

FREQUENTLY ASKED QUESTIONS (FAQ) ON THE SME DIGITALISATION INITIATIVE

1	<p><u>What is SME Digitalisation Initiative?</u></p> <p>SME Digitalisation Initiative is a new grant initiative provided by the Ministry of Finance Malaysia to assist Small and Medium Enterprises (“SME”) to adopt Digitalisation in their business operations.</p> <p>As announced in Malaysia’s 2020 Budget presentation, the Government will provide a 50% matching grant of up to RM5,000.00 per company over a period of 5 years for the subscription of digital services that will enhance their productivity and competitiveness.</p>
2	<p><u>What are the grant details for SME Digitalisation Initiative?</u></p> <ul style="list-style-type: none"> i) Grant This matching grant is limited to one (1) application per SME only, however, SMEs are allowed to apply up to three (3) digital services with one (1) or more service providers that is endorsed by MDEC (“Service Provider”). ii) Availability This grant facility is provided by the Government for a period of five (5) years beginning from 17th February 2020 or upon reaching 100,000 applications, whichever comes first. iii) Fees No fees imposed.
3	<p><u>What are the Digitalisation services available under the SME Digitalisation Initiative?</u></p> <p>There are five (5) types of Digitalisation services available as follows:-</p> <ul style="list-style-type: none"> i) Electronic Point of Sale System (e-POS) ii) Human Resource Payroll System/Customer Relationship Management (CRM) iii) Digital Marketing / Sales iv) Procurement v) Enterprise Resource Planning (ERP)/Accounting and Taxation.
4	<p><u>Who is eligible to apply for SME Digitalisation Initiative?</u></p> <p>SMEs that fulfil the following criteria below are eligible and encouraged to apply:-</p> <ul style="list-style-type: none"> i) The company must be at least 60% owned by Malaysian; ii) The company must be registered under the relevant laws of Malaysia and classified as SME; iii) For SMEs which have been in operation for one (1) year, the SME is required to have an annual minimum sales turnover of RM100,000.00 for the first year; and

	<p>iv) For SMEs which have been in operation for two (2) years or more, the SME is required to have a minimum sales turnover of RM50,000.00 for the preceding two (2) consecutive years.</p>
5	<p><u>What are the documents required for my application?</u></p> <p>Applications are to be attached with the following supporting documents:</p> <ul style="list-style-type: none"> i) Copy of Identity Card or Passport of Director (s) / Partner (s) / Proprietor(s), whichever is applicable. ii) Copy of business registration licenses (CCM, Form A/B, Form 24 & 49 and M&A or any similar forms under the Companies Act 2016). iii) Audited financial statement for the last financial year and the latest management account. (if any) or evidences of sales turnover (if any). iv) Company's bank statement for the last two (2) months. v) Company's profile (if any). vi) Invoice/billing and service agreement from authorized vendor listed by MDEC.
6	<p><u>How to apply for SME Digitalisation Initiative?</u></p> <ul style="list-style-type: none"> i) The SME must contact and appoint one or more panel of Service Providers listed by MDEC to perform any of the Digitalisation services available (maximum of 3 services). ii) The SME is to submit the application form with all the supporting documents required to the nearest BSN branch. iii) Once the SME's application is approved, subject to the total invoice amount, the Bank will make a direct 50% payment of the total invoice amount or up to RM5,000.00 to the Service Provider in one lump sum payment or in stages based on the Bank's discretion.
7	<p><u>How can I get more information regarding the SME Digitalisation Initiative?</u></p> <p>For more information, please contact the numbers below:-</p> <p>BSN (Bank Simpanan Nasional) 1-300-88-1900</p> <p>SME Bank (Small Medium Enterprise Development Bank Malaysia Berhad) 03 – 2603 7700</p>