. Laboratory, chemical or industrial wares
4. Artware, ornaments or articles for adornment of ceramic or glass
5. Glassware
6. High tension electrical glass insulators
7. Glass components or parts for electrical, electronic or industrial use
8. Glass fibre in all forms produced from basic raw materials
9. Finished woven fabrics of glass fibre
10. Optical glass blanks
11. Alumino-silicate ceramics fibres
12. Ceramic components or parts for electrical, electronic or industrial uses
13. Fritz, zirconium silicate powder, glaze or glaze stains
14. Silicon dioxide fillers
15. Rockwool
16. Synthetic industrial diamonds
17. Processed ball clay
18. Articles of pressed or moulded glass such as bricks, tiles, slabs, pellets, paving blocks and squares
19. Tableware
20. Coated glass
21. Integrated cement projects
22. Absorbent mineral clay
23. Marble and granite products
24. Gypsum plaster board
25. Panels, boards, tiles, blocks or similar articles of vegetable fibre, wood fibre, straw, wood shavings or wood

wastes, agglomerated with cement, plaster or with other mineral binding substance

26. Crystallised glass panel
27. Processed kaolin*
28. Ceramic wall or floor tiles*
29. Vitrified clay pipes*
30. Calcium carbonate powder*
31. Coated or uncoated talc or barium sulphate powders (average particle size less than 5 microns)*
32. High grade silica sand or powder*
33. Clay roofing tiles*
34. Quicklime and hydrated lime*

XII. Manufacture of iron and steel

1. Blooms or slabs of steel
2. Shapes or sections of steel of height more than 200 mm
3. Plates, sheets, coils, hoops or strips of steel:
 - a. Hot rolled plates, sheets, coils, hoops or strips
 - b. Cold rolled/cold reduced plates, sheets, coils, hoops or strips
4. Seamless steel pipes
5. Seamless high pressure gas cylinders
6. Steel tyre cord and high pressure reinforced hose wire
7. Ferromanganese, silicon manganese or ferrosilicon
8. Electrolytic galvanised steel sheet in coil
9. Welded steel pipes or pipe fittings*
10. Bars or wire rods (except those of mild steel), angles, shapes or sections of all grades of steel either hot-rolled, cold-rolled or cold-finished*
11. Wires or wire products of iron or steel*
12. Steel fabricated products*

XIII. Manufacture of non-ferrous metals and their products

1. Dressing and/or smelting of non-ferrous metals other than tin metals
2. Primary ingots, billets or slabs of non-ferrous metals
3. Bars, rods, shapes or sections of non-ferrous metals except EC copper rods
4. Plates, sheets, coils, hoops or strips of non-ferrous metals
5. Pipes or tubes of non-ferrous metals

6. Copper clad laminates and products from in-house copper clad laminates
7. Powder, cream or paste of non-ferrous metals
8. Wire or wire products of non-ferrous metals*
9. Fabricated products of non-ferrous metals*

XIV. Manufacture of machinery and machinery components

1. Specialised/process machinery or equipment associated with specific industry including:
 - a. Agricultural machinery or equipment
 - b. Mining or mineral extraction/processing machinery or equipment
 - c. Construction machinery or equipment
 - d. Waste water/sewage treatment equipment
 - e. Industrial sewing machines
2. Supporting services machinery or equipment including power generating machinery or equipment
3. Material handling machinery or equipment including elevators or escalators
4. Hand tools or power tools
5. Machinery and industrial parts/components including:
 - a. Printing rolls or embossing rolls
 - b. Dicing blades, accessories for silicon wafers or ceramic substrates
 - c. Offset printing plates
 - d. Industrial seals or seal materials
6. Machine tools (metalworking, woodworking and others) including welding/soldering equipment
7. Packaging machinery
8. Machinery or equipment for the services sector including:
 - a. Fire fighting equipment
 - b. Hand labellers
9. Reconditioning of heavy machinery and equipment
 - a. Automobile air conditioning compressors
10. Servicing and upgrading of machinery and equipment

