



MTDC FUNDING ASSISTANCE

Malaysian Technology Development Corporation Sdn Bhd





Technology Transfer & Commercialisation

GRANTS

- Commercialisation of R&D Fund (CRDF)
- Technology Acquisition Fund (TAF)





CRDF

Commercialisation of R&D Fund



COMMERCIALISATION OF R&D FUND (CRDF)

CRDF

- ❑ Funding for commercialisation activities of locally developed technologies/research and development (R&Ds) undertaken by eligible Malaysian-owned companies.
- ❑ The technologies can be those developed by the public/private sectors or they can also be the output of in-house R&D activities by the companies.

*Commercialisation

- ❑ A new products or production process by which the results of research projects are converted to marketable products and are commercially produced.



ADDITIONAL ELIGIBILITY CRITERIA

	CRDF 1	CRDF 2	CRDF 3
Company Category	Spin-off from IHL/GRI/Start-up	SME	Non-SME
Source of Technology	Public & Private University (IHL) / Government Research Institute (GRI)	IHL / GRI / In-House	IHL / GRI / In-House
Quantum of Funding	70% of eligible expenses, capped at RM500k	70% of eligible expenses, capped at RM4.0 mil.	50% of eligible expenses, capped at RM4.0 mil.



CRDF 1

A spin off company:

- is defined as a company with local Public and Private University/Government Research Institution ownership.

A start up:

- is defined as a newly set up Small & Medium Enterprise (SME) established specifically as the vehicle for the commercialisation activities of the specific project.

Both types of companies are required to focus their commercialisation activities on business development while producing their product via out-sourcing mode.

Main objectives:-

1. Technology readiness; and
2. Market acceptance

Innovation & Commercialization

INNOVATION

New or better ways of doing valued things



COMMERCIALIZATION

The process of capturing the value, by taking the innovation to market





Eligible Expenses

a) Technology

- Cost of consultation

b) Administration and Overheads

- Cost of allowance for up to three management personnel
- Cost of office rental at any MTDC technology centre
- Cost of utilities (telephone, broadband, electricity and water)
- Purchase of computers and printers for up to three personnel only

c) Intellectual property and standards compliance

- Product testing to standards compliance only

d) Advertising, Marketing & Promotion

- Cost for brochures, exhibitions and advertisements
- Cost of website design and development

e) Cost of Production

- Cost of core raw materials
- Cost of packaging material
- Cost of production outsourcing
- Cost of product design
- Cost of packaging design

f) Value added services

- Business, financial, marketing and technical advisory services from MTDC Advisory and Value Added Services Division.



CRDF 2

CRDF 2 is a grant for the commercialisation of any local R&D by SME;

Note:

a) 'SME' is defined as below:-

Manufacturing Sector

Annual turnover not exceeding RM
50 million

OR

Employees not exceeding 200.



Illustration by Chris Gash

**Services Sector And Other
Sectors**

Annual turnover not exceeding
RM 20 million

OR

employees not exceeding 75.





Eligible Expenses

a) Equipment

Cost of the purchase of equipment for Production and Quality Control

b) Technology

Cost of technology/consultation/training

c) Administration and Overheads

Cost of allowance for technical personnel
Cost of office rental at any MTDC Technology Centre

d) Production

Cost of core raw materials

Payback

12.5% of the total approved amount excluding AVAS fees

Zero interest payment to start from the third year on instalment basis for a period of not more than 24 months.

e) Advertising, Marketing & Promotion

Cost of brochures, exhibition and advertisement
Cost of website design and development
Cost of product launching

f) Intellectual property and standards compliance

Cost of certification and standards compliance
Cost of IP registration and protection
Cost of product registration

g) Value added services

Financial, marketing, business and technical advisory services from MTDC's Advisory and Value Added Services division.



CRDF 3

CRDF 3 is a grant for the commercialisation of any local R&D by a 'non-SME'.

Note:

a) 'SME' is defined as below:-

Manufacturing Sector

- A company with annual turnover not exceeding RM 50 million OR having employees not exceeding 200.

Services sector and other sectors

- A company with annual turnover not exceeding RM 20 million OR having employees not exceeding 75.



CRDF 3

Note:

- b) 'Large company' is defined as a company which has an annual turnover AND employee count that exceed the numbers above, according to the respective sector.
- c) Public listed associated companies will be categorised in accordance to the structure of its shareholders; and
- d) State agency associated companies will be categorised in accordance to the structure of its shareholders.



