

The Fund

1. Overview

a. Introduction

- i. The eContent fund is a fund announced by the Government Malaysia in the 9th Malaysian Plan to facilitate the development and growth of Malaysian made digital content and Malaysian content creation companies. The fund is managed by the Ministry of Science, Technology and Innovation (MOSTI).

b. Objectives

- i. To fund the creation of quality content for local and global markets by local companies.
- ii. To develop a more resilient and competitive local content industry.
 - Skilled local content developers.

c. Outcome

- i. National Interest
 - Increase in quality local content for the masses
 - Promoting local culture/heritage and stories to the masses
 - Malaysian Intellectual Property (IP)
- ii. Economic Interest
 - Strong Malaysian content industry
 - Resilient local content companies
 - Skilled local content developers
 - Employment
 - Global demand for local content and skills

d. Definitions

- i. Digital Content
 - The definition of digital content within the context of the eContent fund are works/intellectual property which is created using digital technologies and is disseminated using digital means
- ii. Company
 - Within the context of the eContent fund, a company is define as a legal registered business entity with the Registrar of Companies (ROC)/Registrar of Business (ROB) of Malaysia.

- e. Focus Areas
 - i. Entertainment
 - ii. Education and Training
 - iii. Culture and Heritage
 - iv. Information Based Content

- f. Technology Implementation
 - i. Animation (TV Series/Feature Film/Mobile)
 - ii. Games (PC/Online/Console/Mobile-Handheld)
 - iii. Simulation/Virtual Reality
 - iv. Portal/Web Based

2. Fund Structure

- a. Target Groups
 - i. Teams
Teams comprises of 2 individuals who have a credible idea that can be turned into content which has social/commercial value.
 - ii. Companies
Companies are categorized into 2 groups namely Micro-Enterprise and Small and Medium Scale Enterprise (SME).

- b. Quantum
 - i. Team : Up to RM90,000
 - ii. Micro-Enterprise : Up to RM500,000
 - iii. SME : Up to RM6,000,000

- c. Project Model
 - i. Commercial
 - Projects which will generate revenue for the recipient.
 - Projects proposed under the commercial model must have clear end deliverable and prove that it has commercial viability.

- d. Social
 - i. Projects that is beneficial to a specific target group/sector.
 - ii. Projects of social nature will have to demonstrate a measure of sustainability and KPI's to measure effectiveness and reach to its target groups.

- e. Basic Criteria/Terms
 - i. It is an outright grant.
 - ii. Projects proposed should be innovative in terms of content, technology and methodologies used to meet the goals and requirements of its target user group.
 - iii. All project proposals **MUST** fall within the focus areas and technology implementation outlined by MOSTI.
 - iv. Disbursements are made on a milestones basis.
 - v. Failure to complete the proposed project will subject the recipient to penalties.
 - vi. Allocation for infrastructure (hardware and software) must not exceed 20% of the total grant applied
 - vii. Project proposed must be completed within 24 months
 - viii. Projects proposed for more than RM1 million is subject to the following requirements:-
 - Pre-Sales contracts; and
 - Letters of commitment to Purchase by clients.

3. Fund Operation

- a. Application
 - i. Applications are required to download the official application forms from the MOSTI website <http://www.mosti.gov.my>.
 - ii. Applicants are required to go through the application guidelines to help facilitate the filling in of the forms.
 - iii. Applicants are required to ensure that their proposals are complete prior to submission.
- b. Evaluation
 - i. Applications and applicants will undergo several stages of internal assessment.
 - ii. Once an applicant is found to be of good legal standing and the application is relevant within the criteria of the fund, the applicant will then be called to pitch their proposal to the technical evaluation committee.
- c. Approval/Rejection
 - i. Once the pitch is complete, applicants will then be notified of their success or be provided with suggestions to improve on the application.

- d. Disbursement
 - i. Disbursements are made on a quarterly basis and is subject to successful delivery of agreed upon milestones.
 - ii. Projects will have to submit a milestone report based on a template provided by the Secretariat.
- e. Monitoring
 - i. Activities.
 - MOSTI reserves the right to audit the project at any point in time to ensure integrity and compliance within the terms of agreement.
 - ii. Deliverables by Project.
 - Reports
 - Project Progress Report; and
 - Project Financials
 - To submit based on template provided by the Secretariat
 - To include original copies of receipts/invoices of expenditure
- f. Project Completion
 - i. Activities
 - Applicant is required to prepare End Of Project Report on a template provided by the Secretariat once the project is completed
 - ii. Deliverables by Applicant
 - Document (report)
 - Product (to be archived by the Secretariat)
 - Projects are required to submit a complete set of their work for archiving by the Secretariat.

4. Applicant Eligibility

- a. Individual
 - i. Malaysian.
 - ii. Age : 21 – 60.
 - iii. Minimum Level of Education : Diploma in relevant disciplines.
 - iv. Not a bankrupt. Not involved in any litigation/bankruptcy/criminal proceedings.
 - v. Applicants are eligible to one successful project application only.

- b. Company
 - i. Malaysian Majority owned company.
 - ii. Registered with Malaysian ROC or ROB.
 - iii. Not involved in any litigation/bankruptcy/criminal proceedings.
 - iv. Applicants can only apply for funding for one project within a same time period and can only apply for funding for additional projects upon successful completion of the prior project if the prior grant approved is not more than RM 1 million.

5. Project Eligibility

- a. For less than RM 1million
 - i. Team/s
 - The IP created **MUST** be wholly owned by the applicant.
 - An application must have a minimum of two team members.
 - Any IP rights in and arising out of the development, belongs to the primary applicant (Malaysian citizen).
 - Project proposed is not in violation of **COPYRIGHT** of IP owned by other entities.
 - Development work must be carried out by the Applicant.
 - In the event of failure to complete the project, the recipient has to repay the **FULL** amount disbursed.
 - ii. Companies
 - The Applicant is required to own a minimum of 90% of the IPR or rights to royalties that is generated as a result of the project.
 - Project proposed is not under application with other Malaysian Government grants/funds.
 - Project proposed is not in violation of **COPYRIGHT** of IP owned by other entities.
 - Development work must be carried out by the Applicant.
 - In the event of failure to complete the project, the recipient has to repay the **FULL** amount disbursed.
- b. For more than RM 1 million
 - i. Companies
 - The Applicant must have confirmed pre-sales contracts from credible partners on hand.

- The applicant must own at least 30% of the IP or is accorded rights to royalties that is generated by the project.
- Project proposed is not under application with other Malaysian Government grants/funds.
- Project proposed is not in violation of **COPYRIGHT** of IP owned by other entities.
- Applicants are eligible for one successful project application only.
- Development work must be carried out by the Applicant.
- In the event of failure to complete the project, the recipient has to repay the **FULL** amount disbursed.

6. Fund Client Charter

- a. Application Process Flow
 - i. Assessment
 - ii. Evaluation
 - iii. Approval
 - iv. Disbursement/Monitoring