XV. Manufacture of transport equipment, components and accessories

1. Bicycles
2. Bicycles parts:
 - a. Drive set (chain wheel and crank)
 - b. Brake set
 - c. Speed change set
 - d. Hub
3. Specialty cars
4. Engines
5. Engine parts:
 - a. Cylinder block, cylinder head, rocker cover, flywheel or pulley
 - b. Crank shaft, connecting rod, cam shaft, rocker, rocker shaft, engine valve, sprocket, piston pin or piston ring
 - c. Intake manifold or exhaust manifold
 - d. Oil pan, oil pump, oil pump gear shaft, fuel pump, water pump or oil seal
 - e. Timing belt, timing chain, carburettor, ignition coil or distributor
 - f. Fuel injection mechanism (injector, pump, tubing, valves, regulator, sensors, electronic control modules)
 - g. High tension cables
 - h. Engine bracket
 - i. Magneto
 - j. Capacitor discharge unit
6. Transmissions
7. Transmission parts:
 - a. Transmission shift lever and fork
 - b. Transmission control linkages
 - c. Speedometer pinion
 - d. Clutch
 - e. Torque converter
 - f. Drive shaft
8. Axle, wheel, wheel hub or knuckle
9. Disc brake, drum brake, brake cylinder, brake master cylinder, brake booster, anti-lock braking mechanism, clutch master cylinder or clutch operating cylinder.
10. Steering wheel, steering column, steering gear box, power steering pump, steering linkages, tie rod or constant velocity joints, rack tubes for hydraulic/electric power steering and feed pipes for hydraulic power steering

11. Stabilizer bar, suspension arm or suspension arm shaft and member
 12. Body panels, chassis frame, fuel tank, window regulator, locks and keys or hinges
 13. Head lights, indicating/signalling lights, meters, gauges, switches or horns
 14. Weather strips, control cables, speedometer cables, metallic tubings or hoses
 15. Catalytic converter
 16. Vehicle safety air bag
 17. Navigational system
 18. Automotive electronic module/component or sensor
 19. Seat mechanism including seat adjuster or locking mechanism or seat recliner
 20. System integrator:
 - a. Front corner module
 - b. Rear corner module
 - c. Instrument panel module
 - d. Strut and absorbers and spring assembly module
 - e. Bumper assembly
 - f. Front cross member module
 - g. Function integrated door module
 - h. Fuel tank module
 - i. Seat assembly
 - j. Pedal assembly
 - k. Door trim assembly
 - l. Floor console assembly
 - m. Tyre and wheel assembly
 - n. Brake system
 - o. Wiper system
 - p. Exhaust system
 - q. Audio system
 - r. HVAC (Heater Ventilation Air-conditioning system)
 - s. Airbag system
 - t. Power and signal distribution system
 - u. Alarm system
 - v. Seat belt system
 - w. Exterior lighting system
 - x. Body in white assembly
 21. Gear
 22. Cooling equipment, air-inlet equipment or exhaust equipment, compressor and expansion valve for automotive air-conditioning
 23. Aerospace industry:
 - a. Manufacture and assembly of aircraft
 - b. Manufacture of aircraft equipment, components, accessories or parts thereof
 - c. Ground support equipment for aerospace industry
 24. Pleasure crafts, hydrofoils or hovercrafts
 25. Maintenance, repair, overhaul or service of aircraft, aircraft components or accessories or testing and repairing of avionics
 26. Manufacture of train and related equipment:
 - a. Construction of locomotive, rail car
 - b. Coach, wagon, bogie
 - c. Electric multiple unit and power generating car
 - d. Railway signalling and communication system
 27. Motor vehicles
 28. Two wheeler motorised vehicles
 29. Electrical or electronics systems instrumentation*
 30. Shipbuilding*
 31. Shiprepair*
- XVI. Supporting products/activities**
1. Metal castings
 2. Metal forgings
 3. Metal surface treatment/finishing
 4. Machining
 5. Moulds, tools and dies
 6. Powder metallurgical parts (sintering of metal parts)
 7. Heat treatment
 8. Mould texturing
 9. Irradiation service
 10. Gas sterilisation service
 11. Overhaul, repair, reconditioning, modification or servicing and testing of turbine engines, components or sub-assemblies
 12. Advanced composite materials
 13. Mould designing
 14. Metal stamping*
 15. Galvanising, shearing or slitting of metal sheets or other related engineering services*

