

GUIDELINES FOR MARKET DEVELOPMENT GRANT (MDG) 2016

***Effective 01 September 2016**

This guideline is only applicable for export promotional activities undertaken between 1 September – 31 December 2016. Guidelines are subject to yearly review and changes from time to time.

GUIDELINES FOR THE MARKET DEVELOPMENT GRANT (MDG) 2016

OBJECTIVE

The Market Development Grant (MDG) is designed to assist Malaysian Small and Medium Enterprises (SMEs), Trade & Industry Associations, Chambers of Commerce and Professional Bodies in undertaking eligible export promotional activities.

FORM OF GRANT

A reimbursable financial assistance on eligible expenses, incurred in undertaking export promotional activities.

GRANT CEILING

The maximum grant for any eligible company under the MDG program is RM 200,000. Any applicant that has utilised the full grant amount of RM200,000, since the date of commencement of MDG in 2002, will no longer be eligible for consideration. MDG reimbursements for any given year will be subject to the availability of funds.

ELIGIBILITY CRITERIA

A. For Small and Medium Enterprises (SMEs)

- Incorporated under the Companies Act 1965;
- At least 60% equity is owned by Malaysian(s);
- Exporting products which are made in Malaysia or exporting services originating from Malaysian companies, **and fulfilling the following criteria:**

1. Manufacturing (including agro-based):

- i. Annual sales turnover **not exceeding RM50 million** (based on the latest **Audited Financial Statement**) **OR**
- ii. Full-time employees **not exceeding 200** (based on the latest **EPF Statement**)

2. Trading

- i. Annual sales turnover **not exceeding RM20 million** (based on the latest **Audited Financial Statement**) **OR**
- ii. Full-time employees **not exceeding 75** (based on the latest **EPF Statement**)

3. Services (including tourism, financial & insurance industry but excluding real estate):

- i. Annual sales turnover **not exceeding RM20 million** (based on the latest **Audited Financial Statement**) **OR**
- ii. Full-time employees **not exceeding 75** (based on the latest **EPF Statement**)

B. For Professional Service Providers (Sole Proprietor or Partnership)

- Incorporated under the Registration of Business Act (1956) / Registered under the respective statutory bodies for professional services providers;
- At least 60% equity owned by Malaysian(s);
- Exporting Malaysian services; and fulfill any of the following criteria:
 - i. Annual sales turnover **not exceeding RM20 million** (*based on the latest Audited Financial Statement*) OR
 - ii. Full-time employees **not exceeding 75** (*based on the latest EPF Statement*)

C. For Trade & Industry Associations, Chambers of Commerce & Professional Bodies

- Registered with the Registrar of Society (ROS) or Associated Professional Authority.

ADDITIONAL MANDATORY REQUIREMENTS:

1. Registered with MATRADE under the Malaysia Exporters Registry (MER);
2. An active business entity (also applicable for company incorporated less than 1 year);
3. Not a Government Linked Company (GLCs) or have government equity (federal or state);
4. Export promotional activities which are subsidised or sponsored by third parties (e.g Ministries or *Government agencies/Trade and Industry Associations/Chambers of Commerce/Professional Bodies and Others*) are not eligible for MDG;
5. **All completed applications must be submitted online and received by MATRADE within forty (40) days from the last date of the promotional activity undertaken. Late applications will not be considered.**

