MDEC™ MINISTRY OF DIGITAL MD MALAYSIA DIGITAL

DIGITAL CONTENT GRANT 2026

Accelerating the Growth of Original Malaysian Digital Content IPs for Global Success

BRIEFING DECK



MDEC @30 MALAYSIA MADANI Visit Malaysia 2026 Truly Asia

GRANT OBJECTIVES

From IP Creation to Global Commercialisation

BACKGROUND

Digital Content Grant (DCG) is an IP creation initiative designed to support local creative content companies in developing, producing and marketing their digital content in Animation, Digital Games, Digital Comic and Creative Technology Content.

1. To create and develop original works for the Animated Series and Feature Film, Digital Game, Digital Comic and Creative Technology in the digital content industry

2. To create sustainable enterprises in terms of job creation (including female empowerment in the workplace), business planning and market expansion

3. To develop talents by leveraging on international partners to enhance creative, technical and human capital competencies locally; and

4. To support the creation of Malaysian-owned or Malaysian-shared Intellectual Property (IP) by entities registered in Malaysia

CALL FOR APPLICATION

MEGA GRANT *(NEW)*	To develop, produce, and commercilise original animation or digital games IPs for global success
MARKETING & COMMERCIALISATION GRANT	To scale ready products of animation or digital games IPs with commercial potential

SCOPE OF PROJECTS

From IP Creation to Global Commercialisation



01 ANIMATION

- Animated Series;
- Animated Feature Film; or
- Short Animated Film.



02 DIGITAL GAMES

- Mobile Game;
- Computer/Web;
- Console; or
- Gamification.

TYPE OF GRANTS & QUANTUM

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	MEGA GRANT *(NEW)*	MARKETING & COMMERCIALISATION GRANT
CEILING AMOUNT	**RM 2,000,000**	**RM 300,000**
OBJECTIVE	To develop, produce, and commercilise original animation or digital games IPs for global success	To scale ready products of animation or digital games IPs with commercial potential
GRANT ASSISTANCE	• Up to 50% of Project Cost, or the ceiling amount, whichever is lower	• Up to 100% of project cost or the ceiling amount, whichever is lower; and • Up to 40% of grant allocation for salaries, IT Hardware and software relation to marketing and commercialisation costs.
DURATION	• Up to 24 months of Project completion • 36 months of revenue sharing upon Project Completion Date	• Up to 6 months of marketing & commercialisation activities
REVENUE SHARING	**10% Net Sales Revenue Share** (For 3 years upon Project Completion Date)	• Not Applicable for revenue sharing
PROJECT MOBILISATION	• 20% of the approved amount	• 20% of the approved amount

REVENUE SHARING MECHANISM

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MEGA GRANT *(NEW)*

Commencement of Revenue-sharing

- The obligation to commence revenue-sharing with MDEC shall begin upon Project Completion Date for a period of 3 years.
- The Recipient shall pay MDEC a revenue share based on Net Sales Revenue at a fixed rate of 10%.
- Net Sales Revenue shall be calculated from Gross Sales Revenue after deducting **ONLY** the following:

  i. Platform, distributor, or publishing commissions/fee (e.g., Steam, App Store, screening fees)
  ii. VAT/GST/Sales/Entertainment tax or any applicable tax;and
  iii. Refunds and chargebacks

- No other deductions (including marketing, operating expenses, overheads, development costs, or corporate expenses) shall be allowed unless expressly approved in writing by MDEC.

Obligation & Period

- All revenue-sharing obligations shall be deemed fully satisfied upon the expiry of the three (3)-year revenue-sharing period from the commencement of revenue sharing.
- For the avoidance of doubt, there shall be no penalty, clawback, or additional financial obligation arising from underperformance revenue during the revenue-sharing period.



MDEC™

10% Net Sales Revenue Share (For 3 years post-launch)

ANIMATION REQUIRED OUTPUT

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Scope of Project	Mega	
	Minimal Output	Optional
ANIMATION a. Animated Series; b. Animated Feature Film; or c. Short Animated Film.	1. Complete Animated Series, Animated Feature Film or Short Animated Film; Example of final output: <u>Animated Series</u> 11 minutes x 26 episodes; or 21 minutes x 13 episodes; or 7 minutes x 39 episodes <u>Animated Feature Film</u> • Minimum of 75 minutes <u>Short Animated Film</u> • 15 - 25 minutes 2. Feedback from at least one (1) commercial organisation such as broadcaster, content distributor, publisher, merchandise licensee, investor, industry consultant etc,; and	• Completed production pitching materials.

ANIMATION REQUIRED OUTPUT

From IP Creation to Global Commercialisation

Scope of Project	Mega
	Minimal Output
ANIMATION a. Animated Series; b. Animated Feature Film; or c. Short Animated Film.	3. Evidence of commercialisation of the completed product, including: a. Commercial Agreement with, including but not limited to, the following platforms: i. OTT/streaming platform; or ii. Cinema/theatrical screening; or iii. International content marketplace; or iv. Monetised online platform; And b. Confirmed release commitment of the completed product.

GAMES REQUIRED OUTPUT

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Scope of Project	Mega	
	Minimal Output	Optional
DIGITAL GAMES a. Mobile; b. Computer; c. Web; d. Console; or e. Gamification.	1. The completed playable game or gamification content. Example of final output:- Minimum 1 hour gameplay with multiple levels 2. Feedback from at least one (1) commercial organisation such as broadcaster, content distributor, publisher, merchandise licensee, investor, industry consultant etc; and 3. Evidence of commercialisation of the completed product, including: a. Commercial Agreement with, including but not limited to, the following platforms: i. Digital game distribution platform; or ii. Console marketplace/storefront; or iii. Mobile application store; or iv. Online game publishing platform; or v. Monetised online platform. And b. Confirmed release commitment of the completed product.	• Completed production pitching material

ANIMATION REQUIRED OUTPUT

From IP Creation to Global Commercialisation

Scope of Project	Marketing & Commercialisation
	Minimal Output
ANIMATION a. Animated Series; b. Animated Feature Film; or c. Short Animated Film.	• Marketing and promotional activities execution; • Letter of Intent/ Broadcaster Deal/ Distributor Deal/ Investor Deal/Publisher Deal; • Minimum of 2 pitching sessions to buyers/investors; and • Media coverage.
DIGITAL GAMES a. Mobile; b. Computer; c. Web; d. Console; or e. Gamification.	

EXAMPLE OF ACTIVITIES

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The Grant may be utilised to undertake the following activities:

Mega Grant
a. Pre-production – script, storyboard, animatic;
b. Production - Animation, VFX, film shooting, game level development, content development, interactive development, simulator;
c. Post- production – editing, music scoring, audio, sound effect, voice over, film transfer, compositing;
d. Marketing & promotion activities (refer to Marketing and Commercialisation Grant activities) and/or
e. Other activities related to the approved Project identified by the Approval Committee.