XVII. Manufacture of electrical and electronic products and components and parts thereof

1. Digital television receivers
2. Colour television receiver parts:
 - a. Cathode ray tubes
 - b. Electron guns
 - c. Polished glass panels or glass funnels for colour picture tubes
3. Digital audio video recorders/players and parts:
 - a. Digital audio video recorders/players
 - b. Digital tape mechanisms
 - c. Digital disc mechanisms
 - d. Optical pick-up units
 - e. Magnetic heads
4. Computers, parts and peripherals:
 - a. Computers (excluding detached peripherals not manufactured in-house)
 - b. Monitors
 - c. Computer printers (including printer mechanism)
 - d. Printer heads
 - e. Computer scanners
 - f. Drive units
 - g. Head gimbal assemblies/head carriage assemblies
 - h. Headstack assemblies
 - i. Computer magnetic heads
 - j. Data storage media
 - k. Voice coil motors
 - l. Actuators
 - m. Electronic games equipment including photodetector joysticks
 - n. Disk substrates or disk blanks
 - o. Re-manufacturing of computer drives
5. Electronic components:
 - a. Quartz crystals
 - b. Motors
 - c. Printed circuit boards (excluding rigid single sided circuit boards)
 - d. Cables or wires for electronic devices including flat cables
 - e. Hermetic seals
 - f. Electrical/electronic components moulded with magnets
 - g. Heat shrinkable cable joints and terminations
 - h. Thermistors
 - i. Connectors with or without wires or cables
 - j. Bonding wires
 - k. Lead-frames
 - l. Magnets or ferrite cores
 - m. Displays-electroluminescent, plasma or liquid crystal
 - n. Membrane switches
 - o. Surface mount components
 - p. Optical fibres or optical fibre products
 - q. SMT chipholders on lead-frames
 - r. Solar cells
 - s. Magnetron
 - t. Fabrication of light emitting diodes (LED)
6. Recorded and unrecorded media:
 - a. Compact discs
 - b. Magnetic webs or pancakes
7. Electronic machines and equipment/devices:
 - a. Teller machines
 - b. Office equipment
 - c. Alarm equipment/systems or devices
 - d. Ultrasonic cleaners
 - e. Computing scales
 - f. Cash registers
 - g. Demagnetisers
 - h. Industrial controllers
 - i. Computer Aided Design (CAD), Computer Aided Manufacturing (CAM) or Computer Aided Engineering (CAE) equipment
 - j. Robots or robotics
 - k. Multimedia integrated controller
8. Wafer fabrication:
 - a. Semiconductor wafer fabrication
 - b. Reclaimed silicon wafers
9. Electrical products:
 - a. Uninterruptible power supplies
 - b. Batteries excluding manganese dioxide, dry cells and lead acid batteries
 - c. Solar panels
 - d. Discharge tubes
10. Telecommunication:
 - a. Telecommunication equipment including multi feature mobile phones but excluding fixed line telephone sets
 - b. Antennae for communication equipment

- c. Voice/pattern/vision recognition or synthesis equipment
- d. Data terminal displays
- e. Global positioning system
- f. Electronic navigational aid
- g. Electronic tracking aid
- 11. Software development and production
- 12. Discharge tubes and products thereof
- 13. Air sterilizer
- 14. Transformers or coils*
- 15. Automatic gate mechanisms*
- 16. Consumer electronic products; parts, sub-assemblies or accessories thereof*
- 17. Industrial electronic products; parts, sub-assemblies and accessories thereof*
- 18. Electrical household appliances and parts thereof *
- 19. Electrical industrial equipment or parts thereof *

