

MREPC INDUSTRY LINKAGE FUND

APPLICATION
GUIDELINES



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CHAPTER 1: INTRODUCTION TO INDUSTRY LINKAGE FUND

1.1 DEFINITION OF INDUSTRY LINKAGE FUND

MREPC Industry Linkage Fund is a grant provided by the Malaysian Rubber Export Promotion Council (MREPC) to allow universities and research institutions to collaborate with the Malaysian rubber products industry on research projects that will increase Malaysia's exports of rubber products.

1.2 OBJECTIVE OF INDUSTRY LINKAGE FUND

The main objective of the MREPC Industry Linkage Fund is to strengthen rubber industry-university/research institution linkages in Malaysia for the development of the rubber products industry in order to enhance the industry's competitiveness in the global market.

1.3 RESEARCH PRIORITY AREAS

- a. The MREPC Industry Linkage Fund will give priority to projects that have the potential to improve the competitiveness of Malaysian rubber products in the global market. Focus areas and products for research are as follow:
 - i. Latex based products;
 - ii. Dry rubber products;
 - iii. Automation and process improvement; and
 - iv. Application of rubber in infrastructure and construction.

Note: Details of research priority areas as in **Appendix I: Table 1**.

- b. Project to be carried out must be beneficial to any CESS paying rubber product as listed in **Appendix II: Table 1**.

1.4 ELIGIBILITY CRITERIA

- a. The application is open to all individuals who are employed on a permanent or contractual basis with the following organisations:
 - i. Public and Private Institutions of Higher Learning;
 - ii. Malaysian Research Institutions; and
 - iii. Registered Industries in Malaysia.

Note:

- Expatriates working under contract with any of the above institutions are eligible to apply. However, the project must have a permanent Malaysian co-researcher from the same institution, well-versed with the project, to ensure its completion in the event the expatriate's contract is terminated.
 - The service of a contract researcher must be valid during the period of research proposed and contractual documents must be furnished as proof of employment for the period.
- b. Researchers can **lead** only one (1) project at any time. The researchers/project leaders are required to submit a Final Project Report, before submitting a new application.

1.5 SELECTION CRITERIA OF THE PROJECT

An Industry Linkage Fund Committee appointed by MREPC will assess all project proposals based on the following criteria:

a. **Scientific and technical merit:**

The project must be scientifically sound, technically feasible with achievable milestones, and has the potential for further development and commercialisation.

b. **Research competence:**

The research team must have the knowledge and competency to carry out the project successfully to completion.

c. **Innovativeness of the research:**

The project must indicate whether it is recombination, fusion, integration, replication or refinement of existing technologies with improved value, enhanced efficiency or cost reduction. Applicant must conduct a Prior Art Search to verify on the patentability aspect.

d. **Clear and measurable expected output:**

The project must be clear, accurate and consistent with the objective of Industry Linkage Fund. The project must also describe appropriate methodologies and the type of output expected which benefits to the rubber products industry.

e. **Project with proven concept or prototype (pre-commercialization):**

The project must have proven concept which ready for commercialization to test the market. The project must theorise a technology solution to a problem and have a reasonable basis that there is a market opportunity. The theory must be ready to test by building something that is only advanced enough to prove that the concept can work.

1.6 SCOPE OF FUNDING

- a. Fund will be provided in the form of research grants. There are two (2) types of grants:
 - i. Full grant awarded to projects which will offer industry-wide solution; and
 - ii. Matching grant awarded to projects which will benefit individual companies.
- b. The quantum of fund approved is according to the project proposal. The maximum fund for each project (under full grant and matching grant) shall not be more than RM 300,000.
- c. The funding can be utilised for the following categories of research expenditure.
 - i. Wages and Allowances for Temporary and Contract Personnel
 - ii. Travel and Transportation
 - iii. Rentals
 - iv. Research Materials and Supplies
 - v. Minor Modifications and Repairs
 - vi. Special Services such as consultation and sample testing and analysis.
 - vii. Prototype Development

Note:

- For full grant, the allocations for wages and allowance, travel and transportation, and rentals shall not be more than 50% of total project cost.
- For matching grant, there will be no limit set on the allocations for wages and allowance, travel and transportation, and rentals, and it shall be according to research proposals submitted by the companies/researchers.

- d. The costs of patent filing and registration are not within the scope of the Fund.

1.7 LOCATION OF PROJECT

The research project must be carried out in Malaysia. However, researchers are allowed to conduct testing and consultation overseas, with prior approval from the Committee.