EXAMPLE OF ACTIVITIES

From IP Creation to Global Commercialisation

The Grant may be utilised to undertake the following activities:

Marketing & Commercialisation Grant	
a. Cost of dubbing to other languages;	g. PR and communications -branding and product placement strategy;
b. Production of marketing materials -printing brochures, sales kit, flyer, bunting, mascot, game trailer etc;	h. Festivals and awards related cost;
c. IP extensions developed as marketing and promotion tools such as Animation, apps games, comic, artbook, related media (soundtrack, songs). The grant shall not be used for the production, continuation, or enhancement of the main IP product (e.g. producing additional episodes, levels, or content of the core IP).	i. Events - launching, press conference, roadshows, showcases;
d. IP registration in Malaysia and outside Malaysia – trademark and copyright;	j. Licensing and merchandising development including IP style guide, prototypes;
e. Media buy cost. e.g airtime,print/digital advertisements etc;	k. Market access and business development activities – participation in international trade markets, pitching sessions, business matching. Claims under this category are only applicable provided that the Applicants/Recipients declare that the same expenses have not been claimed under the Market Development Grant (MDG) by Malaysia External Trade Development Corporation (MATRADE); and/or
f. Promotion campaign via social media, streamers, influencers etc.;	l. Other activities related to the approved Project identified by the Approval Committee.

ELIGIBLE EXPENSES

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No	Description
1	**Salary** limited to personnel involve directly with the Project (excluding Applicant/Recipient's directors, shareholders, *C-Level, finance, HR, admin and non tech personnel Eg: intern, despatch and etc); *Only (1) Director/shareholder of the Company that involved in the Project is allowed.
2	**Cost of IT Hardware and IT equipment** associated with the development of the Project;
3	Cost of **Software** associated with the development of the Project;
4	**Cost associated to obtain IP protection** (e.g: patents, trademarks, copyright, other forms of IP Protection, legal and professional services);
5.	**Marketing, Commercialization, Licensing and Distribution cost**;
6	**Outsourcing Cost** which (i.e. cost incurred by the third party appointed/engaged by the Applicant/Recipient for the development of the Project) **not more than 20% from the grant amount requested** . To provide the justification if outsourcing outside of Malaysia; (**Applicable to Mega Grant Only**)

ELIGIBLE EXPENSES

From IP Creation to Global Commercialisation

No	Description
7	Any cash transaction **MUST not exceed RM1,000 per invoice.** Cash transaction is not applicable for salary and outsourcing;
8.	Audit fees in engaging independent external auditor for grant purposes, not exceeding RM5,000 per project; and/or
9.	Any other eligible expenses identified and recommended by Grant Recommendation Committee (GRC) or similar evaluation committee and approved by the rightful Approval Committee.

NON-ELIGIBLE EXPENSES

From IP Creation to Global Commercialisation

No	Description
1	Any form of taxes and duties;
2	Expenses in obtaining certification & accreditation for professional development;
3	Maintenance of plant / equipment;
4	Mobile phones, Camera, Tablets, laptops and personal computer (including additional accessories not part of hardware bundle ie additional mouse, cable; printer and other peripherals) for general use;
5	Furniture and Fittings;
6	Utilities (phone bills, electricity, internet), printing, office rental, stationaries, secretarial;
7	Travelling expenses which includes mileage, food and beverage and accommodations;
8	Incentives that support political campaigns and/or of political nature;
9	Incentives for faith-based activities;
10	Depreciation costs;
11	Debts and debt service charges, fines, financial penalties and expenses of litigation;

NON-ELIGIBLE EXPENSES

From IP Creation to Global Commercialisation

No	Description
12	Bank charges, costs of guarantees and similar charges;
13	Conversion costs, charges and exchange losses;
14	Provision for losses or potential future liabilities;
15	Any expenses or claims, including outsourcing costs, incurred by related parties of the Applicant/Recipient for project development, testing, and certification;
16	Credits to third parties;
17	Market access and business development activities – Any expenses have been claimed under MATRADE's MDG. and/or
18	Any other expenditures non-related to the Project.

DOCUMENTS REQUIRED FOR MILESTONE CLAIM

1 Project Milestone Verification

- The Grant Recipient shall submit and present the project milestone achievement to the Project Milestone Verification Committee.

Submission shall include:

- Project progress report
- Evidence of completed deliverables / KPIs.

2 Endorsement of Project Milestone Deliverables

- The Project Milestone Verification Committee shall evaluate the milestone deliverables submitted.
- Project Milestone Deliverables must be completed and satisfied by the Project Milestone Verification Committee before proceeding with the claim submission.

3 Claim Submission & Verification

- The Grant Recipient shall submit the approved allowable claims together with supporting documents within 30 days from acceptance of milestone deliverables by MDEC or milestone due date, whichever is earlier.
- Milestone claim shall be processed upon completion and satisfaction of project milestone and claim documents.
- All supporting claim documents must be verified by an External Auditor.
- External Auditor must be a registered audit firm with the Malaysian Institute of Accountants (MIA).

***MDEC reserves the right to request additional information from the Grant Recipient at any time.**

DOCUMENTS REQUIRED FOR MILESTONE CLAIM

Forms to submit with the claim:

- Annexure 5A (Form of Utilisation Request for First Drawing – Mobilisation)
- Annexure 5B (Form of Utilisation Request for every Drawing subsequent to the First Drawing)
- Annexure 5C (Audit Verification Letter by External Auditor*)

**External Auditor must be from an audit firm registered with the Malaysian Institute of Accountants (MIA).*

Type of Claim Expenses *(whichever applicable)*	Required Supporting Documents verified by External Auditor (in Softcopy)
Project Personnel Salaries	• Payslip; or • Payment Voucher (only applicable for consultant / freelance) • Bank Statement as proof of payment • Employment Letter or Contract of Service
IT Hardware and IT Equipment & Software	• Invoice • Receipt • Bank Statement as proof of payment • Copy of claim form and proof of reimbursement (if applicable – for payment made by Individual) • Payment via credit card (invoice & receipt show office address)
Outsourcing	• Invoice • Receipt • Bank Statement as proof of payment
Intellectual Property (IP)	• IP Application Registration form • Official Receipt by Government's IP Legislation Administrator • Invoice • Bank Statement as proof of payment
Marketing and Commercialisation	• Quotation • Invoice • Receipt • Bank Statement as proof of payment

IMPORTANT NOTES

1 Eligible Expenses Incurred by the Company

The expenses **MUST** be made by the Company, and all relevant supporting claim documents must be verified by an External Auditor.

2 Eligible Expenses Incurred within the Eligible Period

The expenses **MUST** be incurred during the Project Duration, or up to 30 days from the Project Completion Date, whichever is earlier.

Grant is reimbursement basis.

***MDEC reserves the right to request additional information from the Grant Recipient at any time.**

ELIGIBILITY CRITERIA

From IP Creation to Global Commercialisation

MEGA GRANT

Local Company

Local Company:

i. In operation for at least one (1) year as of the date of submission;
ii. Incorporated in Malaysia under Companies Act 1965 or the Companies Act 2016;
iii. Active and minimum of 51% equity held by Malaysian(s);
iv. Minimum issued share capital of RM50,000.00; and
v. Must be awarded and maintain - with Malaysia Digital (MD) or MSC Malaysia status including to comply with the MSC/MD Bill of Guarantees (BoGs) or, any other stipulated requirements, including the following :

No compliance issues, as follows:

a) Application Stage : No unresolved Notice of Breach and/or Show cause Letter
b) Monitoring Stage : No Notice of Breach and/or Show cause Letter issued during the project period

- Submission of the latest Malaysia Digital Industry Report (MDIR) survey; and.
- Submission of the required compliance period declaration for Self-Declaration Form (SDF) for MD status companies.

