



## INFORMATION SHEET

### VERIFICATION OF MACHINE/EQUIPMENT FOR AUTOMATION CAPITAL ALLOWANCE (A-CA)

Doc. No. : QSD02-039-01

Issue No. : 1 Rev 0

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Effective Date : 11/9/2015

This document provides information that a company needs to know and makes preparation to ensure effective and efficient verification of machine/equipment for Automation Capital Allowance (A-CA). "Machine" in this documents refers to machine, equipment or system to be verified for A-CA.

## 1. Objective of the Verification

The aim of the verification is to check whether the machine applied for A-CA meets the technical criteria set in the guideline and factors described in 2.

## 2. What are Verified

### 2.1 General eligibility of machine

- i. The machine is used directly in the manufacturing process
- ii. The machine adopts technology that is more advanced than the technology currently used by the company
- iii. The machine is under at least one of the category areas of automation/automated equipment and has at least one of the automation components **(see Annexes 1 and 2)**
- iv. Machine should be used at least for **1 month** after installation/commissioning
- v. For new products, the machine should be in operation for at least **3 months** after the production of the first batch of that new product

### 2.2 Productivity measures – 4 measures of productivity will be verified (see Annex 3):

- i. Reduction in number of workers/operators involved in operation
- ii. Reduction in number of man-hours to produce 1 item or 1 batch (minutes)
- iii. Increase in production volume or capacity
- iv. Reduction in defect rate

### 2.3 Additional factors that contribute to productivity enhancement (see Annex 4)

- i. Possibility of upgrading in future
- ii. Possibility of integration with other processes
- iii. Improvement in worker safety & environment
- iv. Energy efficiency and utilisation



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### 3. Fees

The fee charged per registration is **RM3000.00**. This covers verification for a maximum of **3 machines** at the same location. Additional machines to be verified at the same site and/or machines located at different site(s) should use a different registration form. The mode of payment is described in Section 4 below. All fees are subjected to 6% GST charge.

### 4. Procedures for Verification

- i. Company apply to MIDA using the application form (**ML-Automation CA**) and register with SIRIM using the registration form (**QSF02-039-01**)
- ii. A verification fee of RM1000 will be imposed for each registration (as described in Section 3). SIRIM will undertake **initial verification** work on the technical eligibility of the machine
- iii. Once approval for **site verification** is received, the company needs to pay the remaining fee of RM2000
- iv. A visit date will be set
- v. Verifiers from SIRIM Berhad will visit the site for verification. During the visit, the company needs to furnish the evidence on productivity measures (listed in 2.2 above) and show the required documents (as listed in 5 – Checklist)
- vi. After the verification, the verifier will prepare a report, which will be sent to MIDA for further action

### 5. Checklist/Documents to be Prepared by the Company

- i. Invoice of machine to be verified
- ii. Delivery Order (DO) of machine to be verified
- iii. Relevant documents/data to show productivity level (listed in 2.2 ) before and after the use of machine
- iv. Supporting documents – photos of machine, factory layout/location of machine
- v. Process flow chart relevant to the use of the machine

### 6. Confidentiality

- i. SIRIM Group is committed in ensuring the confidentiality, protection, security and accuracy of your personal information made available to SIRIM Group in accordance with the Personal Data Protection Act 2010. It is your obligation to ensure that all personal information submitted and retained is accurate, not misleading, updated and complete in all aspects. SIRIM Group and/or its employees or authorised officers or agents will not be responsible for any personal information submitted by you that is inaccurate, misleading, incomplete or not updated. Please refer to our Personal Data Protection Policy at <http://www.sirim.my/privacy> for further information.



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- ii. All information provided in this verification will be treated confidentially. Only authorised personnel from SIRIM will have access to the data. The verification result will be sent to MIDA for further action.

## 7. Disclaimer

The final decision on the approval for the A-CA and the amount or value of the allowance will be with the Inland Revenue Board of Malaysia (LHDN). In the event that the verification is successful, SIRIM cannot guarantee that the company's application for the A-CA will be approved.

## 8. Contact Person in SIRIM Berhad

If you need further information, please contact the following personnel:

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#### ANNEX 1 : AREAS OF AUTOMATION / AUTOMATED SYSTEM

Item	Description
1	Material Handling System
2	Warehousing
3	Processing Equipment
4	Testing Equipment
5	Measurement System
6	Packaging Equipment
7	Others (to specify)

#### ANNEX 2 : COMPONENTS OF AUTOMATION

Item	Description
1	Motion Controllers
2	Pneumatic / Hydraulics
3	Programmable Logic Controller (PLC)/Programmable Automation Controller (PAC)
4	Computer/Industrial Software including CAD/CAM/CAE/PLM
5	Computer Numerical Control (CNC), High Speed, Multi Axes
6	Robot and Robotic System
7	Industrial Networking & Communication
8	Vision System
9	Others (to specify)

#### ANNEX 3 : PRODUCTIVITY MEASURES DUE TO MACHINE/SYSTEM IMPLEMENTATION

Item	Description	Before Use of Machine (a)	Achieved (b)	% Reduce/ Increase (c)
1	Number of workers/operators involved in operation			
2	Number of man-hours to produce 1 item or 1 batch (minutes)			
3	Production volume (capacity)			
4	Defect rate (%)			

#### ANNEX 4 : OTHER CONTRIBUTING FACTORS

Item	Description
1	Possibility of upgrading in future
2	Possibility of integrating to other process
3	Worker Safety & Environment Improvement
4	Energy Efficiency