1.8 PROJECT DURATION

- a. The project duration shall not be more than three (3) years from the date of project commencement.
- b. Researchers are required to provide the following information throughout the project duration.
 - i. To submit quarterly reports, i.e. project progress report and financial report to the Secretariat for review by the Committee.

- ii. To give a presentation on interim and final research findings to the Committee. Presentation of interim is a mid-term review of project duration.
- iii. To submit a complete project report to the Secretariat for review by the Committee.

1.9 RESPONSIBILITY OF THE PROJECT LEADER

The successful implementation of the project is the responsibility of the project leader. Project leaders shall ensure that the projects are carried out effectively to meet the specified objectives and milestones of the projects within the approved timeframe and funding.

1.10 RESPONSIBILITY OF INSTITUTION

The Institution shall be responsible for the project leader's research conduct to ensure that the research is undertaken in accord with the highest standards of research integrity. It shall assume the responsibility for the research until its completion.

1.11 THIRD PARTY COLLABORATIONS

The institution may undertake work on the project in collaboration with a collaborator. However, collaborators are not entitled to receive (directly or indirectly) any part of the Fund.

1.12 REQUEST FOR VARIATION TO THE AWARDED GRANT

Request for any variation on granted Fund must be made three (3) months before the end of the project term. The Committee reserves the right to reject any additional expenses incurred without prior approval.

1.13 VIREMENT IN PROJECT COSTING

Request for any virement within project costing from the approved proposal must be made three (3) months before the end of the project term.

Note:

- No fund may be vired between categories without the approval of the Committee.
- No virement should be made where it would result in over expenditure.

1.14 PROJECT EXTENSION

- a. Requests for project extensions must be made in writing by the Project Leaders for approval at least **three (3) months before** the project completion date. The requests for extensions must be accompanied by appropriate supporting evidence.
- b. Applications for project extension received after the project completion date will not be considered.

- c. The maximum duration of extension is **six (6) months including the submission of the Final Project Report.**

1.15 NOTIFICATION OF RESULTS

The results of applications will be notified to applicants within **14 working days** after the convening of the quarterly Committee meeting.

1.16 ACCEPTANCE OF OFFER

Applicants must accept or decline the offer within **14 working days after receiving the Notification or Letter of Award.**

1.17 INDUSTRY LINKAGE FUND AGREEMENT

The Project Leaders are required to sign the Industry Linkage Fund Agreement within **thirty (30) working days** upon acceptance of the approved projects, failing which the Committee has the right to revoke the approval.

1.18 INTELLECTUAL PROPERTY RIGHTS

- a. IP generated from research projects under full grant, if any, shall be owned by MREPC which will make it available for open access by eligible members of the rubber products industry. This is to ensure the projects carried out will benefit the industry.
- b. IP generated from research projects under matching grant, if any will be given an exclusivity period between three (3) to five (5) years before it is available for open access.

1.19 PUBLICATIONS

Upon project completion, researchers can publish the results of their projects in local and renowned international publications. Approval from the Committee is required prior to publishing the results.

Note:

- The contribution of MREPC as the fund provider must be acknowledged at all times in all forms of publications.
- Researchers are required to submit one (1) copy of all research papers/journal to MREPC upon their publication.

1.20 QUARTERLY FINANCIAL REPORT

Each Project Leader is required to submit to the Committee a Quarterly Financial Report together with the progress report and findings of all approved projects in a digital file (excel format) as in **Appendix III: Table 1**.

Note: All reports are private and confidential. The Committee may conduct audit check on the amount spent by the researchers, as reported in the Quarterly Financial Report.

1.21 CHANGE OF PROJECT LEADER

If a Project Leader/Team Member intends to resign, retire or move to another organisation, he/she must inform the Committee and recommend suitable replacement within the same institute for approval. The new Project Leader/Team Member must have the necessary expertise and experience to lead the project.

1.22 TRANSFER OF GRANTS BETWEEN ORGANISATIONS

If the project leader wishes to transfer and bring along his/her project to another organisation, it is allowed on condition that both parties agree to it by signing a written agreement. The receiving organisation must be eligible to be an Industry Linkage Fund recipient. The project must be carried out in line with the original scope approved.

If either one party does not agree to the agreement, the Committee will terminate the project and any unspent funding shall be returned to MREPC.

Note: All research findings either completed or incomplete project shall belong to MREPC, as specified in the Industry Linkage Fund Agreement.