OR

Foreign and registered Company

Foreign and registered Company:

i. In operation for at least one (1) year as of the date of submission;
ii. Incorporated in Malaysia under Companies Act 1965 or the Com panies Act 2016;
iii. Minimum issued share capital of RM100,000.00; and
iv. Must be awarded and maintain - with Malaysia Digital (MD) or MSC Malaysia status including to comply with the MSC/MD Bill of Guarantees (BoGs) or, any other stipulated requirements, including the following :

No compliance issues, as follows:

a) Application Stage : No unresolved Notice of Breach and/or Show cause Letter
b) Monitoring Stage : No Notice of Breach and/or Show cause Letter issued during the project period

- Submission of the latest Malaysia Digital Industry Report (MDIR) survey; and.
- Submission of the required compliance period declaration for Self-Declaration Form (SDF) for MD status companies.

ELIGIBILITY CRITERIA

From IP Creation to Global Commercialisation

MARKETING & COMMERCIALISATION GRANT

Local company

Local company:

i. In operation for at least one (1) year as of the date of the submission;
ii. Incorporated in Malaysia under Companies Act 1965;
iii. Active and minimum of 51% equity held by Malaysian(s);
iv. Minimum issued share capital of RM20,000.00; and
v. Must be awarded and maintain - with Malaysia Digital (MD) or MSC Malaysia status including to comply with the MSC/MD Bill of Guarantees (BoGs) or, any other stipulated requirements, including the following :

No compliance issues, as follow:

a) Application Stage : No unresolved Notice of Breach and/or Show cause Letter
b) Monitoring Stage : No Notice of Breach and/or Show cause Letter issued during the project period

- Submission of the latest Malaysia Digital Industry Report (MDIR) survey; and.
- Submission of the required compliance period declaration for Self- Declaration Form (SDF) for MD status companies.

GENERAL ELIGIBILITY CRITERIA

From IP Creation to Global Commercialisation

No	Description
2.	Not the subject of liquidation/winding up/bankruptcy order and has no going concern issue**. [**If the Applicant/Recipient has going concern issue (as reported in their latest audited account), the Applicant/Recipient is to provide a letter of undertaking or equivalent by the shareholder and/or authorised director (whichever applicable as per the Applicant/Recipient's level of authority) of the Applicant/Recipient to undertake that in the event that their application is approved, the Applicant/Recipient shall perform its obligations under the terms and conditions to be issued by MDEC and the said shareholder and/or authorised director to provide financial support to the Applicant/Recipient to enable the Applicant/Recipient to meet its obligations and/or liabilities under the terms and condition.]
3.	Director(s) and shareholder(s) of the eligible Applicant/Recipient shall declare and disclose any actual or potential conflict of interest including any business relationship and/or family relationship with any of MDEC's directors, employee, individual consultant and/or any authorized representatives of MDEC at the point of application and on a continuous basis throughout the availability period of the Grant. Failure to disclose in writing of such conflict may result in disqualification, suspension, termination of the Grant and/or any other action as may deemed appropriate by MDEC.
4.	Director(s) and shareholder(s) of the eligible Applicant/Recipient to declare if they are under any litigation or legal proceeding ie. litigation/legal proceeding related to criminal offences, offences under any applicable laws, insolvency, or cases related to MDEC.

GENERAL ELIGIBILITY CRITERIA

From IP Creation to Global Commercialisation

No	Description
5.	Director(s) and shareholder(s) of the eligible Applicant/Recipient to declare if they are blacklisted, listed under alert list/watchlist by Malaysian authorities/enforcement bodies including but not limited to Malaysian Anti-Corruption Commission (MACC), Bank Negara Malaysia (BNM), Securities Commissions Malaysia (SC) and Malaysia Digital Economy Corporation (MDEC). In the event, the Director(s) and shareholder(s) are blacklisted, listed under alert list/watchlist the said Applicant/Recipient shall be disqualified.
6.	Applicant/Recipient with common shareholder(s) can only apply for one (1) grant per one (1) project administered by MDEC at any one time (this requirement is not applicable to venture capital investors and registered market operator e.g.: Equity Crowdfunding Platforms).
7.	If Applicant/Recipient previously has received any MDEC/government grant*, the Applicant/Recipient must: i. Demonstrate the completion of the funded project(s); and ii. Declare any notice of non-compliance/breach being recorded during the period of the funded project(s). If the Applicant/Recipient currently has on-going grant with other government agencies, the Applicant/Recipient to prove that the project is different (not overlap with the proposed Project under MDEC's grant) and has no non-compliance/breach issues being recorded during the period of the funded project(s) (via a letter from grant awarding entity or equivalent). *Limited to 5 years records from the approval of the respective grant.

GENERAL ELIGIBILITY CRITERIA

From IP Creation to Global Commercialisation

No	Description
8.	Past MDEC Grant Recipients can only reapply after one (1) year from the Project completion date (grant closure email date). Exceptions are granted to: i) Recipients of Mini/Prime Grant applying for Mega Grant for the same Project, or ii) Recipients of Mini/Prime/Mega Grant applying for Marketing and Commercialization Grant for the same Project.
9.	Not a broadcaster, television networks, over-the-top (OTT) platforms, publishers or media Company.
10.	The Director(s) and shareholder(s) of the Applicant/Recipient shall not owe any amounts to MDEC due to claw back issues from previous grants.

SPECIFIC CONDITIONS

From IP Creation to Global Commercialisation

- The Grant recipient shall **create Job Opportunities** in the development of the project as may be specified by MDEC. The said jobs must be **filled by Malaysians**; and

- The Grant Recipient shall ensure that at all times during the Project Duration and the Availability Period **more than fifty percent (50%) of the Project Personnel involved in the project are Malaysians**.

EVALUATION CRITERIA

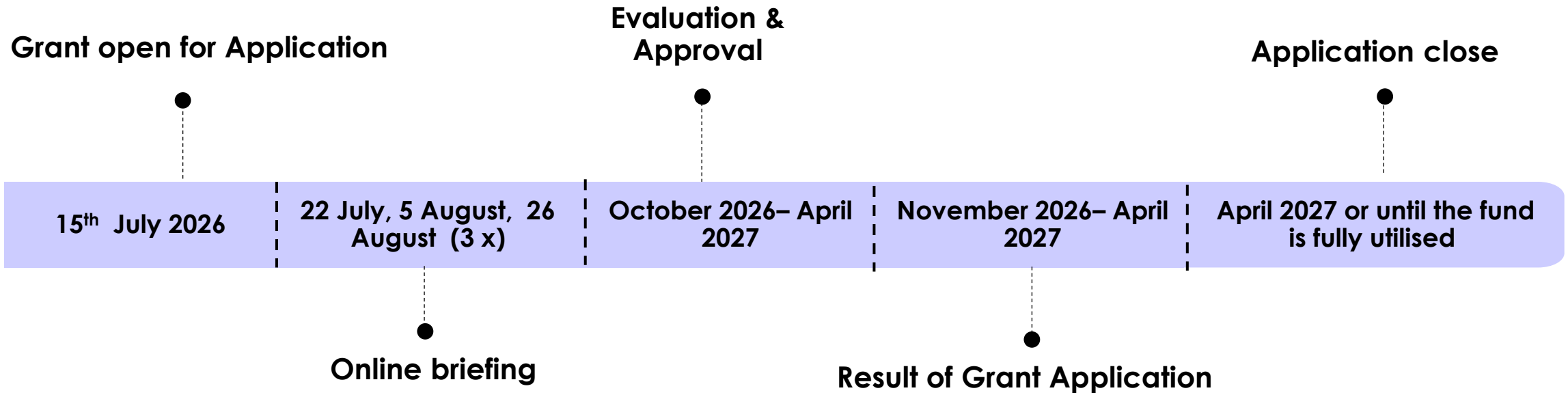
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Scope of Evaluation – must include but not limited to the followings:-