Eligible Expenses

a) Equipment

Cost of the purchase of equipment for Production and Quality Control

b) Technology

Cost of technology/consultation/training

c) Advertising, Marketing & Promotion

Cost of advertisement and promotion
Cost of website design and development
Cost of product launching

Payback

50% of the total approved amount excluding AVAS fees

Zero interest payment to start from the third year on instalment basis for a period of not more than 24 months

d) Intellectual property and standards compliance

Cost of certification and standards compliance

Cost of IP registration and protection

Cost of product registration

e) Value added services

Financial, marketing, business and technical advisory services from MTDC's Advisory and Value Added Services division.



ESSENTIAL INFORMATION FOR APPLICATION

- Business plan
 - i. Itemised costing
 - ii. Manufacturing and operational plan
 - iii. Marketing plan
 - iv. Financial projection
 - v. Commercialisation plan
- Secretarial documents
- Curriculum Vitae of Management and Technical team
- Audited Account / Management Account
- Supporting documents
- Technology Transfer Agreement with U/RI

- Commercialisation of local R&D outputs
- By Malaysian-owned companies



TAF

Technology Acquisition Fund



Technology Acquisition

Bringing in new technologies from external sources rather than using firm's own internal R&D activities





Steps in Technology Acquisition



Identification of attractive technologies/ partners with technological capabilities



Assessment of these opportunities, selection of the most promising ones and consideration of the terms of the acquisition



Negotiation of the terms of the acquisition between inquirers and sellers



Transfer of the technologies to the acquirer, if these negotiations have been successful



INTRODUCTION

TAF is established to facilitate eligible Malaysian companies in the acquisition of foreign technologies for immediate incorporation into the company's manufacturing activity.

TAF's partial grant enables companies to avoid expensive and often risky technology development stages.

The acquisition of technology could be in the form of acquiring **know-how / IP exploitation / rights / blueprints** via one of the following methods:

- i. Licensing of technology; and**
- ii. Outright purchase of technology**



OBJECTIVES

- ❑ To promote technology upgrading through the introduction & utilisation of technologies in the manufacturing & physical development of existing & new products or processes;
- ❑ To enhance the competitiveness level of Malaysian companies to compete globally; and
- ❑ To increase wealth creation & technology content of Malaysian companies via acquisition of foreign technology.





ELIGIBILITY CRITERIA

- i. Companies incorporated in Malaysia;
- ii. The company must be at least **51%** owned by **Malaysian**;
- iii. The **technology** to be acquired must be a registered Intellectual Property (Patent/Copyright/Industrial Design) **with proven and significant sales volume**;
- iv. The proposed technology acquisition must be from one of the Priority Technology Clusters identified by MOSTI;
- v. The **technology provider must not hold any equity** in the applicant's company;
- vi. The proposed project must be **tangible** in nature or can be incorporated into tangible product;
- vii. Significant paid-up capital which commensurate with the total project cost (proof of the availability of the fund to finance the project.



ELIGIBLE ACTIVITIES

Funding types:-

i. **Cost of Technology Acquisition; or**

ii. **Cost of Technology Acquisition + Acquisition of M&E**

Cost of Technology Acquisition

i.e. for Licensing or Outright Purchase of Technology

Acquisition of Machine & Equipment (M&E)

Engagement of foreign individual within a specific area of expertise on process or product improvement

Training



FUNDING STRUCTURE

i. Cost of Technology Acquisition; or

Quantum Funding of up to of **70%** or **RM2.8million**, whichever is lower

ii. Cost of Technology Acquisition + Acquisition of M&E

Partial Grant of RM4,000,000 at 70:30 for technology cost (capped at RM2.8m) and 50:50 for the cost of machinery and equipment (capped at RM1.2m)

ESSENTIAL INFORMATION FOR APPLICATION



- Business plan
 - i. Itemised costing
 - ii. Manufacturing and operational plan
 - iii. Marketing plan
 - iv. Financial projection
 - v. Commercialisation plan
- Secretarial documents
- Curriculum Vitae of Management and Technical team
- Audited Account / Management Account
- Supporting documents
- Technology Transfer Agreement (Licensing / Outright purchase)
 - i. Amount of Licensing
 - ii. Market territory
 - iii. Royalty
 - iv. Duration
 - iv. Exclusivity
 - v. Payment schedule
 - vi. Project milestone



PRIORITY TECHNOLOGY CLUSTERS UNDER MOSTI

INDUSTRIAL TECHNOLOGY

**Advanced Manufacturing
Advanced Material
Renewal Energy
Nanotechnology
Machinery and Equipment
Food Processing and Production**

