

**CIRCULAR No: 1-2016**

TO: ALL MPMA MEMBERS

DATE: 5 January 2016

**REVISED GUIDELINES ON APPLICATION FOR AUTOMATION CAPITAL ALLOWANCE**

Further to our circular dated 6 July 2015, we wish to inform that the Government has revised the guidelines on application process for Automation Capital Allowance (Automation CA).

The initial guidelines required applicants to approach SIRIM directly for their automation equipment to be verified. Under the revised guidelines, applicants are no longer required to deal with SIRIM direct. Instead, applicants will submit their application to MIDA, MIDA will send supporting letter and verification slip to SIRIM. SIRIM will proceed with evaluation of Technical Eligibility & Verification of Productivity Level and will inform MIDA the outcome. MIDA will then notify the applicants accordingly.

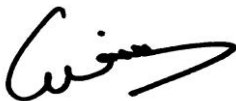
The Flow Chart of the Revised Application Process for Automation CA is [attached](#) for members' reference. The Automation CA was announced at the National Budget 2015, specially catered for **high labour intensive industries including rubber products, plastics, wood, furniture and textiles**. Eligible companies will be provided an automation capital allowance of 200% on the **first RM4 million expenditure incurred within three years of assessment from 2015 to 2017**. Other eligibility criteria remained the same as the initial guidelines.

The mechanism, required documents and submission process could be obtained from MIDA website at <http://www.mida.gov.my/home/new-incentives-under-the-2015-budget/posts/>.

For further clarification, please contact Mr SC Chan of MPMA Secretariat at **Tel: 603-7876 3027 or Email: [scchan@mpma.org.my](mailto:scchan@mpma.org.my)**.

Thank you.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'ST Giam', written in a cursive style.

**ST GIAM**  
Executive Director