1. Strength of the Applicant's capability to complete the Project;
2. Strength of the Project being in line with the objective of the Grant(s);
3. Strength of the Project from the project output, outcome perspective;
4. Strength of the Project being completed given the resources allocated;
5. Strength of the sources of funds available to fund the balance of the Project cost and Applicant's funding commitment to the Project;
6. Strength of the commercial viability of the Project;
7. Merit of Applicant's financial stability i.e. cashflow, profitability of the company etc.; and
8. Merit of the overall proposed Project.

TIMELINE 2026

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Notes :

1. No resubmission is allowed once application is rejected. Kindly ensure that all eligibility criteria is met prior applying the grant application.
2. MDEC will process application in stages, subject to the availability of funds. The result will be shared within 40 working days from the complete submission of all submission required by MDEC.

APPLICATION JOURNEY

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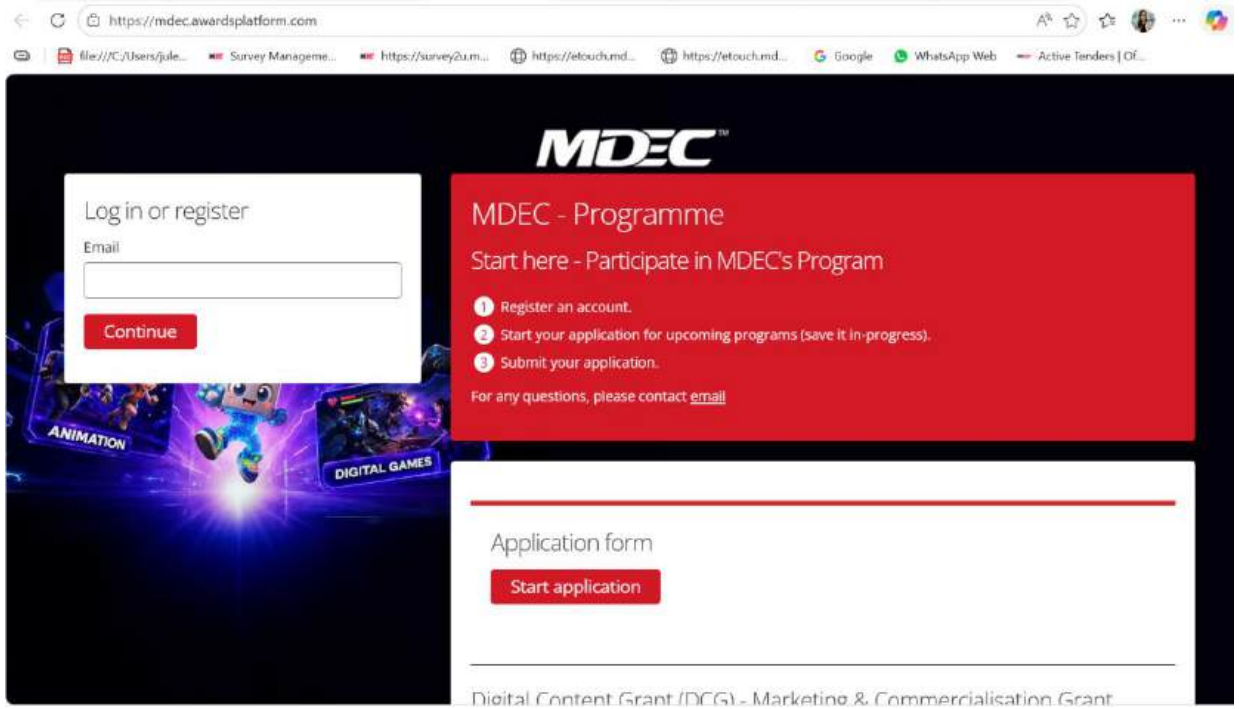
For more information:
https://www.mdec.my/grants/dcg

Apply now at:
https://mdec.awardsplatform.com/

Any inquiries, kindly email to
clic@mdec.com.my

STEP 1: ACCOUNT REGISTRATION

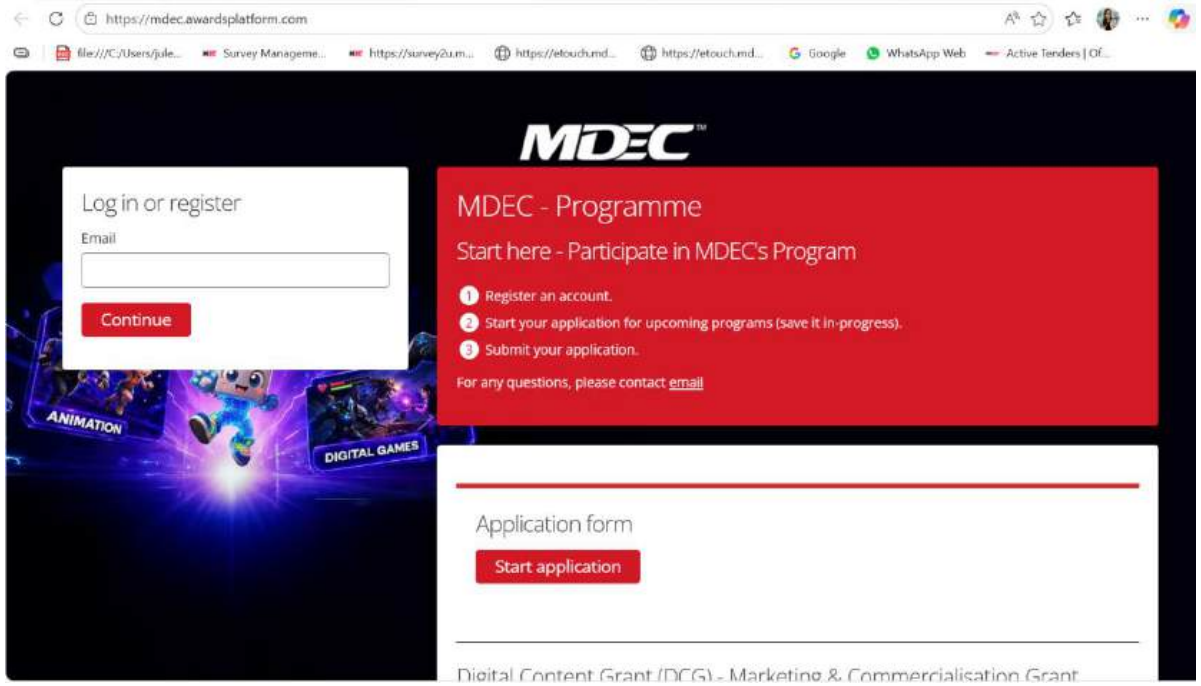
From IP Creation to Global Commercialisation



- Go to **https://mdec.awardsplatform.com/**
- Register for an account by entering your email address under **"Log in or register"**.

