

## **FREQUENTLY ASKED QUESTIONS**

### **1. What is Global Testbed Initiative (GTI)?**

GTI is designed to position Malaysia as a leading technology hub within the ASEAN region by encouraging digital technology companies to testbed their solutions in Malaysia, particularly in Malaysia Digital (MD) promoted sectors.

### **2. What can it be used for?**

This incentive is a collaborative programme which can be used for testing of disruptive digital solutions that address critical economic and societal problem statements.

### **3. What are the expected outcomes of Global Testbed Initiative?**

- a. Enhance investment potential and overall value of Malaysia's Digital Economy
- b. Foster the creation of high-value jobs in Malaysia's Digital Economy
- c. Facilitate the transfer of knowledge via collaboration between different industry players.
- d. Drive catalytic projects that promote growth of MD promoted sectors.

### **4. Who can apply for this incentive?**

The Applicant must be a company with the registered business activities comprising primarily in technology development and/or implementation activities.

### **5. What are the eligibility criteria?**

The Applicant is required to always meet the following criteria and to continuously meet the criteria throughout the project period:

#### **1. a) Local Company**

- i. Incorporated in Malaysia under Companies Act 1965 or the Companies Act 2016;
- ii. Minimum paid up capital of at least RM50,000
- iii. Active and minimum of 51% equity held by Malaysian(s) as per shareholding structure in the SSM.

#### **b) Foreign owned:**

- i. Incorporated in Malaysia under Companies Act 1965 or the Companies Act 2016;
- ii. Active and minimum issued and paid-up capital of RM500,000.

2. In operation for at least one (1) year as of the date of submission
3. Not the subject of liquidation/winding up /bankruptcy order and has no going concern issue\*. (\*If the Applicant has going concern issue (as reported in their latest audited account, the Applicant to provide a letter of undertaking by the shareholder and/or director of the Applicant to undertake that in the event that their application is approved, the Applicant shall perform its obligations under the terms & conditions to be issued by MDEC and to provide financial support to the Applicant to enable the Applicant to meet its obligations and/or liabilities under the terms & conditions).
4. Director(s) and shareholder(s) of the eligible Applicant/Recipient to declare and disclose if there is any business relationship/family relationship with any of MDEC's director or employee.
5. The Applicant/Recipient with common shareholder(s) can only apply for one (1) incentive/grant administered by MDEC (this requirement is not applicable to venture capital investors and registered market operator e.g.: Equity Crowdfunding Platforms).
6. If company previously has received any MDEC/government grant\*, the Applicant must:
  - i. Demonstrate the completion of the funded project(s);
  - ii. Declare any notice of non-compliance/breach being recorded during the period of the funded project(s).

If the company is currently has an on-going incentive/grant with other government agencies, Applicant/Recipient to prove that the project is different (not overlap with the proposed project under MDEC's incentive/grant) and has no non-compliance/breach issues being recorded during the period of the funded project(s) (via a letter from grant/incentive awarding entity or equivalent).

\*Limited to five (5 ) years records from the of approval of the respective grant/incentive.

7. The business nature of company is technology related service and/or MD status Company
8. The Applicant/Recipient must be MSC Malaysia status company or Malaysia Digital (MD) status company. However, if the Applicant/Recipient is not MSC Malaysia Status company or Malaysia Digital (MD) status company, the Applicant/Recipient must apply for Malaysia Digital (MD) status during the Availability Period.

## 6. What are the eligible expenses that can be claimed under Global Testbed Initiative?

The expenditure eligible as the Approved Claimable Cost are the approved project costs that are critical to the project success as follows:

### Expenses include:

- i. Manpower cost for digitally skilled professionals related to the development, design and project management of the POC (E.g.: software engineer, data scientist, information analyst, IT project manager) - Capped at 30% of the incentive amount.
- ii. Cost of IT Hardware and or IT equipment associated with the development of the project (For specific core usage/functions of the proposed projects. E.g.: Components of computer, CPU and GPU).
- iii. Cost of Software associated with the development of the project.
- iv. License fee / Subscription fee for servers, cloud services and networking (associated with project).
- v. Testing and certification costs associated in the development of the project.
- vi. Cost of setup/installation.
- vii. Outsourcing Cost- limited to non-core activities (to provide justification if outsourcing outside the country).

The following are non-eligible expenses to be claimed under the Approved Claimable Cost:

### Non-eligible expenses:

- i. Any form of taxes
- ii. Expenses in obtaining certification & accreditation for professional development
- iii. Maintenance of plant / equipment
- iv. Mobile phones
- v. Tablets, laptops and personal computer for general use
- vi. Camera
- vii. Furniture or any office interior materials.
- viii. Applicant's operating expenditures i.e.; utilities (phone bills, electricity), printing, office rental, stationaries, secretarial, audit fees are nonclaimable;
- ix. Travelling expenses which includes mileage, food and beverage and accommodation; and/or.
- x. Expenditures non-related to the project.

**7. What is the amount of the incentive?**

Local owned company:

Up to 70% of total project cost or up to approved amount whichever is lower.

Foreign owned company:

Up to 50% of total project cost or up to approved amount whichever is lower.

**8. What is the reimbursement process of this incentive?**

MDEC to reimburse and pay to the Recipient the amount of the approved claimable cost incurred by the Recipient upon satisfactory of completion of each project deliverables and submission of relevant supporting documents within the timeline specified in the terms and conditions to be issued by MDEC.

The submission of the reimbursement by the Recipient shall include the financial details relating to the project (in such format as may be specified by MDEC) which have been duly verified by an independent external auditor, to be appointed by the Recipient at the Recipient's own costs, together with evidence acceptable to MDEC, confirming among other things, the amount of approved claimable costs incurred and requested by the Recipient.

**9. What is the project duration under this incentive?**

Project development period: Up to twelve (12) months.

**10. How to apply?**

MDEC will be promoting Global Testbed Initiative (GTI) on MDEC's corporate website and social media platforms with links to register your interest in an online application form.

**11. When is the opening and closing date of the incentive?**

Opening date from May 2023 until December 2023.

**12. What is the process after the submission?**

MDEC verifies application based on the eligibility criteria and will notify the applicants via email to participate in the pitching session.

Should you have any enquiries with regards to the application, kindly contact our Client Contact Centre at 1-800-88-8338 or clic@mdec.com.my.