XVIII. Manufacture of professional, medical, scientific and measuring devices/parts

- 1. Medical, surgical, dental or veterinary devices/equipment
- 2. Gauges or measuring apparatus
- 3. Surveying, hydrographic, navigational, meteorological, hydrological or geophysical instruments
- 4. Testing equipment
- 5. Clocks or watches
- 6. Stainless steel cannulae or tubes for needles

XIX. Manufacture of photographic, cinematographic, video and optical goods

- 1. Cameras
- 2. Lenses
- 3. Binoculars, telescopes, magnifying glasses or microscopes
- 4. Cinematographic or video equipment

XX. Manufacture of plastic products

- 1. Inflatable plastic products
- 2. Specialised plastic films/sheets
- 3. Geosystems products [Cellular Confinement System (CCS) and Porous Pavement System (PPS)]

- 4. Plastic products for engineering use
- 5. Precision engineering plastic products
- 6. Multiwall pipes
- 7. Expanded polystyrene foam*

XXI. Miscellaneous

- 1. Musical instruments
- 2. Furniture hardware
- 3. Souvenirs, handicrafts or giftware
- 4. Electronic toys
- 5. Sports goods or equipment
- 6. Spectacles or spectacle frames
- 7. Accessories for the textile industry
- 8. Cutlery
- 9. Lock sets or lock cylinder mechanisms
- 10. Jewellery of precious metal
- 11. Costume jewellery
- 12. Designing and printing of decorative surfaces for commercial applications
- 13. Integrated exhibits
- 14. Microbials and probiotics
- 15. Bank notes
- 16. Thermic containers and parts thereof
- 17. Biodegradable disposable packaging and household wares
- 18. Bio-ceramic embedded textile products
- 19. Personal ballistic armour
- 20. Fall protection equipment
- 21. Ball pen tips
- 22. Toys (excluding electronic toys)*
- 23. Art and design apparatus - all types*
- 24. Enamelled household ware*
- 25. Cooker or barbeque sets*

XXII. Hotel business and tourist industry

- 1. Establishment of medium and low-cost hotels (up to a three-star hotel)
- 2. Expansion/modernisation of existing hotels
- 3. Establishment of tourist projects
- 4. Expansion /modernisation of tourist projects
- 5. Establishment of recreational camps
- 6. Establishment of convention centres

XXIII. Film industry

- 1. Film or video production
- 2. Post production for film or video

XXIV. Manufacturing Related Services

1. Research and development (R&D)
2. Design and prototyping
3. Technical or vocational training
4. Integrated logistic services
5. Integrated market support services
6. Integrated centralised utility facilities
7. Total chemical management system
8. Cold chain facilities and services for food products
9. Environmental management
 - a. Energy conservation / efficiency services
 - b. Energy generation activities, using renewable energy sources (biomass, hydro power, solar power)
 - c. Storage, treatment and disposal of toxic and hazardous waste
 - d. Waste recycling activities
 - agricultural waste or agricultural by-products
 - recycling of toxic and non-toxic wastes

XXV. Manufacture of kenaf based product

1. Animal feed, kenaf particle or fibre, reconstituted panel, board or products and moulded products.

** Additional promoted activities and products for promoted areas (other than the Federal Territory of Labuan) i.e. Sabah, Sarawak, Kelantan, Terengganu, Pahang and the district of Mersing in Johor.*

For the Federal Territory of Labuan, only the hotel business and tourist industry will qualify for the consideration of incentives gazetted for the promoted areas.

List of Promoted Activities Manufacturing Related Services

1. Operational Headquarters
2. Regional Distribution Centres
3. International Procurement Centres
4. Regional Offices
5. Representative Offices
6. Research and development (R&D)
7. Design and prototyping
8. Technical or vocational training
9. Integrated logistic services
10. Integrated market support services
11. Integrated centralised utility facilities
12. Total chemical management system
13. Cold chain facilities and services for food products

14. Environmental management
 - (a) Energy conservation/efficiency services #
 - (b) Energy generation activities, using renewable energy sources (biomass, hydro power, solar power)#
 - (c) Storage, treatment and disposal of toxic and hazardous waste
 - (d) Waste recycling activities
 - agricultural waste or agricultural by-products
 - recycling of toxic and non-toxic wastes

Eligible for all applications received until 31 December 2010.