STEP 2: EMAIL VERIFICATION

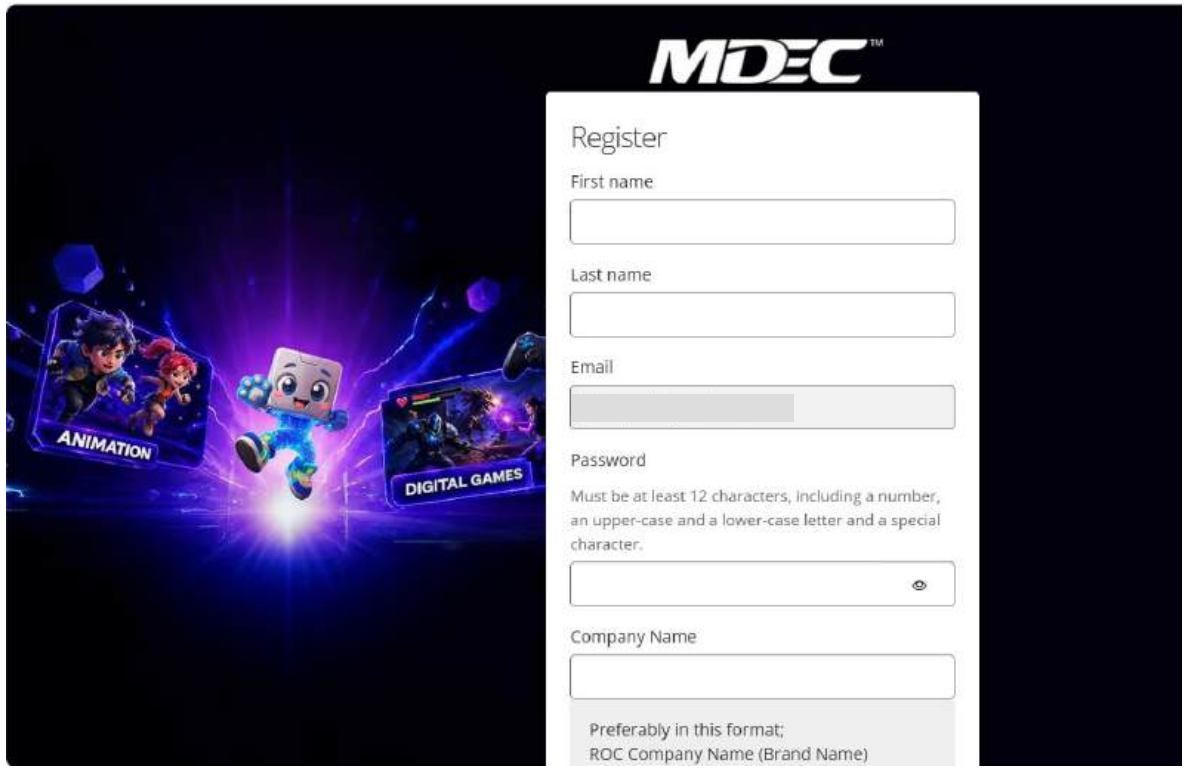
From IP Creation to Global Commercialisation



- **Verify** your email address by entering the **security code** sent to your registered email address.

STEP 3: CREATING ACCOUNT

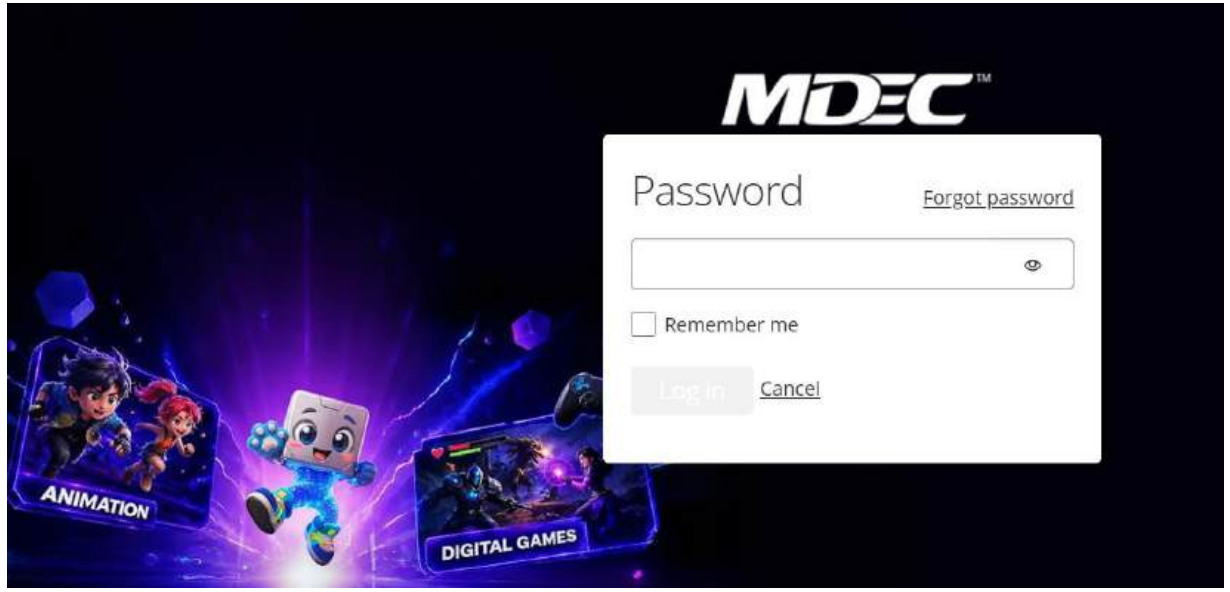
From IP Creation to Global Commercialisation



- **Complete the account registration** by filling in the required registration details.

