

**GUIDELINES AND PROCEDURES FOR THE APPLICATION OF THE DOMESTIC INVESTMENT  
ACCELERATOR FUND (DIAF) – ESG ADOPTION**

Reference is made to the [Guidelines And Procedures for the Application of the Domestic Investment Accelerator Fund \(DIAF\)](#) dated 25 March 2024, which was launched on 24 April 2024.

Below is the summary of the Guidelines:

**1. BACKGROUND**

- i. DIAF is a matching grant for the Environmental, Social and Governance (ESG) adoption that was introduced to support Malaysian-owned Small and Medium Enterprises (SMEs) and Mid-tier companies (MTCs) in the manufacturing and selected services sectors for the transition into ESG practices.
- ii. The DIAF ESG grant is given on a matching basis of either 50:50 or 70:30 based on a case-to-case basis with a maximum reimbursable amount of RM500,000 per company subject to the availability of the grant.

**2. EFFECTIVE DATE OF APPLICATION**

Applications received by the Malaysian Investment Development Authority (MIDA) from 24 April 2024 will be eligible for consideration for this grant. However, the approval of these applications is subject to the availability of funding and allocation by the Government of Malaysia and the prevailing policy in force.

**3. ELIGIBLE EXPENDITURES**

The eligible expenditures incurred related to the adoption of ESG practices are based on the following activities:

- i. Costs related to validation and verification, and/or certification for ESG adoption and/or tracking of carbon emissions and ESG disclosures; and
- ii. First year's subscription of system and/or software for data collection and tracking of ESG adoption and/or GHG emissions.

**4. ELIGIBILITY CRITERIA**

- i. The company must be incorporated under the Companies Act, 2016.
- ii. Effective equity ownership of the company must be at least 51% Malaysians.
- iii. The company possesses a valid business license from the respective local authority.
- iv. The companies must engage/undertake any of the following activities:
  - a. Manufacturing activities where the company must possess a valid Manufacturing License (ML) from MITI or the Confirmation Letter for Exemption of ML from MIDA in compliance with the Industrial Coordination Act, 1975; or
  - b. Services activities that are governed/supervised by relevant ministries/agencies.
- v. The company has been in operation for at least three years.

**5. PROJECT DURATION**

The company can only commence the project upon receiving the **Acknowledgement Letter issued by MIDA**. The project must be completed within **12 months** from the date of the Acknowledgement Letter, which is the effective date of the grant period.

**6. APPLICATION PROCEDURES**

The application procedures are as follows:

- i. The company must undertake an ESG self-assessment via the [www.sustainability.mida.gov.my](http://www.sustainability.mida.gov.my) portal prior to submitting the application to MIDA, to determine the baseline level of ESG readiness or adoption. The assessment must meet the following requirements:
  - a. To answer at least 50% of the questions under each key Impact area, i.e., Governance, Workers, Community, Environment and Customers; and
  - b. To complete the Disclosure questionnaire.
- ii. The application for DIAF for ESG adoption is to be submitted to MIDA via <https://investmalaysia.mida.gov.my/> together with the ESG self-assessment report generated from 6(i) (summary & improvement report), service providers/vendors' quotations and other relevant supporting documents.
- iii. A non-refundable processing fee of RM3,000 is chargeable for each application. Payment must be made via the MIDA Payment Channel at <https://mpaychannel.mida.gov.my>.

Thank you.

Yours sincerely,

**MALAYSIAN PLASTICS MANUFACTURERS ASSOCIATION**

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