List of Promoted Activities and Products for High Technology Companies which are eligible for pioneer status or Investment tax allowance under the promotion of investment act 1986

I. Advanced electronics

1. Design, development and manufacture of:
 - a. computer or peripherals
 - b. microprocessor application
2. Development and production of communication equipment
3. Design and production of integrated circuits (ICs)
4. Development and production of cathode ray tubes and advanced displays
5. Design, development and manufacturer of printer heads, head gimbals/head carriages, headstacks, magnetic heads, voice coil motors and actuators
6. Development and production of advanced connectors
7. Development and manufacturing of high density interconnect printed circuit boards (PCB) excluding rigid single-sided PCB
8. Design, development and manufacture of printer mechanism
9. Development and production of surface mount components
10. Design, development and manufacture of Electro-Magnetic Interference (EMI) shielding products
11. Design, development and manufacture of contra rotator washing machines

II. Equipment / Instrumentation

1. Design, development and manufacture of:
 - a. medical equipment
 - b. medical implant or devices
 - c. scientific equipment

- d. cyclonic separation equipment
2. Development and production of high pressure water cutting equipment
3. Design, development and manufacture of air flow equipment and related products

III. Biotechnology

1. Development, testing and production of:
 - a. pharmaceuticals
 - b. fine chemicals
 - c. food or food ingredients
 - d. feed or feed supplements
 - e. biodiagnostics
2. Development and production of:
 - a. cell cultures
 - b. biopolymers
 - c. biomaterials
3. Development and production of biotechnology processes for waste treatment

IV. Automation and flexible manufacturing systems

1. Development and production of:
 - a. computer process control systems/equipment
 - b. process instrumentation
 - c. robotic equipment
 - d. computer numerical control (CNC) machine tools

V. Electro-optics and non-linear optics

1. Development and production of:
 - a. optical lenses
 - b. laser application equipment
 - c. fibre-optic communication equipment
2. Design, development and production of cameras including lens units, lens barrel units and view finder units

VI. Advanced materials

1. Application or production of:
 - a. polymers or biopolymers
 - b. superconductors
 - c. fine ceramics or advanced ceramics
 - d. high strength composites
2. Nano particles and their formulation thereof

VII. Optoelectronics

1. Development and production of:
 - a. optoelectronics systems components
 - b. optical systems components
 - c. photo-couplers
 - d. semiconductor lasers

VIII. Software engineering

1. Development and production of:
 - a. neural networks
 - b. pattern recognition systems
 - c. machine vision
 - d. fuzzy logic systems

IX. Alternative energy sources

1. Development and production of:
 - a. fuel cells
 - b. polymer batteries
 - c. solar cells
 - d. renewable energy

X. Aerospace

1. Design or development and production or assembly of:
 - a. aircraft
 - b. aircraft equipment, components or accessories or parts of aircraft
2. Modification and/or conversion of aircraft
3. Refurbishment or re-manufacture of aircraft equipment, components or accessories or parts of aircraft

XI. Food production and food processing

1. Food production using emerging technologies and advanced farming systems.
2. Development, testing and manufacturing of food products using emerging technologies and advanced manufacturing systems

XII. Engineering support industries/services

1. Design or development and manufacture of:
 - a. trim and form dies
 - b. semiconductor cavity/encapsulation moulds
 - c. suspension tooling for hard disk drive parts
 - d. progressive tooling for lead frames
 - e. fibre optic connection tooling
2. Design, development and manufacture of advanced toolings and equipment for the production of precision components/parts for industrial applications
3. Development and production of precision machined and die cast parts using advanced manufacturing systems

