

## **GUIDELINES AND PROCEDURES FOR THE APPLICATION OF INDUSTRY4WRD DOMESTIC INVESTMENT STRATEGIC FUND (DISF)**

### **1. Background of Domestic Investment Strategic Fund (DISF)**

- 1.1. The Domestic Investment Strategic Fund (DISF) of RM1 billion was established to accelerate the shift of Malaysian-owned companies in targeted industries to high value-added, high technology, knowledge-intensive and innovation-based industries.
- 1.2. This fund was created to achieve the Government's goals to improve domestic investment to complement foreign direct investment (FDI) in ensuring sustainable economic growth in the future.
- 1.3. The objectives of the fund are to upgrade the company's technological capabilities to be more competitive internationally, move-up the company's value chain and enable the company to be active participants in the global ecosystem.
- 1.4. The fund is eligible for Malaysian companies with Malaysian equity ownership of at least 60%.

### **2. Introduction of Industry4WRD**

- 2.1. The Government introduced the National Policy on Industry 4.0, known as Industry4WRD on 31 October 2018. Industry4WRD policy focuses on manufacturing and manufacturing related services sectors which aim to create a comprehensive ecosystem for Industry 4.0, ultimately transforming the manufacturing sector holistically.
- 2.2. Through Industry4WRD, Malaysia is envisioned to become:
  - (i) Strategic partners for smart manufacturing and manufacturing related services in Asia Pacific.
  - (ii) The preferred destination for high-tech industry investment.
  - (iii) The total solution provider for advanced technology.

### **3. Industry4WRD DISF**

- 3.1. The government announced in the Budget 2019 that DISF will include Industry 4.0 relevant activities. A ratio of 60:40 on a reimbursable basis will be provided to companies which have undertaken the Industry4WRD Readiness Assessment.
- 3.2. The fund, contingent upon investment is created to assist manufacturing companies that have undergone the Industry4WRD Readiness Assessment to migrate into Industry 4.0.
- 3.3. The grant is outcome based, provided on a (60:40) matching basis for the purpose of:
  - (i) R&D activities;
  - (ii) Training activities;
  - (iii) Modernisation and upgrading of facilities and equipment;
  - (iv) Licensing or purchase of new/high technology; and
  - (v) Obtaining international standards/certification.

### **4. Eligibility Criteria**

- 4.1. Incorporated under the Companies Act, 2016 and resident in Malaysia.
- 4.2. Effective equity of the company must be at least 60% owned by Malaysians.
- 4.3. Company has been assessed through the Industry4WRD Readiness Assessment program.
- 4.4. Company adopts at least one of the following enabling technologies:
  - (i) Big Data Analytics
  - (ii) Cloud Computing
  - (iii) Augmented Reality
  - (iv) Cybersecurity
  - (v) Artificial Intelligence
  - (vi) Additive Manufacturing
  - (vii) System Integration
  - (viii) Simulation
  - (ix) Internet of Things (IoT)
  - (x) Autonomous Robots
  - (xi) Advanced Materials

### **5. Effective Date Of Application**

Application received by Malaysian Investment Development Authority (MIDA) from the date of approval of Industry4WRD Readiness Assessment Report (refer letter issued by MPC) until 31 December 2021 is eligible to be considered for the Industry4WRD DISF.