

MTC IMPORT ASSISTANCE PROGRAMME 2018

Introduction

The Import Assistance Programme (IAP) established by the Malaysian Timber Council (MTC) is an off-shore sourcing programme for timber raw materials. This programme aims to encourage the development of small-and medium-enterprises (SMEs) of the timber industry in Peninsular Malaysia that are involved in manufacturing downstream value-added products for the domestic and export markets. The programme facilitates local timber manufacturers to import raw materials by defraying part of the freight and handling charges.

MTC's IAP consists three (3) categories:-

i. DIRECT SOURCING PROGRAMME (DSP)

A two-tiered disbursement to defray freight and handling charges incurred for the importation of timber raw materials.

ii. MISSION PARTICIPATION INCENTIVE (MPI)

A cost-sharing programme to facilitate trial shipment from new timber raw materials suppliers visited during MTC's Resource and Business mission.

Full reimbursement for ocean freight charges up to a maximum of two (2) forty-footer containers per company from the port of origin to any port in Peninsular Malaysia.

iii. INDUSTRIAL TESTING PROGRAMME (ITP)

To encourage SMEs to conduct feasibility studies on the suitability of new timber species for their production.

Full reimbursement for ocean freight charges up to a maximum of two (2) forty-footer container per company from the port of origin to any port in Peninsular Malaysia.

1. COMPANIES ELIGIBILITY

- Must be incorporated in Peninsular Malaysia and with manufacturing facilities.
- Must be a Malaysian-owned company (with 51% of share holding)
- Companies with 50% or more of majority common shareholders may participate in the programme.
- Small and medium enterprises (SMEs) as per the definition by SME Corporation Malaysia or companies with sales turnover of RM50 million per year and below.

- Companies within the same group shall have different core businesses.
- Must be a member of any one of the following associations;
 - Association of Malaysian Bumiputra Timber & Furniture Entrepreneurs (PEKA);
 - Malaysian Furniture Council (MFC);
 - Malaysian Wood Industries Association (MWIA);
 - Malaysian Wood Moulding & Joinery Council (MWMJC);
 - The Malaysian Panel-Products Manufacturers' Association (MPMA);
 - The Timber Exporters' Association of Malaysia (TEAM).

2. TIMBER RAW MATERIALS

- Timber raw materials must be in the form of round logs, sawntimber, veneer, mouldings, plywood, panels, semi-processed products, and timber components deemed suitable by MTC.
- The timber raw materials must be from a legal source.
- Import of timber materials from Sabah and Sarawak is also permitted under the programme.
- Final port of destination shall be a port located in Peninsular Malaysia.

3. INCENTIVES

i. Direct Sourcing Programme (DSP)

Eligibility per company:

	Per company
Maximum Volume/Quantity (m ³)	1,500 m ³
Reimbursement Rate	<p>*Importation from foreign countries:</p> <ul style="list-style-type: none"> i. RM50/m³ – 1st 1,000 m³ ii. RM40/m³ – 2nd 500 m³ <p>*Importation from Sabah/Sarawak:</p> <ul style="list-style-type: none"> iii. RM70/m³ – 1st 1,000 m³ iv. RM60/m³ – 2nd 500 m³

Eligibility per group of companies:

- up to 5,000 m³ per year **OR**
- up to RM150,000 per year

No.	No. of company	Maximum Volume/Quantity (m ³)
i.	2 companies	Each subsidiary is eligible for the following: i. 1,500 m ³ at RM50/m ³ for 1 st 1,000m ³ and RM40/m ³ for 2 nd 500m ³
ii.	3 companies	Each subsidiary is eligible for the following: i. 1,000 m ³ at RM50/m ³
iii.	4 companies	Each subsidiary is eligible for the following: i. 1,500 m ³ at RM30/m ³ – 1st company ii. 1,500 m ³ at RM30/m ³ – 2nd company iii. 1,500 m ³ at RM30/m ³ – 3rd company iv. 500 m ³ at RM30/m ³ – 4th company

ii. Mission Participation Incentive (MPI) and Industrial Testing Programme (ITP)

- Full reimbursement for ocean freight charges up to a maximum of two (2) forty-footer container per company from the port of origin inbound to any port in Peninsular Malaysia.

4. REGISTRATION

- Application for Direct Sourcing Programme 2018 (DSP), industry members can apply online from 15 December 2017 onwards via www.mtc.com.my.
- Documents to be submitted with:
 - i. Latest Form of Section 14 (certified as true copy) as per the Companies Act 2016 or Form 24 and 49 (certified as true copies) as per the Companies Act 1965
 - ii. Latest annual return; and
 - iii. Latest audited account statement.
- Application for Mission Participation Incentive (MPI) and Industrial Testing Programme (ITP), industry members can download the application Form for MPI or ITP from the IAP Portal. The completed form to be submitted to MTC either by email or fax.

5. NON-COMPLIANCE (Penalty)

- Company registered with IAP should declare and confirm that the raw materials are imported from legal sources and the products are used for the company's own production and not for re-export and/or traded.
- In the event of non-compliance, the company must undertake to refund in full the disbursement amount back to MTC.

6. REIMBURSEMENT

i. All applications for the IAP reimbursement must be submitted online via IAP Portal (www.mtc.com.my/iap) **within 30 days** from the import date as per custom receipt/declaration. Certified true copies of the following documents to be submitted:

- i.* Purchase Order/Contract
- ii.* Bill of Lading
- iii.* Legality Certificate(s) (if any)
- iv.* Custom Official Receipt (if any)
- v.* Custom Declaration Form
- vi.* Special Calculation of Import (if any)
- vii.* Commercial/Supplier's Invoice(s)
- viii.* Packing List
- ix.* Forwarding Invoice(s)
- x.* Ocean Freight Invoice(s)
- xi.* Terminal Operators' Invoice(s)
- xii.* Land Transportation Invoice(s)
- xiii.* Self Declaration Letter (if any)

ii. Reimbursement is based on a **first-come, first-serve basis** until the direct sourcing fund is fully utilised.

iii. Raw material imported is subject to periodical audit by MTC staff either at the port or at the factory premises from time to time.