ELIGIBLE ACTIVITIES

NO	ACTIVITY	DESCRIPTION
1.	1.1 International Trade Fairs/ Exhibitions in Malaysia	<p>For events not organised by MATRADE, the following criteria will apply:</p> <ul style="list-style-type: none"> i. Minimum requirement: <ul style="list-style-type: none"> a. gross space occupied must be at least 1,000 square meters; and b. 10% foreign visitors; or c. 20% net space rented to foreign exhibitors; or d. 20% of exhibitors are foreign. ii. MATRADE shall receive the Trade Fair/Exhibition Audited Report by certified auditor confirming compliance of item (i) of the above together with a show directory <u>within forty days from the last date of the Trade Fair/Exhibition.</u> (Format as in Annex 2) iii. <u>Applicants are to deal directly with the organiser(s) for the submission of the Trade Fair Audited Report.</u> iv. Consumer Fairs (B2C) / Festival Fairs or similar events are not eligible for consideration.
	1.2 International Trade Fairs/ Exhibitions Overseas	International Trade Fairs and Exhibitions (B2B) held overseas are eligible for consideration. This however excludes all (B2C) Consumer Fairs, Festival Fairs or similar events.
2.	Trade & Investment Missions or Export Acceleration Missions (EAM)	<ul style="list-style-type: none"> i. Only participation in Trade & Investment Missions and Export Acceleration Missions (EAM) for export promotion ORGANISED by Malaysian Government Ministries or Agencies, Chambers of Commerce, Trade and Industry Associations and Professional Bodies that are registered in Malaysia are eligible for MDG. ii. The organiser of the mission must submit the full report of the mission <u>within forty (40) days from the last date of the mission, by using the MDG report format attached.</u> Failure to submit within the specified timeframe or to comply with the full report requirements, will result in the rejection of the company's application. iii. The report format for Trade & Investment Missions/ Export Acceleration Missions (EAM) is as per Annex 3.
3.	International Conferences Overseas	The activity must be related to the promotion of exports for the industry or professional services. It does not apply to seminars, workshops or training for the purpose of acquiring skills, upgrading knowledge or human capital development.

NO	ACTIVITY	DESCRIPTION
4.	Listing Fee for Made in Malaysia products in Supermarkets / Hypermarkets / Retail Centres Overseas.	Consideration is limited to one Supermarket/ Hypermarket/ Retail Centre per country.

GRANT AMOUNT

The table below states the reimburseable grant amount for each eligible activity:

NO	ACTIVITY	AMOUNT
1.	1.1 <u>International Trade Fairs in Malaysia</u>	Maximum reimbursement of RM 5,000 per company per participation or the actual eligible expenses, whichever is lower.
	1.2 <u>International Trade Fairs Overseas</u>	Maximum reimbursement of RM 15,000 per company per participation or the actual eligible expenses, whichever is lower.
2.	2.1 <u>Trade & Investment Missions and Export Acceleration Missions (EAM) organised by MATRADE</u>	Maximum of RM 10,000 per company per participation or the actual eligible expenses, whichever is lower.
	2.2 <u>Trade & Investment Missions and Export Acceleration Missions (EAM) jointly organised with MATRADE</u>	Maximum of RM 10,000 per company per participation or the actual eligible expenses, whichever is lower.
	2.3 <u>Trade & Investment Missions and Export Acceleration Missions (EAM) not jointly organised with MATRADE</u>	Maximum of RM 2,000 per company per participation or the actual eligible expenses, whichever is lower.
3.	<u>International Conferences Overseas</u>	Maximum of RM 2,500 per company per conference or the actual eligible expenses, whichever is lower.
4.	<u>Listing Fee for Made in Malaysia products in Supermarkets/ Hypermarkets/ Retail Centres Overseas</u>	Maximum of RM 20,000 per company per Supermarket/ Hypermarket/ Retail Centre per country or the actual listing fee cost, whichever is lower.

NOTE:

The eligible expenses mentioned above is defined as including:

- The Registration fee,
- Costs for Booth Rental And Construction, as well as
- Costs for Travel and Accommodation.