STEP 4: LOGIN

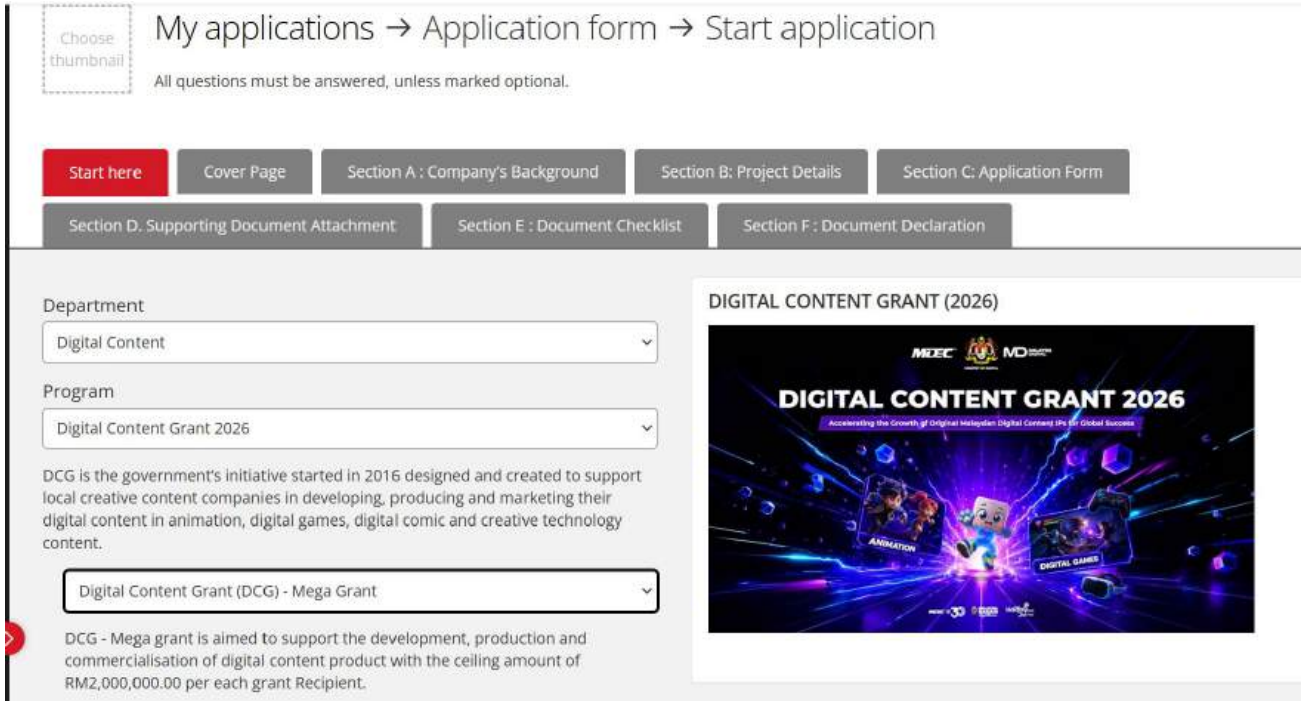
From IP Creation to Global Commercialisation



- **Log in to your account** using your registered credentials.

STEP 5: APPLICATION

From IP Creation to Global Commercialisation



- Select **Department: Digital Content**.
- Select **Programme: Digital Content Grant 2026**.
- Choose your preferred grant category:
  - ***i. Marketing & Commercialisation Grant; or***
  - ***ii. Mega Grant.***

  Note: (you can only submit one (1) application)
- Enter the name of applying company as per SSM
- Click **"Save"** to create your application and begin completing the **Application Form**.
- Complete all required sections of the Application Form and upload the necessary supporting documents before submitting your application.

IMPORTANT NOTES!

From IP Creation to Global Commercialisation

Please state the MSC/MD Approval Date

MSC/MD Status Certicate No

MSC/MD Status: Any unresolved Notice of Breach and/or Show cause Letter

- [ ] Yes
- [ ] No

Submission of MDIR H2 2025

- [ ] Yes
- [ ] No
- [ ] Not Applicable (the company has held MD Status for less than one year)

Submission of Self Declaration Form (SDF)

- [ ] Yes
- [ ] No
- [ ] Not Applicable (the company has held MD Status for less than one year)
- [ ] Not Applicable (MSC Status Company)

Applicants must ensure that the latest MDIR H2 2025 has been submitted prior to submitting their DCG application. Failure to submit the required MDIR (H2 2025) will result in the rejection of the DCG application.

Link to submit MDIR:
https://survey2u.mdec.com.my/login

For any inquiries/appointment, kindly email to **clic@mdec.com.my**

MANDATORY DOCUMENTS REQUIRED

Pitching Deck

Project Proposal Pitch Deck using MDEC template

Board of Directors Resolution

Board of Director Resolution to be signed by the majority of directors on the appointment of authorized signatory as per template.

Copy of Awards

Copy of award(s) and/or recognition(s) received in the past 5 years (if any)

1 Year Latest Audited Account (FYE 2025)

If the Applicant/Recipient has going concern issue (as reported in their latest audited account, the Applicant/Recipient is to provide a letter of undertaking by the shareholder and/or authorised director (whichever applicable as per the Applicant/Recipient's level of authority) of the Applicant/Recipient's company to undertake that in the event that their application is approved, the Applicant/Recipient shall perform its obligations under the terms and conditions to be issued by MDEC and the said shareholder and/or authorised director to provideinancial support to the company to enable the company to meet its obligations and/or liabilities under the terms and condition.

Company Profile

Applicant/Recipient profile detailing track record in development of digital creative works whether as an outsource service provider or in creation of original works.

Individual track records may be considered where Company track records are limited, subject to Grant Recommendation Committee approv al.

(Note: Applicants/Recipients are required to submit supporting materials (e.g., portfolio, past Projects) to substantiate their experience.)

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Proof of On-going Grant

If Applicant/Recipient has on going grant from any other ministries or agencies under the Government of Malaysia, to provide a letter from grant awarding entity or equivalent as proof that the Project is different (not overlap with the proposed Project under MDEC's grant) and has no non-compliance/breach issues being recorded during the period of the funded Project(s).

MANDATORY DOCUMENTS REQUIRED

Outsourcing Quotation & Declaration

Outsourcing (if applicable (company/enterprise/sole proprietorship/partnership/limited liability partnership only)

a. Agreement or quotation from the outsource party(ies);
b. Declaration letter of outsourced portion of the project detailing out:
    i. The scope of work of the outsourced portion;
    ii. The identity of the outsourcing party(ies);
    iii. The amount of outsourcing cost (must be corroborated with quotations and/ or agreements);
    iv. Please declare if the outsourcing company is a related company; and .
    v. The arrangement should at least benefit more to the Applicant/Recipient (including copyright, ownership of IP and declaration of no relationship in terms of shareholders and assets).

Integrity Pact

Integrity Declaration Form (Appendix C) of MDEC's Integrity Pact

Additional Mandatory

Mega Grant

Show proof of interest/intent to purchase or publish the output of the Project.
(If Applicable)

Marketing & Commercialisation Grant

Show proof of ready product to market and to commercialise:

a. marketing strategy and possible outcome; and
b. trailer / pilot episode / game prototype; or
c. production bible; or
d. completed animation series or animation feature; or
e. completed playable games.