XIII. Wood Processing

1. Development, testing and processing of engineered wood products

List of Promoted Activities and Products for Small-scale Companies which are eligible for Consideration of Pioneer Status or under The Promotion of Investments Act 1986

I. Agricultural Activities

1. Aquaculture
2. Apiculture
3. Flowers and ornamental foliages
4. Sericulture

II. Processing of Agricultural Produce

1. Coffee
2. Tea
3. Fruits
4. Vegetables
5. Herbs or spices
6. Cocoa and cocoa products
7. Coconut products except copra and crude coconut oil
8. Starch and starch products
9. Cereal Products
10. Sugar and confectionary products
11. Plant extracts
12. Aquatic products
13. Livestock products
14. Apiculture products
15. Aquaculture feed
16. Animal feed ingredients
17. Agricultural wastes and agricultural by-products

III. Forestry Products

1. Cane products (excluding pole, peel and split)
2. Bamboo products
3. Other forestry products

IV. Manufacture of Rubber Products

1. Moulded rubber products
2. Extruded rubber products
3. General rubber products
4. Foam rubber products
5. Inflatable rubber products

V. Processing of Oil Palm Products and their Derivatives

1. Margarine, vanaspati, shortening and other manufactured fat products
2. Oleochemical or oleochemical derivatives or preparations
3. Biomass products
4. Palm heart products
5. Palm oil/palm kernel oil wastes or by-products

VI. Manufacture of Chemicals and Pharmaceuticals

1. Pigment preparations, dispersions and specialty coatings
2. Desiccants
3. Bio-resin (biopolymer)
4. Herbal medicament and preparations
5. Inkjet inks

VII. Manufacture of Wood and Wood Products

1. Decorative panel boards
2. Timber mouldings
3. Builders carpentry and joinery
4. Products derived from utilisation of wood waste (e.g. activated charcoal, wooden briquettes, wood wool)
5. Wooden household and office articles

VIII. Manufacture of Paper and Paperboard Products

1. Moulded paper products

IX. Manufacture of Textiles and Textile Products

1. Batik
2. Accessories for the textile industry
3. Knitted fabrics
4. Hand woven fabrics

X. Manufacture of Clay-Based and Sand-Based Products and other Non-Metallic Mineral Products

1. Artware, ornaments and articles of ceramic or glass
2. Glass fittings for lighting purposes
3. Panels, boards, tile blocks and similar articles of vegetable fibre, straw, wood shavings or wood wastes, agglomerated with cement plaster or with other mineral binding substances
4. Abrasive products for grinding, polishing and sharpening

- XI. Manufacture of Iron and Steel Products**
1. Wire and wire products
 2. Fabricated products
- XII. Manufacture of Non-Ferrous Metals and their Products**
1. Wire and wire products
 2. Powder, cream or paste
 3. Fabricated products
- XIII. Supporting Products/Services**
1. Metal forgings
 2. Machining
 3. Metal stamping
 4. Surface treatment/ finishing
 5. Moulds, tools and dies
 6. Industrial seals or seals materials
 7. Cutting tools
 8. Metal casting
 9. Powder metallurgical parts (sintering of metal parts)
 10. Mould texturing
- XIV. Manufacture of Handtools**
1. Handtools
- XV. Manufacture of Transport, Components, Parts and Accessories**
1. Transport components, parts and accessories
- XVI. Manufacture of Parts and Components for Machinery and Equipment**
1. Parts and components for machinery and equipment.
- XVII. Assembly and Manufacture of Electrical and Electronic Products, Components and Parts Thereof**
1. Decorative lights
 2. Antennae
 3. Capacitors
 4. Disc card players
 5. Energy-saving lightings and/or displays
 6. Resistors
 7. Power supplies
 8. Invertors
 9. Key pads and key switches
 10. Printed Circuit Board Assemblies
- using surface mount technology
11. Electronic ballast
 12. Three phase electrical accessories or devices
 13. Telecommunication equipment, computer/computer peripherals and industrial electronic equipment
 14. Electrical security equipment/devices, components and parts thereof
 15. Measurement or scale instruments
 16. Security equipment/devices, components and parts thereof
 17. Testing equipment
 18. Consumer electrical parts and components
 19. Consumer electronics parts and components
 20. Industrial electrical parts and components thereof
 21. Industrial electronics parts and components thereof
- XVIII. Manufacture of Kitchenware and Tableware**
1. Kitchenware
 2. Tableware
- XIX. Manufacture of Furniture, Parts and Components**
1. Furniture, parts and components
- XX. Manufacture of Games and Accessories**
1. Games and accessories
- XXI. Manufacture of Handicrafts and Souvenirs**
1. Handicrafts
 2. Souvenirs, giftwares and decorative wares
- XXII. Manufacture of Sports Goods and Equipment**
1. Sports goods and equipment
- XXIII. Manufacture of Jewellery and Related Products**
1. Jewellery
 2. Processed gems

