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

**SYARIKAT JAMINAN PEMBIAYAAN PERNIAGAAN (SJPP)**

### INCENTIVES

<table>
<thead>
<tr>
<th>INCENTIVE</th>
<th>AVAILABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital Guarantee Scheme</td>
<td>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</td>
</tr>
<tr>
<td>Working Capital Guarantee Scheme-Startup</td>
<td>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</td>
</tr>
<tr>
<td>Working Capital Guarantee Scheme-Bumiputera</td>
<td>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</td>
</tr>
<tr>
<td>Automation Process Guarantee Scheme</td>
<td>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</td>
</tr>
</tbody>
</table>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (MIDF)**

### INCENTIVES

Soft Financing Scheme for Automation and Modernisation

### 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

**FINANCING AMOUNT**

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

**CONTACT DETAILS**

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- Email: GrowYourBusiness@midf.com.my
- Website: http://www.midf.com.my
500 SMEs would be selected for Government funded assessment
Others would get tax exemption on readiness assessment fees up to RM27,000

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

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

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