



MTC BUSINESS DIGITALISATION (BD)

GUIDELINES

MTC expanded its Digital Software Acquisition (DSA) to incentivise eligible manufacturers in the timber industry not limited to the purchase of software to digitalise their business processes. In addition, it has been expanded to cover a wider scope to further assist the industry players in various stages of their digital transformation journey and to help build a data driven culture in their businesses.

A Eligibility Criteria

- 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 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)
- Small and Medium Enterprise (SMEs) with common shareholders having different core businesses may apply, with a reimbursable amount of up to RM200,000.00.
- SMEs with common shareholders with similar core businesses may apply and share the incentive of RM100,000.00;
- For ongoing project(s) where the system/software/project has been installed/deployed or executed 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

SMEs and Non-SMEs: Matching Grant at 50:50, of the software/system price and consultancy/professional services¹, limited to a maximum of RM100,000 per company/group of companies once every 3 years

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



C Scope of Incentive

i. Digital Software (DS)

- 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, eStockcard, etc)
 - d) Data Analytics, simulations, etc
- Purchase of add-on applications, customisations and other integrations to ensure the software deployment fits the best to applicant's business.
- Cost of consultancy services, vendor's professional services for implementation, data migration, training, etc.

ii. System integration (SI)

- a) Retrofitting of machinery for digitisation
- b) Implementation of IIoT project/Real Time Locating System
- c) Machine-to-Machine (M2M) & Machine-to-Human (M2H)
- d) Programmable Logic Controllers (PLCs)
- e) Cost of consultancy services/training

iii. The followings are not eligible for the incentive:

- a) Basic accounting/finance/HR Management system(s)
- b) Office expenses and supplies including general purpose computers, peripherals and mobile phones.

D Registration/Application

- Applying Company is encouraged to undergo MDEC's Data, Analytics and AI Readiness Assessment to identify your organisation's data, analytics and AI readiness prior to your investment in digitalisation. (The website link for the online assessment: <https://mdec.my/datakita/dde/>)
- For new applicant, register for an account at 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 documents² 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 three (3) years audited accounts

Note: ²To 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 via <http://mtc.com.my/DSAapplication>.
- Certified true copies of documents² to be submitted together with the Application Form include:
 - ◆ Signed Contract with detailed information
 - ◆ Project blueprint/detailed timeline for the software/project implementation
 - ◆ Diagram of the existing production line with proposed addition/retrofitting of hardware/software & diagram/picture of hardware and software in the proposed project
 - ◆ Latest three (3) months bank statement

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

- The Applying Company is required to notify MTC on the progress of the implementation and to submit User Acceptance Testing (UAT)/Conference Room Pilot (CRP)/Project Commissioning Report to MTC within one (1) month from the date of the Report. A Conditional Approval Letter will be issued and sent to the eligible Applying Company to progress to the next stage.

E Reimbursement

- The Applying Company is required to submit for reimbursement within **one (1) month** from the date of the Project/Work Completion Report:
 - a) After the software system has been successfully implemented and go live; or
 - b) After the SI project has been successfully executed.
- 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 documents³ to be submitted for reimbursement include:
 - ◆ Invoice from service provider/system integrator
 - ◆ Proof of payment issued by the service provider/system integrator
 - ◆ Project/Work Completion Report
 - ◆ Printed report generated by the software system (if applicable)
 - ◆ Printed screenshot of dashboard (if applicable)

Note: ³To certify on the first page only.

