

GUIDELINES FOR MTC FINANCIAL INCENTIVE FOR PURCHASE OF MACHINERY 2020

Malaysian Timber Council is expanding its assistance initiative by introducing MTC's financial incentive programme for the purchase of machinery. This programme is to encourage local timber manufacturers in Peninsular Malaysia, particularly Small and Medium Enterprises (SMEs), to adopt the latest technology in mechanisation/automation.

1. INCENTIVE

- Partial reimbursement of the machine price and freight charges for the purchase of machinery every three (3) years.

2. REIMBURSEMENT RATE

- Non-Bumiputera company: 10% of the machine price and freight charges, limited to a maximum of RM50,000 every three (3) years per company/group of companies.
- Bumiputera company: 15% of the machine price and freight charges, limited to a maximum of RM50,000 every three (3) years per company/group of companies

3. COMPANIES' ELIGIBILITY

- The timber company must fall within the definition of Small and Medium Enterprises (SME) as per the National SME Development Council's definition;
- A member of any one (1) of the six (6) timber associations:
 - Malaysian Wood Industries Association (MWIA);
 - The Timber Exporters' Association of Malaysia (TEAM);
 - The Malaysian Panel-Products Manufacturers' Association (MPMA);
 - Malaysian Wood Moulding and Joinery Council (MWMJC);
 - Malaysian Furniture Council (MFC); and
 - Persatuan Pengusaha Kayu-Kayan & Perabot Bumiputra Malaysia (PEKA) [Association of Malaysian Bumiputra Timber & Furniture Entrepreneurs].
- Must be based in Peninsular Malaysia, installed with wood-based manufacturing facilities, in operation for at least three (3) years and is financially stable;
- Must be involved in sawmilling or production of value-added wood-based products;
- Must be a majority Malaysian-owned company (i.e. with at least 51% of Malaysian shareholding);
- Eligible companies are not confined only to manufacturing for export;
- Companies with 50% or more common controlling shareholders may apply and the combined reimbursable amount is limited to a maximum of RM50,000 every three (3) years;
- For a group of companies under common shareholders that are using/sharing the same site/facility, only one company may apply; and
- Company that has received other grant or subsidy for the procurement of the said machine from other government or government-linked agencies is not eligible for this financial incentive programme.

4. MACHINERY PURCHASED

- The machinery must be dedicated for sawmilling or value-added timber processing;
- The machine is used directly in the manufacturing processes at the factory;
- The company must be able to demonstrate that the machinery purchased enhances productivity such as reducing man hours, reducing number of workers and increasing the volume of output;
- Only new machines are eligible for the financial incentive; and
- Both imported and locally fabricated machines purchased are eligible for the financial incentive.

5. APPLICATION

- Completed Application Form shall be submitted to MTC, together with supporting documents, after the purchase has been confirmed, but not less than 30 calendar days **before the installation of machine**.
- Certified true copies of documents to be submitted 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
 - Purchase order/contract, brochure with photos and technical specifications of machine(s)
 - Manufacturing process flow chart explaining major processes, and the relevant position of the purchased machine at the factory.
 - Latest 3 years audited accounts
 - Latest 3 months bank statements
 - Latest Employees Provident Fund (EPF) statement
- Approval for application is subject to an independent due diligence audit to be carried out by MTC **prior to the installation of the machine**.

6. REIMBURSEMENT

- An applicant must allow an independent follow up due diligence to be carried out by MTC **after the machine has been installed** in the factory and used at least for one (1) month after installation/commissioning.
- Should the need arise, MTC may go with a machine expert for the due diligence audit.
- Certified true copies of documents to be submitted for the reimbursement include:

A. Purchase from local machine suppliers

- Supplier's invoice and delivery order for machine
- Invoices for transportation charges
- Payment receipt issued by supplier
- Letter of commissioning to show that the machine has been installed in the factory and used at least for one (1) month after installation/commissioning.
- Data (e.g. "before and after" results) to show that the machine enhances production efficiency such as reducing man hours and number of workers as well as increasing the volume of output.



B. Purchase from overseas suppliers

- Supplier's invoice and delivery order for machine
 - Packing list
 - Bill of Lading
 - Customs Declaration Form (K1)
 - Invoices for ocean freight and port handling charges
 - Letter of commissioning to show that the machine has been installed in the factory and used at least for one (1) month after installation/commissioning.
 - Data (e.g. "before and after" results) to show that the machine enhances production efficiency such as reducing man hours and number of workers as well as increasing the volume of output.
- Submission for reimbursement (with full supporting documents) must reach **MTC within three (3) months after commissioning of machine purchased.**
 - **Late submission for reimbursement after the aforementioned three (3) months period will not be considered by MTC.**
 - Approval for reimbursement is at the sole discretion of MTC.
 - The financial incentive provided is on a **first-come, first-served basis**, until the budget allocation is fully utilised.

