



## Smart Automation Grant (SAG)

The Smart Automation Grant was introduced in the National Economic Recovery Plan or Pelan Jana Semula Ekonomi Negara (PENJANA) in June 2020. The main objectives of the Smart Automation Grant is to assist **Small and Medium Enterprises (SMEs)** and **Mid-Tier Companies (MTCs)** to automise and digitalise operations, production and trade channels.

SAG will be given on a matching basis (1:1) based on eligible expenditures, up to a maximum grant of **Ringgit Malaysia One Million (RM1,000,000) per company**.

### Who Is Eligible For Smart Automation Grant

1. Incorporated under the Companies Act 1965/2016;
2. Effective equity of the company must be at least **51% owned by Malaysians**;
3. The company possess a valid Business Licence from the Local Authority;
4. Must be in operation for at least 12 months;
5. Must engage in **manufacturing activity** in compliance with the Industrial Co- ordination Act, 1975 or **service activities** which are regulated by specific acts/regulations or governed by relevant ministries/agencies;

### Key Takeaway



- ❖ The qualified company will be eligible for Smart Automation Grant given on matching basis (1:1) up to RM1 Million per company.



6. Eligible for Small and Medium Enterprises (SMEs) and Mid-tier Companies (MTCs). Definition of SMEs and MTCs as below:

	Manufacturing	Services
<b>SME</b>	<ul style="list-style-type: none"> <li>• Sales turnover not exceeding RM50 million; <b>or</b></li> <li>• Employees not exceeding 200</li> </ul>	<ul style="list-style-type: none"> <li>• Sales turnover not exceeding RM20 million; <b>or</b></li> <li>• Employees not exceeding 75</li> </ul>
<b>MTC</b>	<ul style="list-style-type: none"> <li>• Sales turnover from RM50 million to RM500 million</li> </ul>	<ul style="list-style-type: none"> <li>• Sales turnover from RM20 million to RM500 million.</li> </ul>

7. **Must meet at least one** of the Committed Deliverables as below:-

- a. Reduction of Unskilled Workers
- b. Reduction in Man Hours
- c. Increase in Production Volume
- d. Quality Improvement – Reduction in Defect Rate
- e. Increase in Services Delivery
- f. Reduction of Man Hours in Delivering Services

8. Eligible expenditures are the automation machine, equipment or software that are used directly in the overall value chain of manufacturing and services activities

### What Is The Project Duration Under This Matching Grant?

1. Project must be completed within 12 months from the date of the Approval Letter issued by Authority;
2. Any unutilised grant amount after 12 months will be withdrawn by Authority;
3. Any request for extension is required to be made at least 2 months before the project end date and is subjected to the approval of the Authority Committee.

### Effective Date Of Application

Application must be submitted to MIDA between 4th December 2020 to 31 December 2021.



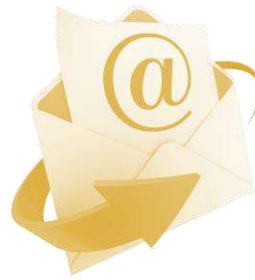
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Kuala Lumpur 吉隆坡	+603 780 55022	Johor Bahru 柔佛	+607 595 2299	Penang 檳城	+604 371 3419 / +604 371 3318
Labuan 纳闽岛	+6087 599 328	Muar 麻坡	+606 952 0205	Sitiawan 实兆远	+605 688 5112
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