Bernama - Govt Allocates RM100 Mln To Help Startups Affected By COVID-19

Friday, May 08 2020

PUTRAJAYA, May 8 -- The Ministry of Finance (MoF) has allocated RM100 million to Malaysia Debt Ventures Bhd (MDV) to fund the Technology Start-up Funding Relief Facility (TSFRF) to assist technology startups affected by the COVID-19 pandemic.

The facility managed by MDV, an agency under the Ministry of Science, Technology and Innovation (MOSTI), provides financial assistance to support the companies cash flows and ensure continuity of the business operations of the selected companies.

Science, Technology and Innovation Minister Khairy Jamaluddin said the TSFRF financing programme would start on May 15 and was expected to benefit between 60 and 80 local technology startup companies, with maximum financing limited to RM2.5 million.

"This is one of our efforts to reduce the burden of the startup companies and we will ensure all fees such as legal fees, additional costs, and others are exempted.

"The application process for this fund is made simple, meaning there will be a shorter application process, shorter assessment period and quick disbursement, without compromising the credit assessment aspects from MDV," he said in a press conference, which was also attended by Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz, here today.

Khairy said companies that are interested to apply for this financing facility must meet four criteria, namely good strategic position, competitiveness position, growth potential and credit assessment.

According to him, the findings from a survey by the Malaysian Global Innovation and Creativity Centre (MaGIC) found that more than 50 per cent of startups in Malaysia needed between RM500,000 and RM1 million to ensure the sustainability of their business operations throughout this year.

Asked whether the RM100 million funding would be sufficient to help the startups, Khairy said for the moment, the amount was enough and adequate for the government to assist a large part of the startup companies that have the potential to survive.

Meanwhile, Tengku Zafrul said the MoF would consider increasing the financing facility if the applications for it is high.

--BERNAMA

Federal Government Administrative Centre,
62592 WP PUTRAJAYA

03-8000 8000
03-88823893 / 03-88823894

Session

Profile Information

Memory Usage

Database Queries