

SME STATUS REGISTRATION SYSTEM

FREQUENTLY ASKED QUESTIONS (FAQ)

1. What is the SME Status Registration System?

The SME Status Registration System is a new initiative developed by SME Corp. Malaysia to ensure each SME that applies to participate in Government programmes or acquire assistance / incentives fulfils the SME definition which has been set by the Government. Companies / businesses that fulfil the definition are eligible to participate in programmes and obtain assistance / incentives provided by the Government through agencies such as SME Corp. Malaysia or any Ministries or agencies which adopt this SME definition.

Please refer to the SME definition at the following link:

https://www.smecorp.gov.my/images/pdf/2020/Guideline-SMEDefinition_updated.pdf

2. Is the SME Status Certificate a requirement or mandatory regulation for SMEs operating their businesses in Malaysia?

The SME Status Certificate is a status acknowledgement offered by SME Corp. Malaysia to facilitate businesses in participating in programmes or in applying for incentives and assistance for SMEs. This certificate is not a requirement or mandatory regulation for operating businesses in Malaysia.

3. Does the SME Status Certificate qualify a company / business to obtain assistance and incentives for SMEs automatically?

The purpose of the SME Status Certificate is to confirm the size of a firm as an SME. Companies / businesses that have obtained the status are eligible to be considered to participate in programmes, as well as to receive assistance and incentives specially for SMEs. However, it does not give an automatic approval for companies / businesses to participate in programmes or to obtain incentives, financial facilities and others because such facilities and facilitation typically have other eligibility criteria which has to be fulfilled depending on the objectives of the programmes.

4. Who is eligible to register through this registration system?

Business entities in all economic sectors that are registered with the Companies Commission of Malaysia (SSM), relevant business registration bodies or local authorities (for Sabah and Sarawak) and statutory bodies (for professional service providers).

5. How to apply through this registration system?

Companies / businesses can visit SME Corp. Malaysia's website at www.smecorp.gov.my or click on the link <https://smereg.smecorp.gov.my>

Steps to register are as follows:

- a. Register new account
- b. Fill in required information
- c. Upload relevant documents
- d. Tick on declaration form and click on 'Submit' button

6. Is there any guide that companies / businesses can refer to for registration?

Companies / businesses can download the User Manual at the link <https://smereg.smecorp.gov.my> as a reference. This manual is a comprehensive guide to facilitate the registration of SME status. The manual also illustrates documents that are required to complete the application.

7. What are the documents that must be uploaded onto the system?

There are four (4) documents that must be made available for uploading for Private Limited companies (business entities registered with the Registrar of Companies [ROC]), Enterprises (business entities registered with the Registrar of Businesses [ROB]) and Limited Liability Partnership (LLP) (business entities registered under the Limited Liability Partnerships Act 2012).

The required documents are:

- a) Latest SSM company / business registration form

- i) Registration under Registration of Business Act 1956:
Form D (Certificate of Registration) & Business profile
 - ii) Incorporation of Company under Companies Act 2016:
Certificate of Company Incorporation (Section 15) & Company profile
 - iii) Registration of Limited Liability Partnership (LLP) under Limited Liability Partnership Act 2012: Notice of Registration or Certificate of Registration of LLP & LLP profile
- b) Private Limited Companies must provide their latest Audited Financial Statements either for the current year or previous year. While Enterprises and LLPs must provide two years of current Profit and Loss Statements or Management Accounts for a full 12-month period.
 - c) Private Limited Companies, Enterprises and LLPs must provide their latest EPF Contribution Statements.
 - d) All Private Limited companies, Enterprises and LLPs must provide Information on Current Owners and Information on Shareholders that lists out ownership and total equity.

8. My company is registered less than a year (new entity). Can I proceed with the SME Status registration? What are the documents that I need to submit?

The company can still proceed with the SME Status registration. The documents that must be submitted are the same based on the set guidelines. However, the company is exempted from providing the Audited Financial Statements. Instead the company is required to provide the current Profit and Loss Statement or Management Account. For other documents, the set guidelines must be adhered to accordingly.

9. The company that I have registered with SSM only has a trustee and not shareholders. Can I proceed with the SME Status registration?

A company that has a trustee is categorized as a company limited by guarantee (CLBG). Based on the Companies Act 2016, a CLBG is not profit motivated and also not a pure business entity. In this case, the company should not proceed with the SME Status registration because the status is only for pure business entities only.

10. What document proves a company / business has an SME status?

For companies / businesses that have registered and are confirmed having SME status, SME Corp. Malaysia will issue the SME Status Certificate digitally. The certificate has a validity period of two (2) years.

11. What are the payments charged to obtain the SME Status?

A fee of RM100 (processing fee) will be charged for new registration as well as certificate renewal for the SME Status Registration system. The certificate has a validity period of two (2) years.

12. The SME Status Certificate has a validity period of two (2) years. If a company has graduated from the SME definition before the expiry of the 2-year period, is the SME Status Certificate still applicable?

Any company / business is considered as having graduated from the SME definition if it has exceeded the threshold set under both criteria of annual sales turnover and number of full-time employees for a period of two (2) consecutive years. During the validity period, if there are changes to both criteria or shareholding structure that result in the company / business to be no longer an SME, then the SME Status Certificate will automatically become null and void.

13. I am an accountant and registered with the Malaysian Institute of Accountants (MIA). Can I still proceed with the SME Status registration as my firm is not registered with the Companies Commission of Malaysia (SSM)?

Professional service providers (such as doctors, dentists, lawyers, accountants, auditors and others) that are registered with SSM can still proceed with the SME Status registration. They need to provide registration documents issued by the relevant Statutory Bodies such as the Ministry of Health Malaysia (MOH), Malaysian Bar, Malaysian Institute of Accountants (MIA), Institute of Internal Auditors Malaysia (IIA Malaysia) and others. Other documents that must be furnished are as follows:

- a) Current year Profit and Loss Statements or Management Accounts for a period of 2 years
- b) Latest EPF Contribution Statements
- c) Firm ownership document for than one (1) owners, if available

If the firm is registered with SSM, SSM registration document must be provided and the documents that must be submitted are based on the category of the company / business.

14. How long does it take to receive feedback on applications submitted?

If applications submitted are complete, feedback will be given within ten (10) working days.

15. Can the SME Status Certificate be renewed automatically after the expiry of the 2-year validity period?

The SME Status Certificate cannot be renewed automatically. Companies / businesses must submit new applications and follow all steps in the application process accordingly.

16. I find it difficult to fill up the application.

Does SME Corp. Malaysia have appointed agents / representatives that can help companies / businesses fill up their applications?

SME Corp. Malaysia has never appointed any agent / representative to fill up applications for companies / businesses. Companies / businesses can refer to the User Manual which is provided for a detailed guide on registration of SME status.

17. Can the SME Status Certificate be revoked by SME Corp. Malaysia before the expiry of the 2-year validity period?

SME Corp. Malaysia has the right to revoke the SME Status Certificate before the expiry of the 2-year validity period should there be any falsification of documents, submission of inaccurate information, change in the company shareholding structure and other justifiable reasons.

18. Who can I contact should I have problems related to my application?

Applicants can call SME Corp. Malaysia's Info Line at 1300-30-6000 (Monday to Friday from 9:00 am - 5:00 pm) or email to statuspks@smecorp.gov.my.