

Technology Solution Providers (TSPs) Frequently Asked Questions (Ver 4.3)

| GENERAL | |
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| 1 | <p>What are Technology Solution Providers (TSPs)?</p> <ul style="list-style-type: none">• TSPs are local technology companies identified to support Malaysian SMEs in digital adoption under the SME Business Digitalisation Grant announced in the budget 2020. (Local is identified as 51% Malaysian owned).• Malaysian SMEs interested to apply for the said grant will be asked to refer to a TSP list published at Bank Simpanan National's website. |
| 2 | <p>Who should participate as TSP?</p> <p>TSP identification is by an application process. Interested technology companies should have one or more digital solutions in the 7 digitalisation areas as follows:</p> <ul style="list-style-type: none">○ Digital Marketing / Sales○ Electronic point of sales (e-POS) system○ HR payroll system / CRM○ Procurement○ ERP / Accounting & Tax○ Ecommerce○ Remote Working |
| 3 | <p>What are the benefits of being a TSP?</p> <ul style="list-style-type: none">• Opportunity to be part of key digitalisation efforts by government as trusted partners to national digital adoption agenda.• Added advantage as part of TSPs overall offerings to potential customers.• Channel to share views and suggestions with regards to digitalisation to the government. |

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| 4 | <p>What are the eligibility criteria?</p> <ul style="list-style-type: none"> • Company incorporated under the laws of Malaysia; • Must be at least 51% owned by Malaysians; • Must have paid-up capital of at least RM50,000; • Must have successfully deployed the digital solutions in any one of the 7 Digitalisation Areas; and • Must have successfully deployed the digital solutions in any one or more of the 7 Digitalisation areas to at least 100 enterprises in total. |
| 5 | <p>What are the required documents to be submitted for application?</p> <p>Please refer to the application form for full details.</p> |
| 6 | <p>How to apply?</p> <ul style="list-style-type: none"> • Interested tech companies can visit the following URL to apply: https://mdec.my/digital-economy-initiatives/for-the-industry/sme-digitalisation-grant/ • Should you have any enquiries with regards to the application, kindly contact our MSC Malaysia Client Contact Centre at 1-800-88-8338 or clic@mdec.com.my . |
| 7 | <p>Can I still participate if my company is not an MSC status?</p> <p>Yes. Application is open for all Malaysian technology companies.</p> |
| 8 | <p>Where do I get more info or support on the TSPs' application?</p> <p>Do contact MDEC at 1-800-88-8338 or via email to clic@mdec.com.my</p> |
| 9 | <p>Is the roster of TSPs now closed or can companies still apply to be a TSPs?</p> <p>Application cycle will be open continuously.</p> |

| SOLUTIONS | |
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| 10 | <p>Must it be only for companies offering software as a service (SaaS) packages ?</p> <p>No. However, SaaS is preferred and we encourage more companies to offer their digital solutions on the cloud.</p> |
| 11 | <p>Can I apply to become a TSP if my company is offering digital solutions in hybrid cloud packages?</p> <p>Yes, it is acceptable.</p> |
| 12 | <p>Can I package my digital solutions that are not limited to software support but also require hardware support such as desktop, tablet, bar code scanner and etc?</p> <ul style="list-style-type: none"> • Yes, acceptable for ePOS only. • For other digitalisation areas, it will be on a case by case basis. |
| 13 | <p>Can I apply to become a TSP aside from the 7 digitalisation areas listed?</p> <p>At the moment, we are looking for TSPs in the 7 digitalisation areas only.</p> |
| 14 | <p>Do I need to submit more than one TSPs application if my company is offering more digital solutions in a few areas?</p> <p>No. You are only required to submit only one application.</p> |
| MEETING THE ELIGIBLE CRITERIA FOR SERVING 100 ENTERPRISES | |
| 15 | <p>For software as a service (SaaS), can I consider the enterprise that uses free trial to fulfil the mentioned criteria?</p> <p>Yes. You are required to provide supporting documents such as record of usage and etc.</p> |
| 16 | <p>How do I show proof of the 100 clients served?</p> <ul style="list-style-type: none"> • You are required to provide the names and relevant details in the application form. • MDEC has the right to request additional info or proofs and as and when required as part of its audit exercise. |

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| 17 | <p>Can I consider including my corporate client to fulfil the criteria?</p> <p>Yes. Although this may show your capability in delivery, you must be ready to support SMEs whom are the recipient of this grant.</p> |
| 18 | <p>My company is still young and I do not have the 100 clients required. How can I participate?</p> <ul style="list-style-type: none"> • The focus of the grant is to support brick and mortar SMEs that require much hand holding and continuous post support. • This baseline is to ensure TSPs have sufficient experience. • As the TSP application cycle will be opened periodically throughout the grant duration (5 years), you can still work towards achieving the baseline and apply. |
| <p>MEETING THE ELIGIBLE CRITERIA OF RM 50K PAID UP CAPITAL</p> | |
| 19 | <p>Can I apply to become a TSP first while I am seeking my board resolution to increase the RM 50K paid up capital to comply with the mentioned criteria?</p> <p>You are required to comply to the mandatory criteria upon application. Therefore, we suggest that you complete all the necessary items required prior to submitting your application.</p> |
| <p>COMPANY OWNERSHIP</p> | |
| 20 | <p>How do I submit my application if I own multiple companies?</p> <p>The application is tied to companies and not the person or director.</p> |
| 21 | <p>I am a Malaysian owner but my company is registered abroad. Can I participate?</p> <p>Yes. Your company must have a base in Malaysia and has a 51% Malaysian ownership.</p> |

