

HIGHLIGHTS OF THE COMPILATION OF INCENTIVES FOR WOOD-BASED SECTOR 2019



SYARIKAT JAMINAN PEMBIAYAAN PERNIAGAAN (SJPP)



INCENTIVES

- Working Capital Guarantee Scheme
- Working Capital Guarantee Scheme-Startup
- Working Capital Guarantee Scheme-Bumiputera
- Automation Process Guarantee Scheme



AVAILABILITY

- From 1 January 2016 and upon full utilisation of the Scheme limit of up to RM17.5 billion only or upon expiry of guarantee tenure on 31 December 2035, whichever is earlier
- From 1 January 2017 and upon full utilisation of the Scheme limit of up to RM200 million only or upon expiry of guarantee tenure on 31 December 2035, whichever is earlier
- From 1 January 2019 and upon full utilisation of the Scheme limit of up to RM1.0 billion only or upon expiry of guarantee tenure on 31 December 2035, whichever is earlier
- From 1 January 2018 and upon full utilisation of the Scheme limit of up to RM3.0 billion only or upon expiry of guarantee tenure on 31 December 2035, whichever is earlier



TYPE OF FACILITY

Term Loan/Term Financing, Overdraft/Cash Line-I, Trade Facilities and Commercial Card

PURPOSE

Working Capital Capital Expenditure



CONTACT DETAILS

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MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (MIDF)



INCENTIVE

Soft Financing Scheme for Automation and Modernisation



FINANCING AMOUNT

- Minimum: RM50,000
- Maximum: RM20 million for each application



OBJECTIVES

- Modernise and automate manufacturing processes;
- Upgrade production capability and capacity;
- Minimise dependence on labour-intensive activities and foreign labour; and
- Diversify into higher value-added activities



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INCENTIVES FOR INDUSTRY4RWD

a) Incentives for Industry4WRD Readiness Assessment

- 500 SMEs would be selected for Government funded assessment
- Others would get tax exemption on readiness assessment fees up to RM27,000



b) Industry4wrD High Speed Broadband (HSBB) Programme

- Provision of last mile connectivity at high impact industrial areas and training hub
- Matching grants of 50% (1:1) to communication providers

c) Double Tax Deduction to Improve Employability of Graduates

- Sponsorship for Technical and Vocational Education & Training (TVET), diploma and degree in engineering and technology
- Expenses incurred by companies related to participation in the National Dual Training Scheme
- Expenses incurred in carrying out structured training and internship programmes for students in the fields of engineering and technology



d) Expansion of scope of the Domestic Investment Strategic Fund (DISF) and High Impact Fund (HIF)

- Under the Budget 2019, Government has introduced 2 initiatives for Industry 4.0 related to the existing non-fiscal incentives (grants) under the purview of MIDA:
 - i) Expansion of scope of the Domestic Investment Strategic Fund (DISF) to cover Industry 4.0 relevant activities (with proposed reimbursable basis ratio of 60:40)
 - ii) Expansion of scope of the High Impact Fund (HIF) to cover modernization activities of Industry 4.0



Fund	Reimbursable Basis Ratio	Readiness Assessment (RA)	Equity Ownership	Eligible Activities	Additional Criteria
Existing DISF	50:50	-	Malaysian equity ownership of at least 60%	R&D, Training, Modernisation (outsourcing), Licensing / Purchase New Technology and International Standards / Certifications	-
Industry4WRD DISF	60:40	Undergone RA	Malaysian equity ownership of at least 60%	Activities related to Industry 4.0 [R&D, Training, Modernisation (outsourcing), Licensing / Purchase New Technology and International Standards / Certifications]	Must adopt enabling technologies (i.e IoT, AI, Big Data Analytics, etc)
Existing HIF	50:50	-	-	R&D and Training	-
Industry4WRD HIF	50:50	Undergone RA	-	R&D, Training and Modernisation (outsourcing) related to Industry 4.0	Must adopt enabling technologies (i.e IoT, AI, Big Data Analytics, etc)

AUTOMATION CAPITAL ALLOWANCE (AUTOMATION CA)

INCENTIVE

Extension of Automation Capital Allowance (Automation CA) for automation equipment until 2023.

OBJECTIVES

- To encourage more companies to automate their processes and reduce dependencies on unskilled foreign workers.
- To boost companies' production and profit margins by substituting costly workers for advanced equipment and software.

TAX INCENTIVE FOR GREEN TECHNOLOGY

INCENTIVE

Tax Incentives for Green Technology: Green Investment Tax Allowance (GITA)

AVAILABILITY

100% of qualifying capital expenditure (QCE) incurred on a green technology project until 31 December 2023

TYPE OF FACILITY

Renewable energy, energy efficiency, integrated waste management and green building/data centre

CONTACT DETAILS

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