CLAIM PROCEDURE

- The application for Market Development Grant (MDG) must be **submitted online** and received by MATRADE **within forty (40) days from the last date** of promotional activity. The application system can be accessed from MATRADE's website at www.matrade.gov.my or at www.matrade.gov.my/mdg/
- Please ensure that your company is already **registered with MATRADE**. If not, you can commence registration at www.matrade.gov.my/ms/online-applications/register-as-matrade-member
- The deadline for submission of applications are as follows:
 1. **Within forty (40) days from the last date of promotional activity for:**
 - International Trade Fairs/Exhibitions held locally or overseas;
 - Trade & Investment Missions or Export Acceleration Missions (EAM);
 - International Conferences overseas; and
 2. **Within forty (40) days from the first day of listing** in the Supermarkets/ Hypermarkets/ Retail Centres overseas.
- Application must be supported by the following:
 - **APPLICATION DOCUMENTS:**
 1. **Form 9/ Form 13;**
 2. **Form of Annual Return** for the year 2014/ 2015 (**Form 24** if company is incorporated for **less than one year**);
 3. **Audited Financial Statement** for the year 2014/ 2015 (the **Management Account** is needed if company is incorporated for **less than one year**)
 4. **EPF Statement** (latest statement);

(These documents are required to certify that the company falls under the definition of a Small & Medium Enterprise based on the current SME criteria)

For Trading Companies, the following additional documents are required:

1. **Letter of declaration by supplier** to certify that products are **made in Malaysia**.
2. **Product Brochure/ Company Profile**.

➤ **CLAIM DOCUMENTS:**

1. MDG claims **MUST** be supported by **original receipts or** bank statements **or** credit card statements **or** telegraphic transfers and **invoice(s)** as proof of participation. **These must be scanned in color.**
2. If scanned documents in color are not available, **black and white photocopies** can be accepted provided they are **certified** by an External Auditor or Chartered Accountants or Commissioner for Oaths or the issuer of the payment document.
3. All claim documents **MUST** be **under the applicant's name**. Submission of **claim documents under names other than the applicant, will not be accepted.**
4. Documents **not in the English language** must be accompanied by an **English translation.**

Reminder:

- **All Original Documents Must Be Fully And Clearly Scanned in Color**
- **If applicant is unable to provide scanned original copies, photocopies of these documents are acceptable provided they are certified by an External Auditor or Chartered Accountants or Commissioner for Oaths or the issuer of the payment document.**

Note:

This guideline is applicable for export promotional activities **undertaken from 1 September 2016** and is subject to change from time to time.

If the **documentation** or claim is found to be **false**, the applicant and/or company or both, will be **blacklisted** and will be required to reimburse in full to MATRADE, all monies received from MDG.

For enquiries, please contact:

MATRADE

Market Development Unit
8th Floor, Menara MATRADE,
Jalan Sultan Haji Ahmad Shah,
50480 Kuala Lumpur
Tel: 03-6207 7593 Fax: 03-6203 7252
E-mail: mdg@matrade.gov.my

Operating Hours

Monday – Thursday : 8.30 am - 5.00 pm
Friday : 8.30 am - 12.15 pm
2.45 pm - 5.00 pm

