

Frequently Asked Questions Digital Innovation Fund (DIGID)

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General

1. What is DIGID?

Digital Innovation Fund (DIGID) was established to co-fund innovative projects that demonstrate the use of technology to allow new and competitive propositions in the Malaysian capital market. DIGID aims to encourage technology investments by smaller capital market players and the development of industry-wide solutions, impacting capital raising and investment activities.

2. What are the objectives of DIGID?

DIGID aims to achieve the following objectives:

- Assist and catalyse smaller capital market players in their digital transformation journey
- Spur further innovation in capital market products and services
- Drive further efficiency and productivity in capital raising and investment activities
- Spur greater inclusion to serve markets or segments which are underserved

3. What are the intended outcomes of DIGID?

DIGID is intended to encourage digital adoption among smaller capital market players that will lead to one or more of the following outcomes:

- New sources of growth
- Enhanced process efficiency
- Improved customer delivery, experience, and satisfaction
- Enhanced risk management and regulatory compliance efficiency

Application

1. How to apply?

Submit your application form and relevant supporting documents to digid@seccom.com.my starting from 1 January 2023.

2. When can I apply?

Application period is open from 1 January 2023 to 30 November 2023, or until funds are fully utilised (whichever is earlier).

For any queries, please email us at digid@seccom.com.my

3. What are the types of projects eligible for this fund?

Projects that are eligible for this fund (**Eligible Project List**) are projects which intend to adopt technology and digital solutions that:

- i. contribute towards novel or improved capital market products and services in Malaysia; and/or
- ii. address inefficiencies and pain points faced in any of the following capital market focus areas:
 - Trading or post-trade
 - Portfolio development and management
 - Financial planning/ Investment advisory
 - Customer profiling and analysis
 - Valuation and onboarding; due diligence and credit scoring
 - Other supporting capital market activities approved by the Securities Commission Malaysia

Priority will be given to projects which:

- Implement new capabilities;
- Contribute towards affordability and/or efficiency of products and services; and/or
- Are potentially scalable, with industry-wide impact.

All qualifying solutions must be deployed and used in Malaysia.

4. Who is eligible to apply?

SC-regulated capital market players* with a headcount of up to 75 staff or revenue up to RM20 million**

* SC-regulated capital market players refer to:

- Capital Markets and Services Licence holders
- Registered Venture Capital Corporations or Registered Venture Capital Management Corporations
- Registered Private Equity Corporations or Registered Private Equity Management Corporations
- Registered Credit Rating Agencies or Registered Bond Pricing Agency
- Registered Capital Market Services Providers: Trustees or Issuing Houses
- Recognized Market Operators

** Aligned with definition of MSME for services sector as per the Guidelines for SME Definition issued by SME Corp. Malaysia

5. Can I still apply if my project does not fall within the Eligible Project List as stated in No. 3 above?

No.

6. Can I still apply for an ongoing project(s) that started prior to the commencement of DIGID?

No. Applicants are required to formally submit their applications before project commencement.

7. Can I submit multiple applications for different projects concurrently for this fund?

Yes, it is possible to submit multiple applications for different eligible projects concurrently. For example, a stockbroking company may submit solutions that aim to address inefficiencies in two eligible capital market focus areas, i.e.

- i. customer profiling and analysis; and
- ii. post-trade

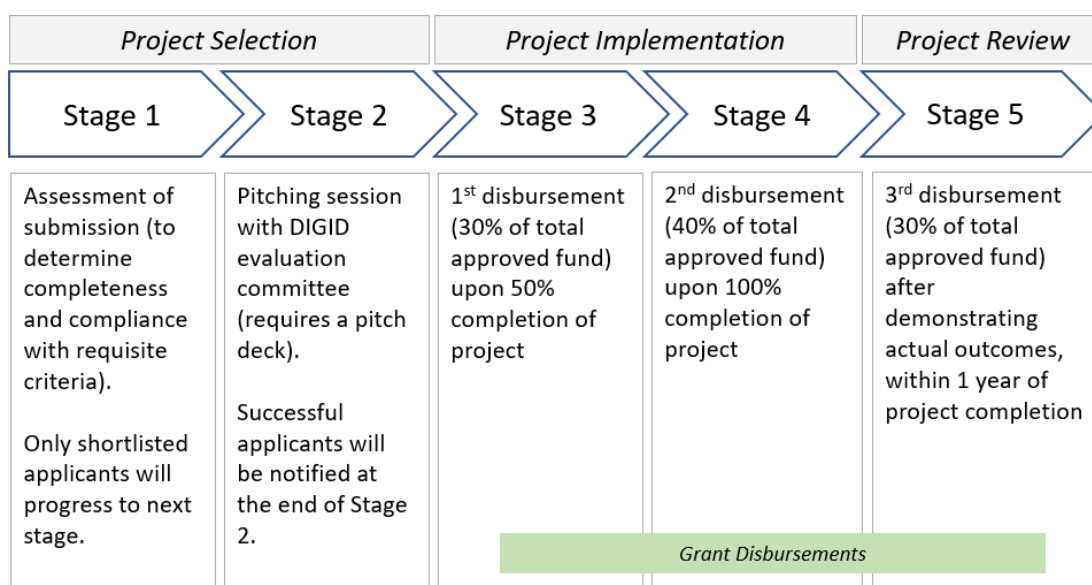
However, the two projects will be treated as separate projects and will be evaluated and funded separately.

8. What is to be expected after applying?

Only an applicant who has submitted a complete application will be notified by the SC for further assessment. The SC reserves the right to return an incomplete application.

The submission of a complete application does not automatically qualify for approval of application.

The SC will assess applicants' eligibility based on the stated qualifying criteria in No. 3 and 4 above and will notify applicants on the outcomes of the project selection process via email.



9. Can a solution provider or any other person apply on behalf of the applicant?

No. Each eligible applicant must submit its own application.

Funding

1. What is the amount of funding that will be granted to successful DIGID applicant?

DIGID will be administered on a **co-funding basis**, up to 70% of the approved qualifying expenses per project. The total amount of disbursements per project will be capped at RM500,000.

2. How will the fund be disbursed to a successful applicant?

The funds will be disbursed on a reimbursement basis in accordance with the following:

Percentage Of Total Approved Fund Disbursements	Milestones
30%	Upon 50% completion of project
40%	Upon 100% completion of project
30%	After demonstrating actual outcomes (as per approved project proposal), within 1 year of project completion

DIGID recipients are required to submit three (3) agreed project milestone reports and relevant supporting documents prior to each respective tranche disbursement (in such form and manner as specified by the SC).

3. What are the potential approved qualifying expenses?

Potential approved qualifying expenses include all costs directly associated to the project, which may comprise the following:

- Hardware and software, including licences, maintenance costs, etc;
- Professional services; and
- Any other project implementation costs, as approved by the SC

Others

1. What is the project implementation period under DIGID?

The project must be implemented within the approved project timeline, which shall not exceed an 18-month period.

2. What if I exceed the approved implementation period?

The project must meet the agreed milestone and/or deliverables within the approved implementation period to be eligible for each reimbursement.

- 3. Can I still apply for DIGID if I have been granted or is currently enjoying other grants administered by any other organizations for the same project under consideration?**

No.