| FOR THE SELECTED TSPs | |
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| 22 | <p>Is there a limit to the number of SMEs we can accept?</p> <p>No. As long as you are able to cater to their digitalization needs.</p> |
| 23 | <p>Must the project be completed within 2020 or can it stretch into 2021?</p> <p>The project engagement should be less than 1 year upon approval.</p> |
| 24 | <p>What happens if the SME decides to pull out / ceases business during the engagement? Who arbitrates?</p> <p>Commercial arrangements are conducted between the SME and TSP. Therefore, under this situation, it will follow the terms and conditions in the legal agreement between SME and TSP.</p> |
| 25 | <p>Will there be a report / evaluation at the end of each client project?</p> <ul style="list-style-type: none"> • Yes, TSPs need to provide the required documentations to BSN and MDEC. • Evaluation will also be conducted yearly to ensure high level of performance and commitment. |
| 26 | <p>Who do we invoice and how will we get paid?</p> <ul style="list-style-type: none"> • TSPs need to submit the invoice/billing, service agreement together with SME application to BSN. • Once 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 TSP in one lump sum payment or in stages based at the Bank's discretion. • |
| 27. | <p>Can we package our solutions with other TSPs and collaborate to run awareness campaign, etc?</p> <p>Yes. The list of TSPs will be up on BSN's website on Monday.</p> |

| FOR COMPANIES APPLICATION | |
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| 28. | <p>Is the company operation must be at least more than 1 year?</p> <p>Yes. We are not focusing on mature company</p> |
| 29. | <p>If the contract is for 5 years, can we apply the grant based on the 5 years invoice?</p> <p>No. TSP will need to separate the invoice to 1 year of service only</p> |
| 30. | <p>If company has multiple outlet however registered under 1 company only. Can they apply for multiple applications?</p> <p>No. Application is for per company.</p> |
| 31. | <p>If company sign up for 2 years and payment milestones are quarterly basis, will BSN/SMEBANK accept the application?</p> <p>Yes, if they meet the criteria. However, quarterly payment may be a little hassle and a 1 year pay-out is preferred.</p> |
| 32. | <p>For Franchises, they are from separate companies. Are they eligible to apply separately?</p> <p>Yes, because it's from different companies.</p> |
| 33. | <p>If a company applies for 2 solutions, do they need to submit 2 applications?</p> <p>No. Only 1 application is acceptable and up to 3 solutions with max RM5k grant.</p> |
| 34. | <p>If a company applies from multiple TSPs, do they have to apply for multiple application?</p> <p>No. Only 1 application and the solutions should not duplicate from 1 TSP to another.</p> |
| 35. | <p>What if TSPs provide a solution that links to 2 different companies. Can they apply 2 separate application?</p> <p>Yes as they are from different companies.</p> |

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| 36. | <p>Can the company apply for software enhancement/upgrade</p> <p>The application is only for new solutions and not for new version or upgrade. The intention is for companies to adopt new technology.</p> |
| 37 | <p>Who shall apply for the grant?</p> <p>SMEs will apply for the grant.</p> |
| 38. | <p>If SMEs would like to pay the 50% to TSPs prior to approval from SMEBANK/BSN, is this possible?</p> <p>It is possible however, TSPs will need to take the risk if the application is not approved.</p> |
| 39. | <p>If the company subscription is from 1 Jan 2020 until 31 December 2020, can they apply for the grant?</p> <p>No. It's for new solutions and after 17 Feb 2020 only (after the launch date).</p> |
| 40. | <p>Is it acceptable if the invoice is from a third party vendor?</p> <p>The programme is between SMEs and TSPs within the ecosystem. Invoice should be from selected TSPs only.</p> |
| 41. | <p>If company received a different grant from SMEBANK, SMECORP, etc are they eligible to apply?</p> <p>Yes. Different grant serves different purposes.</p> |
| 42. | <p>Will SMEBANK/BSN check on the price list. Example a TSPs mark up the price with intention to meet the max RM 5k grant. How does SMEBANK/BSN act to this?</p> <p>If SMEBANK/BSN found out that any TSPs marked up the price, they will be disqualified immediately.</p> |
| 43. | <p>The eligible criteria stated for SMEs, how about "Koperasi" as they operate like a business entity</p> <p>If they meet all the criteria, its acceptable.</p> |
| 44. | <p>What if the package is inclusive training/maintenance, will the grant cover for it?</p> <p>No. The grant is exclusively for the solutions only.</p> |

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