XXIV. Manufacture of Plastic Products

1. Decorative panels and ornaments
2. Bathroom and kitchen accessories
3. Plastic coils/mats
4. Epoxy encapsulation moulding compound
5. Geosystem products (cellular confinement system)

XXV. Miscellaneous

1. Wax products
2. Microbials and probiotics

List of Promoted Activities and Products in an Industrial Linkage Programme (ILP) which are eligible for consideration of Pioneer Status or Investment Tax Allowance under the Promotion of Investments Act 1986

I. Manufacture of rubber products

1. Moulded rubber products
2. Conveyor belts, transmission belts, V-type belts or rubber beltings

II. Manufacture of plastic products

1. Plastic products for engineering use

III. Manufacture of clay-based, sand-based and other non-metallic mineral products

1. Ceramic components or parts for electrical, electronic or industrial uses
2. Glass envelopes
3. Glass fittings
4. Advanced composite materials or products

IV. Manufacture of textiles and textile products

1. Elastic webbings

V. Manufacture of iron and steel

1. Wire or wire products of iron and steel
2. Steel fabricated products

VI. Manufacture of non-ferrous metals and their products

1. Copper clad laminates and products thereof
2. Wire or wire products of non-ferrous metals
3. Fabricated products of non-ferrous metals

VII. Supporting products/services

1. Metal castings
2. Metal forgings
3. Plating
4. Machining
5. Moulds, tools or dies
6. Heat treatment
7. Mould texturing
8. Metal stamping
9. Industrial seals or seal materials
10. Powder metallurgical parts (sintering of metal parts)
11. Maintenance, repair, overhaul, modification, servicing or testing of turbine engines, components or sub-assemblies
12. Maintenance, repair, overhaul, modification, servicing or testing of aircraft, aircraft components or accessories
13. Maintenance, repair, overhaul, modification, servicing or testing of ship components or accessories

VIII. Manufacture of transport equipment, components and accessories

1. Parts and components for bicycles or tricycles
2. Parts and components for pleasure crafts, hydrofoils or hovercrafts
3. Parts, components or accessories for motor vehicles
4. Aircraft equipment, components, accessories or parts thereof

IX. Manufacture of machinery and machinery components

1. Machinery components

X. Manufacture of electrical and electronic products and components and parts thereof

1. Computer peripherals:
 - a. Drive units
 - b. Keyboards
2. Alarm equipment/system or devices
3. Parts, sub-assemblies or accessories of consumer or industrial electronic products



701 D, Level 7, Tower D, Uptown 5, No.5, Jalan SS21/39,
Damansara Utama, 47400 Petaling Jaya,
Selangor Darul Ehsan.

Tel: 603 7628 7400
Fax: 603 7660 1919
E-mail: info@smidec.gov.my
Toll Free Line: 1-800-18-1801

Effective from 2nd February 2007; new address:

**20th Floor, West Wing, Menara MATRADE
Jalan Khidmat Usaha, Off Jalan Duta
50480 Kuala Lumpur**

**Tel: 603 6207 6000
Fax: 603 6201 6564**

www.smidec.gov.my