



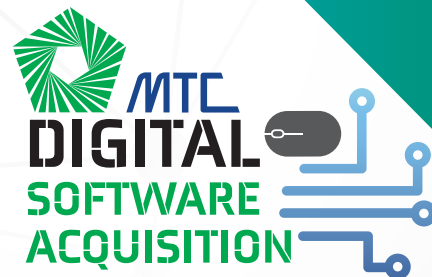
# MTC DIGITAL SOFTWARE ACQUISITION (DSA)

## GUIDELINES

The Financial Incentive for Digital Software Acquisition is MTC's new initiative for the adoption of digital technology particularly for the purchase of software to digitalise business processes and encourage digital transformation in the timber industry.

### A Eligibility Criteria

- Shall be a member of any one (1) of the six (6) timber associations:
  - i. Malaysian Wood Industries Association (MWIA);
  - ii. The Timber Exporters' Association of Malaysia (TEAM);
  - iii. The Malaysian Panel-Products Manufacturers' Association (MPMA);
  - iv. Malaysian Wood Moulding & Joinery Council (MWMJC);
  - v. Malaysian Furniture Council (MFC); and
  - vi. Persatuan Pengusaha Kayu-kayan & Perabot Bumiputra Malaysia (PEKA) [Association of Malaysian Bumiputera Timber & Furniture Entrepreneurs].
- The company must be incorporated in Malaysia and based in Peninsular Malaysia, installed with wood-based manufacturing facilities, in operation for at least three (3) years;
- Must be involved in sawmilling or production of value-added timber products;
- Must be a majority Malaysian-owned company (i.e. with at least 51% of Malaysian shareholding);
- SMEs with common shareholders having different core businesses may apply, with a reimbursable amount of up to RM140,000.00.
- SMEs with common shareholders with similar core businesses may apply and share the incentive of RM70,000.00;



- Ongoing project(s) where the software has been implemented/go-live are not eligible to apply; and
- Companies that have received other grant or subsidy for the purchase of the said item from other government or government-linked agencies are not eligible for this incentive.

### B Reimbursement Rate

- Non-Bumiputera SMEs: Entitled to 20% of the software price and professional services<sup>1</sup> limited to a maximum of RM70,000.00 per company/group of companies.
- Bumiputera SMEs: Entitled to 25% of the software price and professional services<sup>1</sup>, limited to a maximum of RM70,000.00 per company/group of companies.
- Non-SMEs: Entitled to 10% of the software price and professional services<sup>1</sup>, limited to a maximum of RM50,000.00 per company/group of companies.

**Note:** <sup>1</sup>Professional services such as implementation, customisation, data migration, training etc. which is deemed necessary by MTC.



## C Digital Software

- Used directly in the overall value chain of manufacturing to digitalise business processes in the following:
  - a) Business/Operation Management (ERP, etc)
  - b) Manufacturing Management (MES)
  - c) Inventory Management (smart logistics, smart warehouse)
- Purchase of add-on applications, customisations and other integrations to ensure the software deployment fits the best to applicant's business.
- Cost of vendor's professional services for implementation, data migration, training, etc.
- Purchase of computer and related hardware, IT infrastructure and networking are not eligible for the incentive.

## D Registration/Application

- For new applicant, register for an account at [iap.mtc.com.my](http://iap.mtc.com.my). Once the account registration is approved, the applicant will receive an email notification and instruction to log in to the Portal.
- Applying Company shall complete their company profile in the online application portal.
- Applying Company with existing account in the portal shall log in and update their company profile. The company profile can also be updated at any time and should be kept up to date for MTC's evaluation.
- Certified true copies of documents<sup>2</sup> to be submitted online include:
  - ◆ Form 24 as per the Companies Act 1965 OR Section 78 as per the Companies Act 2016
  - ◆ Form 49 as per the Companies Act 1965 OR Section 58 as per the Companies Act 2016
  - ◆ Latest Form of Annual Return
  - ◆ Latest Audited Accounts

**Note:**<sup>2</sup>To certify on the first page only. Hardcopies are not required. Verification would be carried out during on-site DDA.

- After the purchase of software has been confirmed with a signed Contract/Functional Specification Document (FSD) with the supplier, the Applying Company is required to submit the Digital Software Acquisition Application Form to MTC at <http://mtc.com.my/DSAApplication>.
- Certified true copies of documents<sup>2</sup> to be submitted together with the Application Form include:
  - ◆ Signed Sales Contract/FSD with detailed software package and customisation
  - ◆ Project blueprint/detailed timeline for the software implementation
  - ◆ Latest three (3) months bank statement
  - ◆ Latest three (3) years Audited Accounts

**Note:**<sup>2</sup>To certify on the first page only. Hardcopies are not required. Verification would be carried out during on-site DDA.

- Notify MTC on the progress of the implementation and to submit User Acceptance Testing (UAT) Report to MTC within one (1) month from the date of the UAT Report.
- A Conditional Approval Letter will then be issued and sent to the Applying Company if the application is approved to progress to 2<sup>nd</sup> stage.