Fully Completed Grant Application Form

The Applicant MUST ensure that a fully completed and duly signed Grant Application Form is submitted, comprising the following sections:

Section A: Company Background
Section B: Business Track Records
Section C: Project Details
Section D: Project Costing
Section E: Sales & Commercialisation
Section F: Submission Form Checklist
Section G: Declaration

Fostering Culture of Integrity and Governance

Awareness session on:

1. **MDEC Anti-Bribery and Anti-Corruption Policy**
2. **False Claim**

Prepared by:

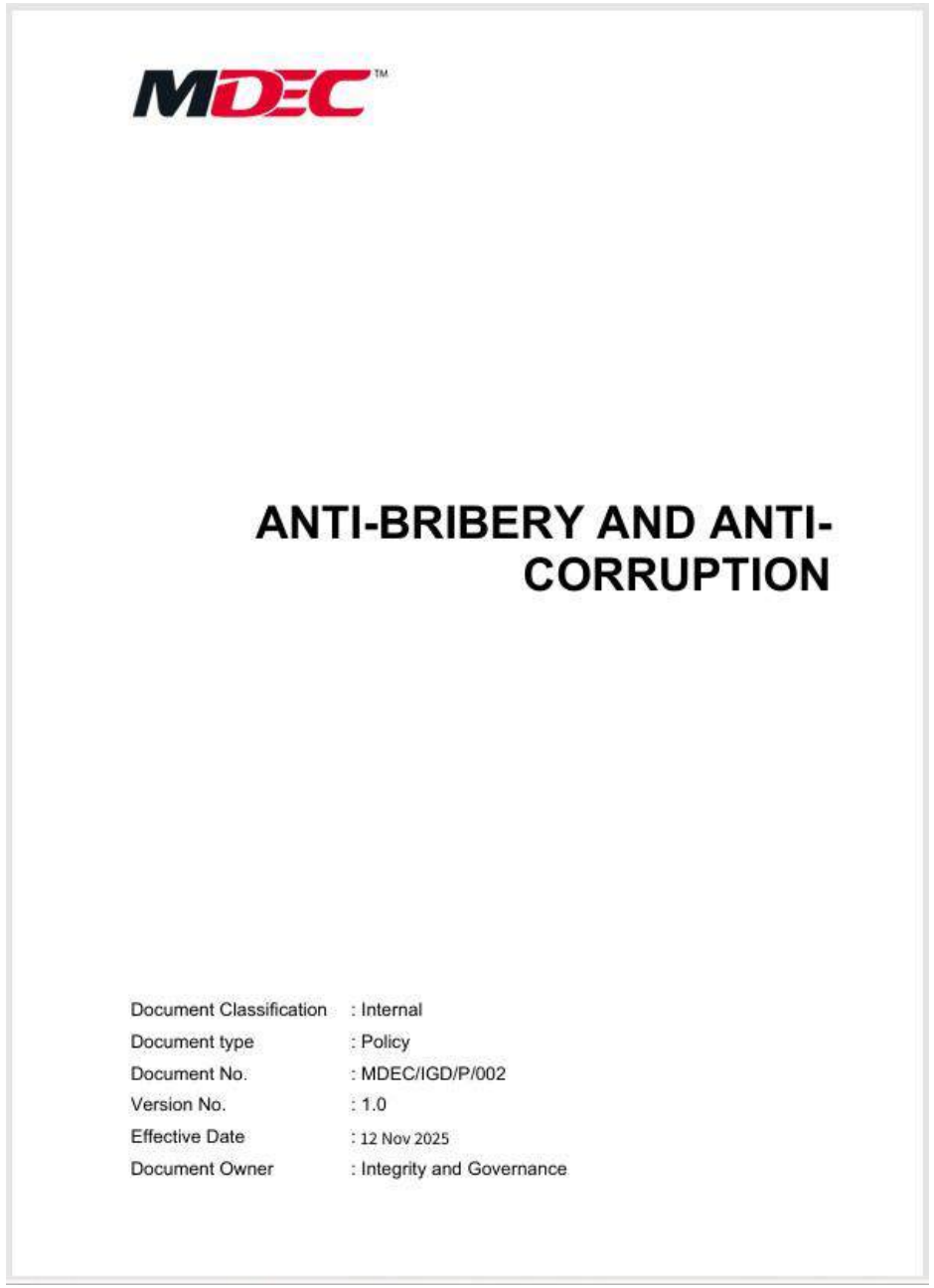
Integrity and Governance Unit of MDEC ("**IGU**")

Confidentiality and Disclaimer

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DISCLAIMER BY IGU

- The contents provided herein is for **general awareness purposes only** and does not reflect the complete content of the official **MDEC Anti-Bribery and Anti-Corruption ("ABAC") Policy** outlined in this session.
- **All participants are required to read, fully understand, and comply with the complete and current versions of MDEC ABAC Policy outlined in this session**.
- Strict adherence to ABAC Policy is mandatory.



MDEC ABAC Policy

https://www.mdec.my/footer-pages/mdec-policies

Effective Date: 12th November 2025

OVERVIEW OF MDEC ABAC POLICY

- MDEC has implemented the Anti-Bribery Management System (ABMS). The MDEC ABAC Policy provides the foundation for supporting the ABMS.
- The Policy outlines MDEC's commitment, to **fully comply with Malaysia's anti-bribery and anti-corruption laws**, including adherence to **Section 17A of the MACC Act 2009 on corporate liability**. It further sets out the principles, responsibilities, and practices that must be observed to support the implementation of the ABMS, in line with internal governance requirements and recognized best practices.



The Policy **also applies to Business Associate, stakeholders and the relevant third parties.**



The Policy is intended to be **implemented across all functions and business dealings within MDEC including all subsidiaries** (until such time that the said subsidiary develops, adopts, and implements its own policy).

ROLES & RESPONSIBILITIES OF BUSINESS ASSOCIATES

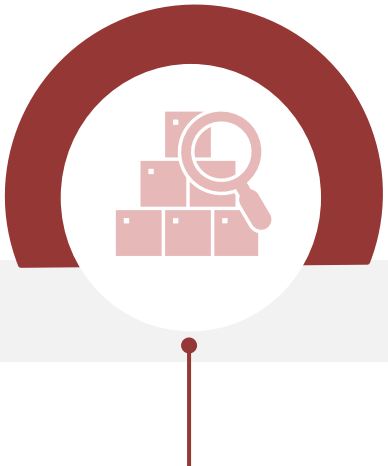


Business Associates

Refers to external parties with whom MDEC has, or plans to establish, some form of business relationship, includes but not limited to clients, customers, participants, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, sub-contractors, suppliers, vendors, advisors, agents, distributors, representatives, intermediaries and investors



Fully comply with this ABAC Policy, relevant anti-bribery and anti-corruption laws and contractual obligations.



- Complete due diligence requirements.
- Be subjected to MDEC due diligence reviews.



Fully cooperate in any audit(s), inquiry(ies), or investigation(s) related to potential violations of bribery, corruption, malpractices and abuse of power.



Ensure that all personnels, servants or its employees and/or any entity that are being engaged are aware of and adhere to MDEC ABAC Policy requirements.

Overarching policy outlining anti-bribery and anti-corruption controls related to corporate integrity, transparency, and business ethical conduct including as follows:

01

Gifts, Hospitality and Entertainments

Adopts strict policy on **preventing the offering, giving and receiving of gifts, hospitality, and entertainment in respect of any monetary and non-monetary** business dealings or transactions with MDEC.

02

Facilitation

- Strict stance of **disallowing the offer, giving and/or receiving of facilitation** in its monetary and non-monetary business dealings or transactions.
- Shall **decline and shall notify MDEC** through designated whistleblowing channel(s) upon encountering any requests for a facilitation payment or offer.