MDG SUPPORTING AND CLAIM DOCUMENTS CHECKLIST

1. SUPPORTING DOCUMENTS FOR APPLICATION

NO	TYPE OF BUSINESS	SUPPORTING DOCUMENTS REQUIRED
1.	MANUFACTURING	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Certificate of Incorporation Form 9 or Form 13 <input checked="" type="checkbox"/> Latest Form of Annual Return of Company Having A Share Capital (full set) / (Form 24 <i>if</i> company incorporated less than 1 year) <input checked="" type="checkbox"/> Company's Audited Financial Statement for the year 2014 or 2015 (full set) / (Management Account <i>if</i> company incorporated less than 1 year) <input checked="" type="checkbox"/> Latest EPF Statement (Form A is not applicable)
2.	TRADING	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Certificate of Incorporation Form 9 or Form 13 <input checked="" type="checkbox"/> Latest Form of Annual Return of Company Having A Share Capital (full set) / (Form 24 <i>if</i> company incorporated less than 1 year) <input checked="" type="checkbox"/> Company's Audited Financial Statement for the year 2014 or 2015 (full set) / (Management Account <i>if</i> company incorporated less than 1 year) <input checked="" type="checkbox"/> Latest EPF Statement (Form A is not applicable) <input checked="" type="checkbox"/> Letter of declaration by supplier to certify that products are made in Malaysia (<i>Format as per Annex 1 and to be printed in supplier Letterhead</i>) <input checked="" type="checkbox"/> Product Brochure/ Company Profile
3.	SERVICES	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Certificate of Incorporation Form 9 or Form 13 <input checked="" type="checkbox"/> Latest Form of Annual Return of Company Having A Share Capital (full set) / (Form 24 <i>if</i> company incorporated less than 1 year) <input checked="" type="checkbox"/> Company's Audited Financial Statement for the year 2014 or 2015 (full set) / (Management Account <i>if</i> company incorporated less than 1 year) <input checked="" type="checkbox"/> Latest EPF Statement (Form A is not applicable) <input checked="" type="checkbox"/> Company Brochure/ Company Profile

	TYPE OF BUSINESS	SUPPORTING DOCUMENTS REQUIRED
4.	PROFESSIONAL SERVICE PROVIDERS (partnership/ sole proprietor)	<input checked="" type="checkbox"/> Registration Letter/ License/ Certificate issued by Professional Services Body <input checked="" type="checkbox"/> Management Account / Income Statement/ Company Account/ Company's Audited Financial Statement for the year 2014 or 2015 (full set) <input checked="" type="checkbox"/> Latest EPF Statement (<i>Form A is not applicable</i>) or a declaration letter on the latest number of employees (<i>using company Letterhead</i>)
5.	CHAMBERS OF COMMERCE, TRADE AND INDUSTRY ASSOCIATIONS & PROFESSIONAL BODIES	<input checked="" type="checkbox"/> Registration certificate issued by the Registrar of Society/ Associated Professional Body/ Certificate Of Incorporation Of Public Company (Form 8)

2. CLAIM DOCUMENTS

NO.	ACTIVITIES	TYPE OF EXPENSES	CLAIM DOCUMENTS
1.	1.1 International Trade Fairs in Malaysia OR	1.Participation Fee / Booth Rental	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer; and <input checked="" type="checkbox"/> Invoice(s) OR <input checked="" type="checkbox"/> Confirmation letter from the organizer (if sponsored or subsidized)
	1.2 International Trade Fairs Overseas	2. Booth Construction/ Enhancement	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer; and <input checked="" type="checkbox"/> Invoice(s)
		3. Air Fare	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer, <input checked="" type="checkbox"/> Invoice(s); and <input checked="" type="checkbox"/> Flight Itinerary/ Boarding pass/ Air ticket/ Passport with Immigration stamp of entry into & exit from the foreign country
		4. Land Transportation (to ASEAN countries only)	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Tickets
		5. Accommodation	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer <input checked="" type="checkbox"/> Guest Folio/ Invoice(s) <input checked="" type="checkbox"/>
2.	2.1 Trade & Investment Missions/ Export Acceleration Missions (EAM) (organised by MATRADE) OR	1.Participation Fee	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer; and <input checked="" type="checkbox"/> Invoice(s) OR <input checked="" type="checkbox"/> Confirmation letter from the organizer (if sponsored or subsidized)
	2.2 Trade & Investment Missions/ Export Acceleration Missions (EAM) (jointly organised with MATRADE)	2.Air Fare	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer, <input checked="" type="checkbox"/> Invoice(s); and