## E Reimbursement

- After the software system has been successfully implemented and gone live, the Applying Company is required to submit for reimbursement within one (1) month from the date of the Project/Work Completion Report.
- Late submission for reimbursement after the aforementioned one (1) month period will not be considered and shall be rejected by MTC.
- Certified true copies of documents<sup>3</sup> to be submitted for reimbursement include:
  - ◆ Supplier's Invoice
  - ◆ Proof of payment issued by the supplier
  - ◆ Project/Work Completion Report
  - ◆ Printed report generated by the software
  - ◆ Printed screenshot of dashboard

**Note:**<sup>3</sup>To certify on the first page only.

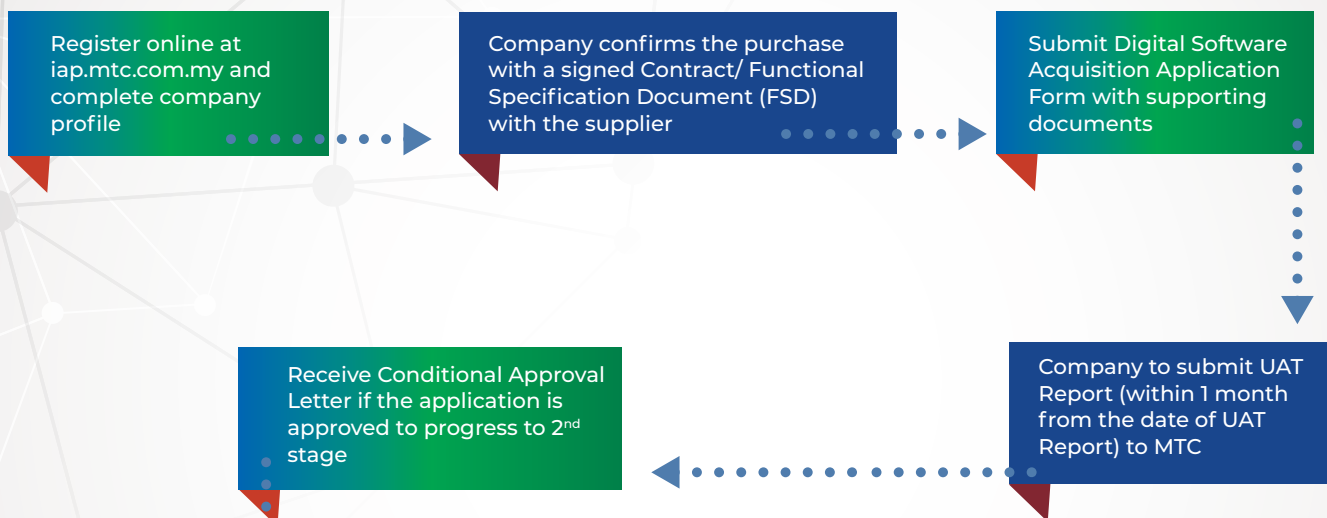
- Subsequently, MTC will conduct a due diligence audit to the Applying Company.
- Approval for reimbursement is at the sole discretion of MTC.
- The financial incentive provided is on a first-come, first-served basis until the budgeted allocation is completely utilised in the particular year.

## F Non-compliance (Penalty)

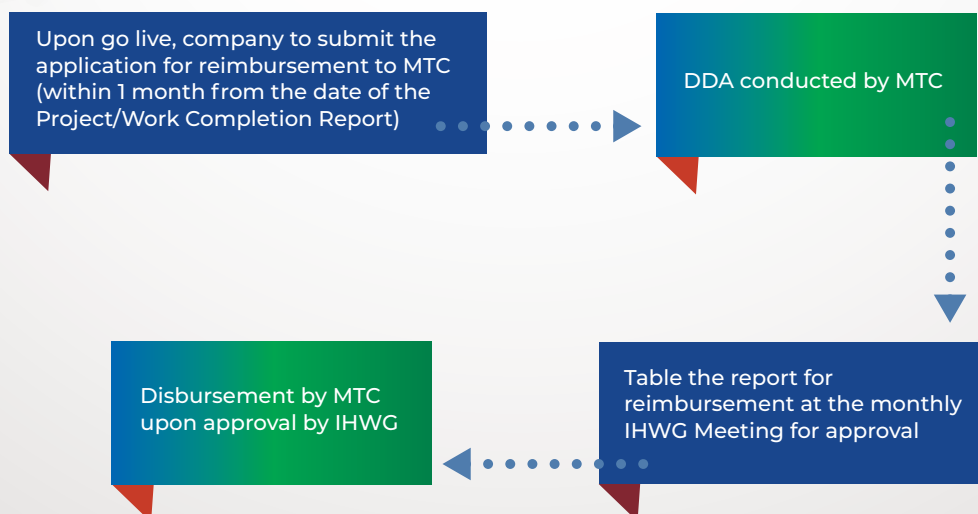
- In the event of non-compliance to the guidelines, the company must undertake to refund in full the disbursement's amount to MTC.

## G Process Workflow

### Stage 1: Application Workflow



### Stage 2: Reimbursement Workflow



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