03

Conflict of Interest

- Shall ensure that there is **no conflict of interest or any potential conflict of interest** in any of MDEC's monetary and non-monetary business dealings or transactions.
- Shall **not use position, company resources and assets, or information made available** for personal and/or business gain or to the detriment of MDEC.

Overarching policy outlining anti-bribery and anti-corruption controls related to corporate integrity, transparency, and business ethical conduct including as follows:

04

Reporting of Policy Violation

- Immediately **report concerns to MDEC** through designated whistleblowing channel(s).
- Duty to report is **mandatory** and applies regardless of the individual's role, seniority, or involvement.
- **Failure to report on bribery shall constitute an offence under Section 25 of the MACC Act 2009**.

05

Code of Conduct

- **Strictly prohibits** bribery, corruption, malpractices, abuse of power, conflict of interest, misuse of information, and any unethical or unlawful practices.
- May result in **termination of contract, blacklisted by MDEC or reporting to the relevant authorities**, depending on the severity of the breach.

06

Termination & Clawback

- Terminate the contract in the event that any of the business associates and/or its personnels, servants or employees is/are convicted by a court of law for bribery, corruption, unlawful or illegal activities in relation to any monetary and/or non-monetary transaction.
- **As a result of such termination, the counterparty shall repay to MDEC the amount disbursed** under the contract.
- **To be read in tandem with Integrity Pact.**

False Claims and MDEC Grants: Know the Law Before You Claim

Understanding Section 18 of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009)

Why This Matters to You

- As a recipient of MDEC grant funding, you are **responsible** for ensuring that **every claim submitted is accurate, truthful, complete and supported by genuine documentation.**
- False/ misleading/ misappropriated claims may result in legal consequences under the MACC Act 2009 as well as the prescribed offences under the penal code as defined in the MACC Act 2009.

1

Public Funds Must Be Protected

MDEC grants are funded by public monies and must only be used for approved and eligible purposes.

2

Claims Must Be Genuine

All invoices, receipts, reports and supporting documents submitted must be accurate and actually incurred for the project.

3

Legal Obligations Apply

Under the MACC Act 2009 or penal code, submitting false, misleading or misappropriated documents to reimburse claim may constitute an offence.

What is Section 18 of the MACC Act 2009?

Section 18 makes it an offence for a person to provide any false, erroneous, or defective document to a principal with intent to deceive.

> *"A person commits an offence if he gives to an agent, or being an agent he uses with intent to deceive his principal, any receipt, account or other document in respect of which the principal is interested, and which he has reason to believe contains any statement which is false or erroneous or defective in any material particular, and is intended to mislead the principal."*
>
> Section 18, MACC Act 2009

4 Key Elements of the Offence

1. **Agent-Principal Relationship**

   A defined relationship must exist — MDEC as principal, grant recipient as agent.

2. **A Document or Receipt Submitted**

   Any receipt, account, invoice, report, or claim submitted to MDEC.

3. **Known to Be False, Erroneous, or Defective**

   The submitter believe the document contains an inaccuracy.

4. **Intent to Deceive**

   The document is submitted with the purpose of misleading the principal about a material particular.

The Agent–Principal Relationship Explained

- **MDEC falls under the Section 3 subsection (k) of public body definition, of the MACC Act 2009.**
- **Once you accept an MDEC grant, you become an agent accountable to MDEC as principal — every document you submit carries legal weight.**

Grant-Giving Body

Principal — MDEC

- Administers public grant programmes
- Exercises oversight and verification rights at any time
- Relies on documents submitted by the agent to determine compliance
- The MACC Act 2009 is applicable to MDEC being the deceived party

Grant Agreement

Grant Recipient

Agent — Your Organisation

- Legally bound from the moment the grant agreement is signed
- Applies to private companies too — not limited to public servants
- Responsible for accuracy, truthfulness and authenticity of all submitted claims and reports
- Criminal liability arises if documents are false, misleading, erroneous, or defective with intent to deceive

Example of documents

Invoices	Receipts	Progress Reports	Utilisation Claims
Audit Reports	Financial Statements	Salary Slips	Bank Statement

What Can Count as a False Claim?

A false claim does not require outright fabrication. A claim may be considered false if it contains any misrepresentation, omission, exaggeration, inflation, or inaccurate statement that is capable of misleading the approving authority, even where part of the information is genuine.

Example of False / Prohibited Claims

- × Submitting invoices or receipts that are fake or contain false details
- × Claiming expenditure for activities not approved under the grant scope
- × Inflating actual costs or misrepresenting vendor relationships
- × Submitting documents for work not performed or milestones not achieved
- × Omitting material information that would affect MDEC's compliance assessment

Example of Legitimate Claims

- ✓ Genuinely incurred invoices and receipts matching actual transactions
- ✓ Expenditure strictly within the approved grant scope and budget
- ✓ All material facts disclosed — no omissions that could mislead MDEC

The Legal Penalty Under Section 24

Conviction under Section 18 carries a maximum of 20 years imprisonment and a substantial fine — one of the heaviest penalties in Malaysian anti-corruption law.

Up to 20 Years

Maximum Imprisonment

Section 24, MACC Act 2009

x5 Claim Value

Minimum Fine Multiplier

or RM10,000.00 — whichever is higher

Disproportionate Financial Exposure

The fine multiplier means even a small false claim can result in a disproportionately large financial penalty.
For example, a RM5,000.00 false claim could trigger a minimum RM25,000.00 fine.

Permanent Criminal Record

A criminal conviction results in a permanent record, severely affecting future business dealings, government procurement eligibility, and professional standing.

Additional MDEC Consequences

Grant clawback of disbursed funds, blacklisting from future MDEC programmes and significant reputational damage.

Consequences – A Cautionary Case

Courts have consistently upheld severe sentences under Section 18, signaling zero tolerance for false claims regardless of the amount involved.

Shahidan bin Bakar v MACC [2016] MLJU 1527

Facts

- 15 false travel allowance claims of RM535.00 each
- Instructed subordinates to claim allowances for trips not taken
- Total misappropriated: RM8,025.00

Charge

- Charged under Section 18, MACC Act 2009
- 15 separate charges — one per false claim submission
- Agent submitting false documents with intent to deceive principal

Conviction

- Found guilty on all 15 charges
- Permanent criminal record

Sentence

- 12 months imprisonment and RM150,000.00
- 75 months imprisonment in default of fine

What to Do If You Discover an Error

Proactive disclosure of an error is always preferable to a discovered false claim — act immediately and document everything.



1. **Stop further claim submissions**
   immediately upon discovering any inaccuracy in previously submitted documents.

2. **Notify MDEC in writing**
   as soon as possible with full disclosure of the discrepancy — do not delay.

3. **Preserve all supporting documentation**
   do not alter, destroy, or withhold any records related to the claim.

4. **Seek independent legal advice (if needed)**
   before making any further representations to MDEC.

5. **Co-operate fully with any audit or investigation**
   Obstruction compounds liability. Voluntary disclosure may be a mitigating factor at sentencing.

Whistleblower protections under the Whistleblower Protection Act applicable for individuals who report corrupt practices in good faith reported to enforcement body.

Thank you

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