For further enquiries and information, please contact:

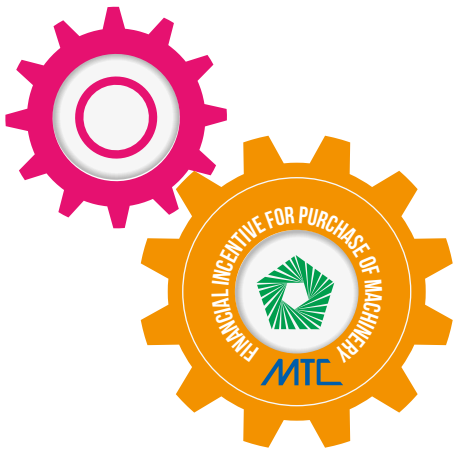
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2. Ms. Rachel Joanes Ling, ext. 510, email: ling@mtc.com.my
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APPLICATION FORM

MTC FINANCIAL INCENTIVE FOR PURCHASE OF MACHINERY 2020

A. Company Information

1. Company:

2. Address:

Postcode: Town:

State:

3. Factory address (If different from item no. 2):

Postcode: Town:

State:

4. Company status (Please tick): SME or Non-SME

5. Own manufacturing facility or Sharing manufacturing facility with other companies under common shareholders

6. Tel no.: - 7. Fax no.: -

8. Contact person:

9. H/P no.: -

10. E-mail:

11. Member of one of the following associations (Membership No.: _____)

MWIA

TEAM

MPMA

MWMJC

MFC

PEKA

B. Products Manufactured

12. Main products:

13. Market by percentage (100%): Export Domestic

C. Machinery

14. Details of machinery purchased

Description*	No. of Unit	Function/ Improvements	Country of Origin	Cost (RM)

**Please attach additional sheets if applicable*

15. Manufacturing process flow chart* (please indicate position of the machine purchased to be installed in the factory)

**Please attach additional sheets if applicable*

16. Project and commissioning schedule

Description	Scheduled Completion Date
1. Civil works	
2. Delivery of machinery (Arrival)	
3. Installation of machine	
4. Trial runs	
5. Commissioning	



D. Company's Declaration

I, declare and confirm that the machine(s) purchased is utilised directly in our own manufacturing process. I shall undertake to refund in full the disbursed amount to MTC in the event of non-compliance. I confirm that the details furnished herein are true and accurate:

- Company is incorporated in Peninsular Malaysia and involved in sawmilling or production of value-added wood-based products.
- Company is in operation for at least three (3) years.
- Company does not receive other grant or subsidy for the procurement of the said machine(s) from other government or government-linked agencies.

Company's Stamp

Applicant's Signature: _____

Name: _____

Designation: _____

Date (dd/mm/yy):

/ /

E. Verification by Timber Association

We hereby confirm that _____ (applicant) is an active member of our association, and is incorporated in Peninsular Malaysia.

Association's Stamp

Signature: _____

Name: _____

Designation: _____

Date (dd/mm/yy):

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F. Document Checklist

NO.	DOCUMENT	CERTIFIED AS TRUE COPIES (Please tick)	REMARKS
A	COMPLETED APPLICATION FORM		
B	THIS CHECKLIST		
C	REQUIRED DOCUMENTS (see item 1 to 9)		
1.	Purchase order/contract		
2.	Photos of machine(s)		
3.	Brochure with technical specifications of machine(s)		
4.	Form 24 and Form 49 as per the Companies Act 1965/ Section 78 and Section 58 as per the Companies Act 2016		
5.	Latest Form of Annual Return		
6.	Manufacturing process flow chart explaining major processes, and the relevant position of the purchased machine(s) on the factory floor		
7.	Latest 3 years audited accounts		
8.	Latest 3 months bank statements		
9.	Latest Employees Provident Fund (EPF) statement		
D	OTHER SUPPORTING DOCUMENTS (if any)		

***Note: Please sort the documents submitted in the sequence as per the checklist above.**

IMPORTANT NOTES:

1. All documents can be certified either by the chief executive officers, managing directors, owners of the companies or accountants.
2. All documents must be submitted according to the checklist above.
3. Incomplete submissions may lead to delays in approval of application.