



# IP GRANT/TAX INCENTIVES IN MALAYSIA

## FINANCIAL GRANT SCHEME FOR IP OWNERS

<b>Malaysian Technology Development Corporation (MTDC)</b>	
<b>Technology Acquisition Fund (TAF)</b>	<ul style="list-style-type: none"> <li>• TAF1 -               <ul style="list-style-type: none"> <li>○ To acquire foreign technology for immediate manufacturing activities</li> <li>○ Up to a maximum of 50% or RM4 million whichever is lower</li> </ul> </li> <li>• TAF 2 -               <ul style="list-style-type: none"> <li>○ For Women Enterprise</li> <li>○ Up to a maximum of 50% or RM1 million whichever is lower</li> </ul> </li> </ul>
<b>Commercialisation of R&amp;D Fund (CRDF)</b>	<ul style="list-style-type: none"> <li>• Project proposals must be listed under the Priority Technology Cluster</li> <li>• CRDF1,2,3               <ul style="list-style-type: none"> <li>○ Commercialisation of public sectors</li> </ul> </li> <li>• CRDF 4 (a)               <ul style="list-style-type: none"> <li>○ Commercialisation production by SME</li> <li>○ Up to 70% or RM4 million whichever is lower</li> </ul> </li> <li>• CRDF 4(b)               <ul style="list-style-type: none"> <li>○ Commercialisation Production by Large corp.</li> <li>○ Up to 60% or RM million whichever is lower</li> </ul> </li> <li>• CRDF 4 (c)               <ul style="list-style-type: none"> <li>○ Commercialisation Production by Large corp.</li> <li>○ Up to 60% or RM million whichever is lower</li> </ul> </li> </ul>
<b>Ministry of Science, Technology and Innovation (MOSTI)</b>	
<b>TECHNO FUND</b>	<ul style="list-style-type: none"> <li>• Pre-commercialization on activities, comprises development and up-scaling of new and novel technologies scale prototype up to commercial ready.</li> <li>• Project proposals relating to Advanced Manufacturing, Advanced Materials, Electronics, Information Technology and Multimedia Technologies, Biotechnology, Energy, Aerospace as well as other key technologies supportive of the industrial clusters</li> <li>• Up to maximum of the total project cost of RM5 million whichever is lower</li> </ul>
<b>MSC Research and Development Grant Scheme (MGS)</b>	<ul style="list-style-type: none"> <li>▪ Must already have MSC status accreditation at the time of application and must be at least 51 per cent Malaysian-owned</li> <li>▪ R&amp;D projects leading to the development of R&amp;D products and services across the multimedia value chain and the MSC Flagship Applications.</li> <li>▪ The MGS will provide a grant of up to RM1.2 million whichever is lower.</li> </ul>

<b>Loans/ Hyrid Grants For IP Owners</b>	
<b>IP Financing Scheme</b>  <b>Malaysia Debt Venture</b>	<ul style="list-style-type: none"> <li>• Financing of up to RM10 million or 80% of valued IP, whichever is lower</li> <li>• 5 years financing tenure (inclusive of a grace period of up to 12 months)</li> <li>• 2% p.a. interest/ profit equalization payment</li> <li>• 50% guarantee provided by the Government of Malaysia and administered by Credit Guarantee Corporation Malaysia Berhad</li> <li>• Discounted guarantee fee of 0.5% per annum</li> </ul>
<b>CIP 500</b>  <b>By Cradle Funds</b>	<p>Offers conditional grants of up to a RM500,000 (maximum of two consecutive approvals per company) to local start-up companies with innovative, technology-based products or services to attain commercialization</p> <p>Any start-up company which meets the following criteria:</p> <ul style="list-style-type: none"> <li>• At least 51% of the company's equity is held by Malaysians, and</li> <li>• The company is in operations for less than three years, and</li> <li>• The company owns the Intellectual Property (IP) rights of the product or service which is intended for commercialisation, and</li> <li>• The company already has a prototype which only requires another 8% to 10% product refinement work to meet market and industry expectations or demands.</li> </ul>

## **TAX INCENTIVES FOR IP OWNERS**

<b>MSC Status</b>  <b>Pioneer Status / ITA</b>	<ul style="list-style-type: none"> <li>• Incentive for 5-year full income tax exemption, renewable to 10 years (subject to conditions);</li> <li>• or a 100% Investment Tax Allowance (ITA) on new investments made in MSC</li> <li>• <b>Intellectual property protection</b></li> </ul>
<b>BioNexus Status</b>	<ul style="list-style-type: none"> <li>• 10-year tax exemption.</li> <li>• Availability of Commercialization grants to qualified companies.</li> <li>• Non-financial incentives include Soft loan for CAPEX,</li> <li>• <b>exempt income tax for royalties</b> and unrestricted employment for local and foreign knowledge worker</li> </ul>



### **Pintas IP Group Sdn Bhd**

**Kuala Lumpur Corporate Office:**  
Suite 2B-21-1, Level 21, Block 2B,  
Plaza Sentral, Jalan Stesen Sentral 5,  
KL Sentral, 50470 KL.

**Kuala Lumpur Correspondence  
and Operation Address:**  
No, 19, Jalan SS1/36, 47300 Petaling  
Jaya, Selangor.

**Tel:** 03-78765050

**Fax:** 03-78762678

**Email:** [pintas.my@pintas-ip.com](mailto:pintas.my@pintas-ip.com)

**PINTAS provides consultation and facilitation services on IP financing and tax incentives schemes for IP Owners.**

For more information about the IPFinance, please visit us at:  
[www.pintas-ip.com](http://www.pintas-ip.com)