NO.	ACTIVITIES	TYPE OF EXPENSES	CLAIM DOCUMENTS
	<p style="text-align: center;">OR</p> <p>2.3 Trade & Investment Missions/ Export Acceleration Missions (EAM) (not jointly organised with MATRADE)</p>		<input checked="" type="checkbox"/> Flight Itinerary/ Boarding pass/ Air ticket/ Passport with Immigration stamp of entry into & exit from the foreign country
3. Land Transportation (to ASEAN countries only)		Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Tickets	
4. Accommodation		Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer <input checked="" type="checkbox"/> Guest Folio/ Invoice(s) <input checked="" type="checkbox"/>	
3.	International Conferences Overseas	1.Participation Fee	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer; <input checked="" type="checkbox"/> Invoice(s); <input checked="" type="checkbox"/> Conference program; and <input checked="" type="checkbox"/> Confirmation letter from the organizer (for speaker or presenter). OR <input checked="" type="checkbox"/> Confirmation letter from the organizer (if sponsored or subsidized)
		2. Air Fare	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer; <input checked="" type="checkbox"/> Invoice(s); and <input checked="" type="checkbox"/> Flight Itinerary/ Boarding pass/ Air ticket/ Passport with Immigration stamp of entry into & exit from the foreign country <input checked="" type="checkbox"/>
		3. Land Transportation (to ASEAN countries only)	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Tickets
		4. Accommodation	Original (to be scanned in colour) <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer <input checked="" type="checkbox"/> Guest Folio/ Invoice(s)

NO.	ACTIVITIES	TYPE OF EXPENSES	CLAIM DOCUMENTS
4.	Listing Fee for Made in Malaysia products in Supermarkets/ Hypermarkets/ Retail Centres Overseas	1. Listing Fee	<p>Participation directly with the Supermarkets/Hypermarkets/Retail Centres Overseas</p> <p>Original (to be scanned in colour)</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer; <input checked="" type="checkbox"/> Payment voucher; <input checked="" type="checkbox"/> Invoice(s) from the Supermarket/ Hypermarket/ Retail Centre; and <input checked="" type="checkbox"/> Offer/ invitation letter from the Supermarkets/ Hypermarkets/ Retail Centres. <p>Participation through an authorised agent of the Supermarkets/ Hypermarkets/ Retail Centres Overseas</p> <p>Original (to be scanned in colour)</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Receipt/ Bank Statement/ Credit Card Statement/ Telegraphic Transfer; <input checked="" type="checkbox"/> Payment voucher; <input checked="" type="checkbox"/> Appointment letter of the agent to act on your behalf; and <input checked="" type="checkbox"/> Offer/ invitation letter from the Supermarket/ Hypermarket/ Retail Centre/ to the agent.

(ALL ORIGINAL DOCUMENTS MUST BE FULLY AND CLEARLY SCANNED)

Note: If applicant is unable to provide scanned original copies, photocopies of these documents are acceptable provided they are certified by an External Auditor or Chartered Accountants or Commissioner for Oaths or issuer of the payment document.

ANNEX 1:
SUPPLIER DECLARATION LETTER ON MADE
IN MALAYSIA PRODUCTS
(For Trading Companies Only)

SAMPLE DECLARATION LETTER**(On Supplier's Original Letterhead)****(Supplier address) |****MADE IN MALAYSIA PRODUCT DECLARATION AND CERTIFICATION**

To MDG Section:

Our company hereby declares and certifies that all of the following products listed below are manufactured and made in Malaysia by our company for (MDG applicant's name eg: ABC Sdn Bhd)

No.	Name of products	Details of products
1.		
2.		
3.		
4.		
5.		

(Please add more rows if space is insufficient) |

2. Our company through the undersigned hereby declares that the above details and statements are true, correct and complete; that all the listed products are produced in Malaysia and that the products comply with the origin requirements specified for each products. Attached is the necessary document to support the above certification. (if any)

3. Our company fully understands that in the event that any information given is found to be incorrect, false, misleading or wrong, the undersigned and/ or the company may be liable to face any penal actions including but not limited to the Penal Code (Act 574) and/ or other consequences as may be prescribed by the laws or otherwise warranted.

