

SME Digitalisation Initiative

The favourable provisions for digital adoption set out in the 2020 Budget denotes the government is actively encouraging more local businesses to move rapidly into the technology sphere.

The government through Ministry of Finance (MOF) is working together with Bank Simpanan Nasional, SME Bank and Malaysia Digital Economy Corporation (MDEC) in managing the grant to eligible Small & Medium Enterprises (SMEs) to adopt digitalisation in daily operations.

The government will provide a 50% matching grant of up to RM5,000 per company for the subscription of the above services. This matching grant will be worth RM500 million over 5 years, limited to the **first 100,000 SMEs** applying to digitalise their business operation.

Features of Grant

- Grant amounting up to 50% or a maximum of RM 5,000 from total invoice amount.
- Great deals on digital solutions from a wide list of panels listed by MDEC.
- Wide range of digitalisation areas:
 1. Electronic Point of Sale System (e-POS)
 2. Human Resource Payroll System (HR) / Customer Relationship Management (CRM)
 3. Digital Marketing / Sales
 4. Procurement
 5. Enterprise Resource Planning (ERP) / Accounting & Taxation
 6. Remote Working
 7. E-Commerce

SME Eligibility

- The SME is at least 60% owned by Malaysian individually;
- The SME is registered under the relevant laws of Malaysia and classified as SME;
- The SME has been in operation for at least one (1) year; and
- For SMEs which has been in operation for one (1) year, the SME is required to have a minimum annual sales turnover of RM100,000.00 for the first year; and
- For SMEs which have been in operation for two (2) years or more, the SME is required to have a minimum annual sales turnover of RM50,000.00 for the preceding two (2) consecutive years.

Application Steps

1. The SME must contact and appoint one or more services of Service Providers listed by MDEC to perform any of the digitalisation services available (maximum of 3 digital services).
2. The SME must complete and submit the application form together with the required supporting documents to the Service Provider.
3. The Service Provider is to submit the application form together with the supporting document to the Bank.
4. Once the SME's application is approved, subject to the total invoice amount, the SME is responsible to pay the difference of the total invoice after deducting the subsidised amount granted from the Initiative for each digitalisation service to the Service Provider.
5. The Bank will then 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.

For Application and Information

- MDEC (Malaysia Digital Economy Corporation Sdn Bhd)
Website: <https://mdec.my/digital-economy-initiatives/for-the-industry/sme-digitalisation-grant/>
- BSN (Bank Simpanan Nasional)
Tel: 1-300-88-1900
Website: <https://www.mybsn.com.my/content.xhtml?contentId=1561>
- SME Bank (Small Medium Enterprise Development Bank Malaysia Berhad)
Tel: 03 – 2603 7700
Website: <https://www.smebank.com.my/en/sme-digitalisation-initiative>