BIOTECHNOLOGY

**Agro Biotechnology
Healthcare
Industrial**

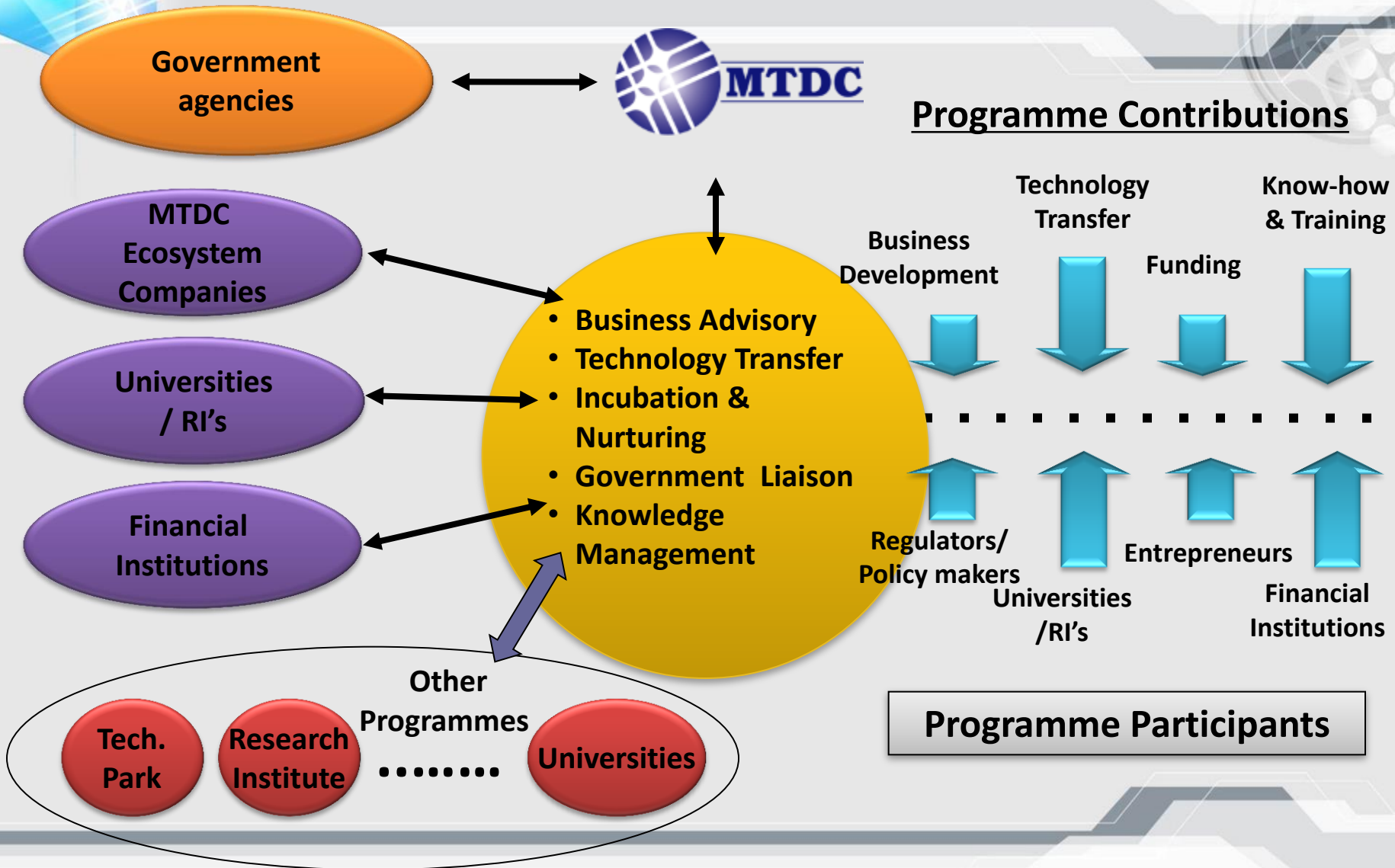
SEA TO SPACE

**Meteorology & Geophysics
Oceanography
Remote Sensing & GIS
Communication
Space Technology**

S&T Core

Environmental Sciences

Local Linkages





FOR MORE INFORMATION, PLEASE VISIT:
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COMMERCIALISATION

Funding | Nurturing | Consulting | Value Add

THE COMPLETE EQUATION



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<http://www.facebook.com/mtdcmalaysia>



<http://my.linkedin.com/in/mtdcmalaysia>



<http://www.youtube.com/user/mtdcmalaysia>



<http://www.flickr.com/photos/mtdcmalaysia>



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