4. Our company undertakes and agrees to fully indemnify **MATRADE** in full, from and against all consequences, liabilities, actions, suits, proceedings, damages, costs, claims, demands, expenses, and/or losses whatsoever which may be taken or made against **MATRADE** or incurred or become payable by **MATRADE** by reason of or on account of or arising out of **MATRADE's** reliance on the Company's declaration above. Thank you.

Certified by,

Signature of Authorised Signatory

Company's official Rubber stamp

Name of Authorised Signatory

Designation of Authorised Signatory |

ANNEX 2:

**TRADE FAIRS/EXHIBITIONS REPORT FORMAT
(For International Trade Fairs/ Exhibitions held
in Malaysia and for exhibition organisers' use
only)**

AUDITED REPORT OF EXHIBITION

(This record MUST BE filled by an External Auditing Firm/Chartered Accountant)

1. **Name of Exhibition** :
2. **Date** :
3. **Venue** :
4. **Number of Times the Exhibition Has Been Previously Held** :
5. **Total Gross Space Occupied (sq.m.)** :
 - a) ***Total Space Occupied by Malaysian Exhibitors*** :
 - b) ***Total Space Occupied by Foreign Exhibitors*** :
6. **Total Number of Exhibitors** :
 - a) ***Number of Malaysian Exhibitors*** :
 - b) ***Number of Foreign Exhibitors*** :
 - i) Majority of Foreign Exhibitors Coming From (list 5 major countries and their % compared to the total number of exhibitor) :

7. **Total Number of Visitors** :

a) **Number of Malaysian Visitors** :

i) Number of Trade Visitors :

ii) Number of General Public :

b) **Number of Foreign Visitors** :

i) Majority of Foreign Visitors
Coming From (list 5 major
countries and their % compared
to the total number of visitor) :

BY EXTERNAL AUDIT FIRM:-

Authorised Signatory:

Name of Authorised Signatory:

Firm /Company Name:

Firm/Company's Official Rubber Stamp:

ANNEX 3:
TRADE & INVESTMENT MISSIONS (TIM)/
EXPORT ACCELERATION MISSIONS (EAM)
REPORT FORMAT

REPORT ON TRADE MISSION/ EXPORT ACCELERATION MISSIONS (EAM)

1. INTRODUCTION

2. OBJECTIVES OF THE MISSION

3. MALAYSIAN DELEGATION

- No. of delegates in details (by how many company/ government agency/ representative of association etc)
- Detail list of delegates as per ANNEX I.

4. MISSION PROGRAM

The (x) days programme comprises:

4.1 Detail programme as per ANNEX II

4.2 Business Matching Session (Individual Business Meeting)

- Details of the Business Matching
- Detail list of the buyer during the Business Matching as per ANNEX III.
- Total number of of business meetings conducted during the Mission
- Total generated/ potential sales or other opportunities
- Pictures during the Business Matching Session

4.3 Others (Meeting, MOU signing, business visit, etc.)

- Objectives
- Details
- Outcome

5. MISSION OUTCOME

5.1 Potential Sales

- Reported by exporters:
- Actual sales:
- Potential sales:
- Areas of potential business:

5.2 General Comments by Malaysian Exporters

5.3 Challenges Faced by Malaysian Exporters

6. CONCLUSIONS / RECOMMENDATIONS

Annex I

List of Malaysian Delegates

No.	Company Details	Business Interest	Representative
1.	<ul style="list-style-type: none">• Company Name• Business Address		<ul style="list-style-type: none">• Name (in full)• Designation

Annex II

PROGRAMME FOR
TRADE MISSION/ EXPORT ACCELERATION MISSIONS (EAM) ON.....
(PLACE & DATE)

Date (Day 1)

(Time) hrs :

(Time) hrs :

Date (Day 2)

(Time) hrs :

(Time) hrs :

Annex III

List of buyers

No.	Company Details	Business Interest	Representative
1.	<ul style="list-style-type: none">• Company Name• Business Address		<ul style="list-style-type: none">• Name (in full)• Designation