1.23 TERMINATION

Projects can be terminated based on the following:

- i. Any false reporting by the project leader;
- ii. Any misuse of the grant provided;
- iii. Non-performance in terms of progress such as in completion of milestone;
- iv. Variation of scope of project without getting prior approval from MREPC; and
- v. No suitable project leader as a replacement for the original recipient institution/organisation in cases as in 1.18 and 1.19.

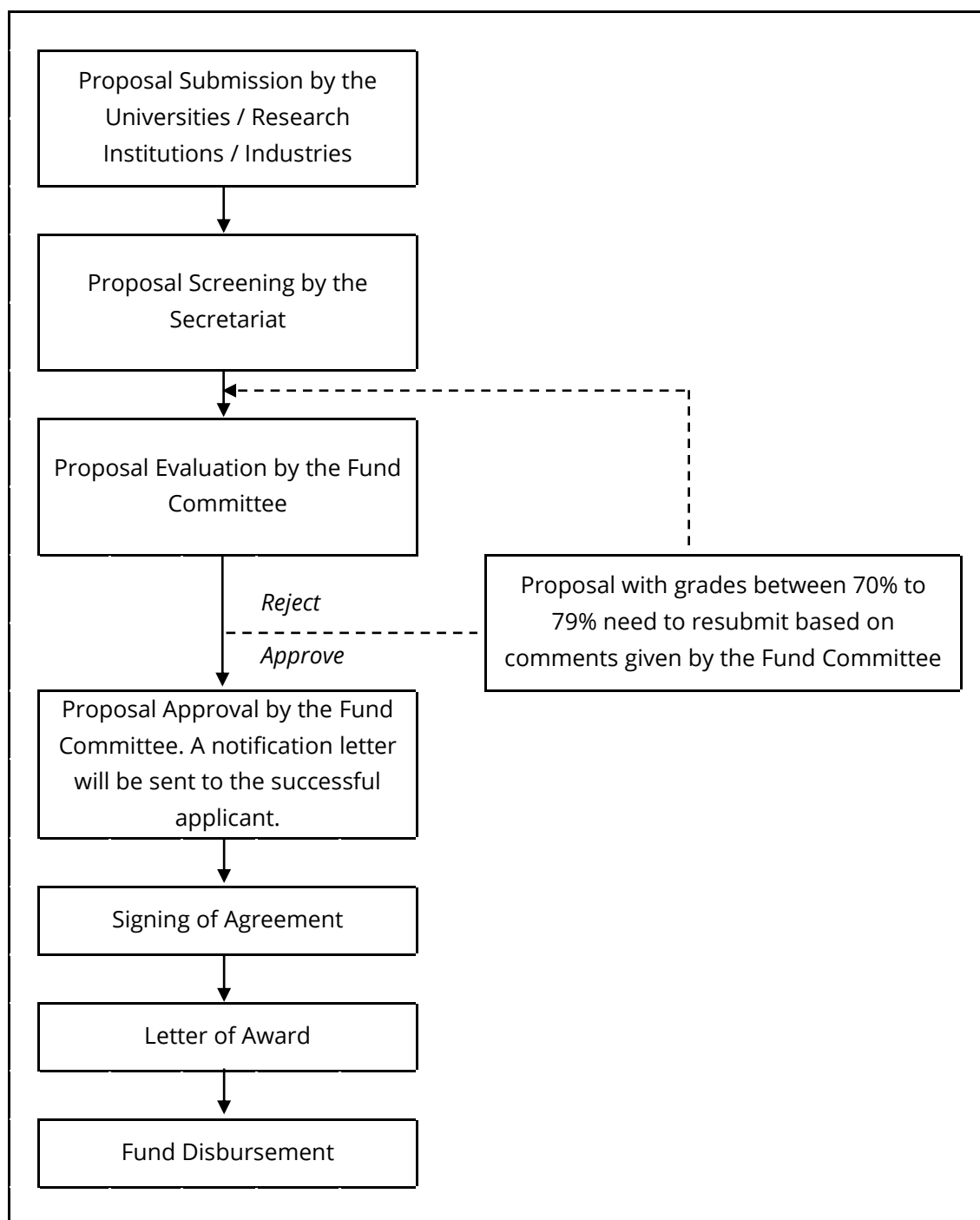
Note: Unspent fund shall be returned to MREPC.

CHAPTER 2: PROPOSAL APPLICATION AND SUBMISSION

2.1 INDUSTRY LINKAGE FUND PROCESS FLOW

The project approval process as shown in Figure 1.