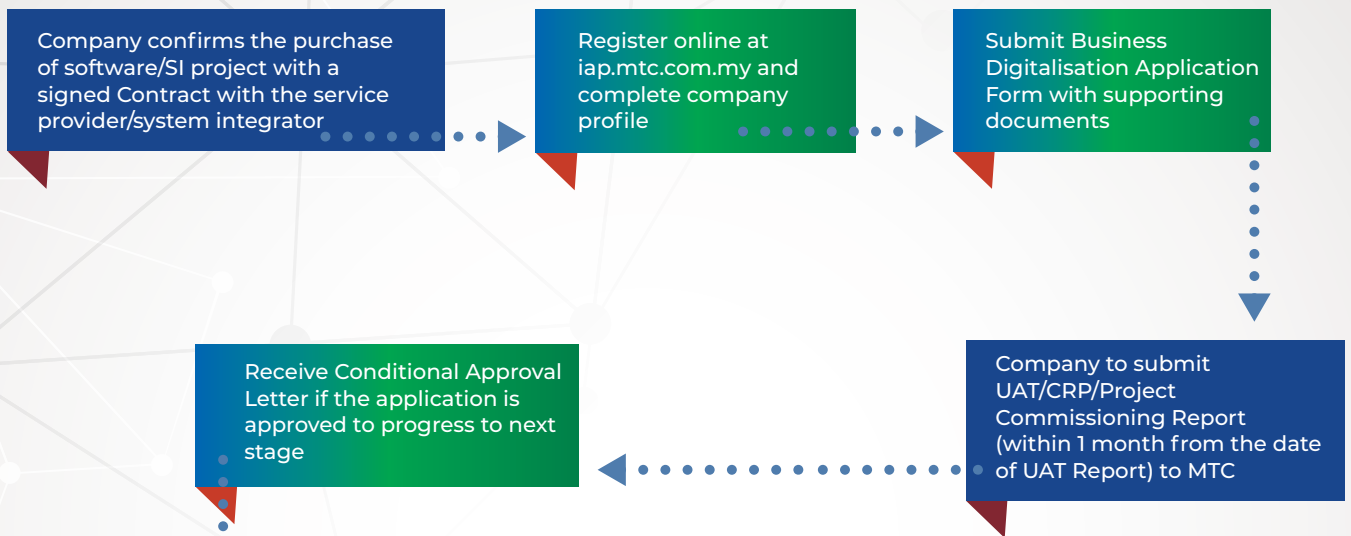
- Subsequently, MTC will conduct a due diligence audit (DDA) upon receipt of the submission for reimbursement. Hardcopy documents (certified true copies) for the reimbursement submission to be submitted to MTC within **two (2) weeks** from the DDA.
- Approval for reimbursement is at the sole discretion of MTC.
- The financial incentive provided is on a first-come, first-served basis until the budgeted allocation is fully utilised.

F Non-compliance (Penalty)

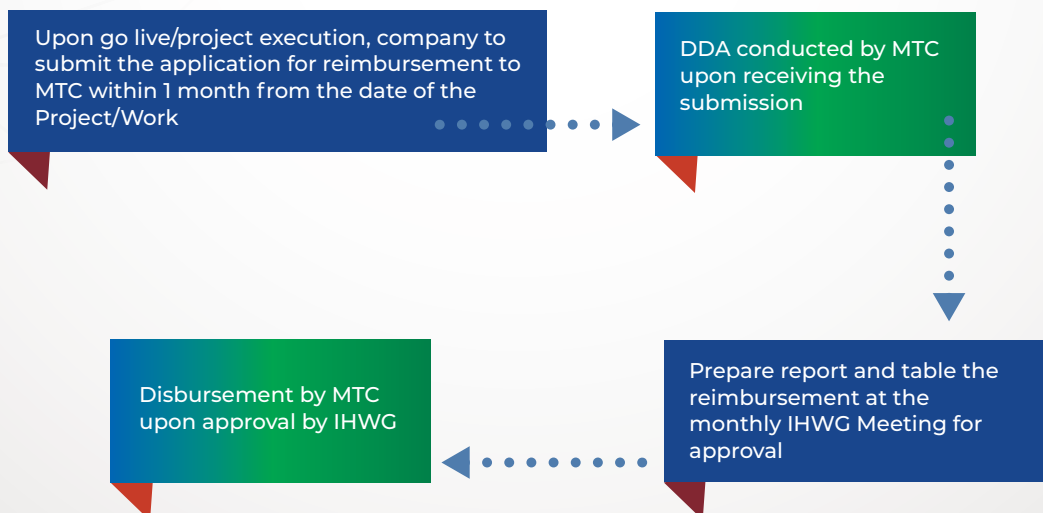
- In the event of non-compliance to the guidelines, the company must undertake to refund in full the disbursement's amount to MTC.

G Process Workflow

Stage 1: Application Workflow



Stage 2: Reimbursement Workflow



For further enquiries and information, please contact:

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