Figure 1: The Project Approval Process



2.2 PROPOSAL APPLICATION AND SUBMISSION

The application is opened throughout the year.

All applicants for Industry Linkage Fund are required to fill up Proposal Submission Form in details.

The completed form shall be sent to MREPC via post to the following address.

MREPC INDUSTRY LINKAGE FUND SECRETARIAT
CORPORATE PLANNING & RESEARCH DIVISION
MALAYSIAN RUBBER EXPORT PROMOTION COUNCIL
UNIT NO. 36-02, LEVEL 36, Q SENTRAL
2A JALAN STESEN SENTRAL 2, KL SENTRAL
50470 KUALA LUMPUR

CHAPTER 3: PROJECT EVALUATION

The project evaluation consists of three (3) stages before it is approved by the Committee.

3.1 SCREENING STAGE

- All applications are to be screened by the Secretariat to ensure that the project proposals are conforming to the requirements of the Industry Linkage Fund.
- The Secretariat will assess various technical aspects of the research proposal. It will also ensure the project leader and project team are technically competent, the project costs are fair, and there is the optimal utilisation of available research equipment and infrastructure.

3.2 TECHNICAL AND FINANCIAL EVALUATION STAGE

- A project proposal will be evaluated technically and financially by a Fund Committee which comprises of a Chairman and committee members appointed by MREPC.
- Members of the Committee consist of industry experts. However, additional experts, including international peer reviewers can be invited as and when necessary, to assist in the evaluation.
- The Committee will study the proposals based on the merits of the research objectives, appropriateness of research methodology, the ability of researchers and the cost-effectiveness of the proposal.
- A project proposal will be evaluated based on the following weighted criteria.

No.	Criteria	Weightage
1	Benefits to the Industry	40%
2	Technical	20%
3	Uniqueness/Innovation	10%
4	Financial/Cost-benefit	10%
5	Capability of Researcher	10%
6	Duration of Project	5%
7	Literature Search	5%
Total		100%

Rating will be given to each criteria based on a scale of 1 to 5:

(1 – very poor; 2 – poor; 3 – average; 4 – good; 5 – excellent)

The grades for approval of project are as below.

80% and above : Project is shortlisted for oral presentation

70% to 79% : Committee may request for proposal improvement for resubmission anytime of the year

69% and below : Reject

Note: All shortlisted proposals must be orally presented to the Committee, as part of the proposal evaluation process.

3.3 PROJECT APPROVAL STAGE

Projects evaluated from the two (2) stages are then submitted for approval. Oral presentation on the proposed project to the Committee is compulsory for all shortlisted applicants. Any decision made by the Committee is final.

CHAPTER 4: ALLOCATION AND DISBURSEMENT OF FUND

4.1 QUANTUM OF FUNDING

The quantum of each project depends on the proposal received. The grant size for each project shall not be more than RM 300,000.

4.2 DISBURSEMENT OF FUNDING

The fund will be disbursed quarterly and the amount to be disbursed to the institutions according to the project proposal.

The payment for the first quarter will be disbursed to the relevant institutions within one month of the return of the signed Industry Linkage Fund Agreement to MREPC.

4.3 INSTITUTIONAL FINANCIAL PROCEDURE

Researchers must abide by all financial rules and regulations of the institutions especially those pertaining to procurement, disbursement, the appointment of research staff and intellectual property rights.

CHAPTER 5: PROJECT IMPLEMENTATION AND MONITORING

5.1 PROJECT IMPLEMENTATION AND MONITORING

- All projects must be conducted in accordance with the terms and conditions outlined in the Industry Linkage Fund Agreement.
- The project will be closely monitored to ensure that they are carried out successfully. Researchers are required to submit the reports through the Secretariat.
- **Progress Report** must be submitted within two (2) weeks after the end of every quarter of each year. These reports will be used to monitor the progress of the project. This will take into account of the milestones achieved and the amount of fund already disbursed. It is the project leader's responsibility to ensure that the correct and updated information related to the milestone achievement and expenditure are reported. Failure to submit the Progress Report is a serious omission that will result in the withholding of further fund disbursement or possible termination of the project.
- **Final Project Report** should be submitted within one (1) month after project completion date. All publications must acknowledge MREPC's contribution as a fund provider. The Final Project Report requires the following information:
 - i. Direct outputs of the project;
 - ii. Extent of achievement of the original project objectives;
 - iii. Technology transfer and commercialisation approach;
 - iv. Benefits of the project, particularly project outputs and endorsement by the industry;
 - v. Technical report of the project; and
 - vi. Financial report of the project.

MREPC reserves the rights to call for periodic information on progress or to conduct site visits even after the project has been completed.

Table 1: Research Priority Areas

No	Research Areas	Priority Areas/Products
1	Latex-based Products	Catheters
		Condoms
		Gloves
		Foam products
		Latex thread
2	Dry Rubber Products*	Automotive components
		Industrial rubber goods
		General rubber goods (e.g. household, sporting goods)
		Engineering rubber goods
		Precured tread liner
		Oil and gas products
3	Automation	Machinery and robotic for process improvement
4	Infrastructure and Construction	Rubber products for construction industry

Note: *excluding tyres, inner tubes and footwear.

Table 1: CESS Paying Rubber Products

The CESS paying rubber products are categorized according to the Harmonized Commodity Description and Coding System or HS Codes, as below.

Products HS Code	Description
4007	Vulcanised rubber thread and cord.
4008	Plates, sheets, strips, rods and profile shapes of vulcanised rubber than hard rubber, including: <ul style="list-style-type: none"> • Floor tiles and wall tiles • Water stop • Rubber Soling Sheet • Structural bearings, including bridge bearings • Rail Pad
4009	Tubes, pipes and hoses, of vulcanised rubber other than hard rubber with or without their fittings (for example, joints elbows, flanges)
4010	Conveyor or transmission belts or belting of vulcanised rubber
401290300	Replaceable tyre treads (pre-cured tread)
4014	Hygienic or pharmaceutical articles of vulcanised rubber other than hard rubber with or without fittings of hard rubber, including: <ul style="list-style-type: none"> • Sheath contraceptives • Teats for feeding bottles similar articles • Finger stalls • Hot water bottles
4015	Articles of apparel and clothing accessories (including gloves, mittens and mitts), for all purposes of vulcanised rubber other than hard rubber)
4016	Other articles of vulcanised rubber other than hard rubber, including: <ul style="list-style-type: none"> • Padding for articles of apparel or clothing accessories • Floor coverings and mats • Eraser tips • Pipe seal rings • Boat or dock fenders • Parts and accessories of vehicles of headings 87.02, 87.03, 87.04, 87.05 or 87.11. Parts and accessories for vehicles of heading 87.12 • Parts and accessories for vehicles of heading 87.13 • Parts and accessories of roto chutes of heading 88.04 • Rubber band • Structural bearings (including bridge bearings) • Rail pad

	<ul style="list-style-type: none"> • Rubber rollers • Other inflatable articles
4017	Hard rubber (for example, ebonite) in all forms, including waste and scrap; articles of hard rubber
5604	Rubber thread and cord, textile covered; textile yarn, and strip and the like of heading 54.04 or 54.05, impregnated, coated, covered or sheathed with rubber or plastics. <ul style="list-style-type: none"> • Rubber thread and cord, textile covered • Rubber impregnated textile thread
5906	Rubberised textile fabrics, other than those of heading 59.02., including: <ul style="list-style-type: none"> • Adhesive tape of a width not exceeding 20 cm
6506	Other headgear, whether or not lined or trimmed, including: <ul style="list-style-type: none"> • Swimming caps of rubber or of plastics • Other headgear, whether or not lined or trimmed of rubber or of plastics
8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors.
854420100	Natural or synthetic rubber insulated
854430100	Natural or synthetic rubber insulated
854442111	Fitted with connectors: Of a kind used for telecommunications: Telephone and Telegraph (including radio relay) cables: Submarine
854442119	Fitted with connectors: Of a kind used for telecommunications telephone and telegraph cables (including radio relay cables: Other
854442191	Other electric conductors, for a voltage not exceeding 1000V fitted with connectors of a kind used for telecommunications insulated with rubber
854442910	Other electric conductors, for a voltage not exceeding 1000V fitted with connectors of a kind used for telecommunications insulated with rubber
854449111	Other: Of a kind used for telecommunications: Telephone and Telegraph (including radio relay) cables: Submarine
854449120	Other: Of a kind used for telecommunications: Telephone and Telegraph (including radio relay) cables: For voltage not exceeding 80V
854449139	Other: Of a kind used for telecommunications: Telephone and Telegraph (including radio relay) cables: Other
854449191	Other electric conductors, for a voltage not exceeding 1000V fitted with connectors of a kind used for telecommunications insulated with rubber
854449910	Other electric conductors, for a voltage not exceeding 1000V fitted with connectors of a kind used for telecommunications insulated with rubber
854460100	Other electric conductors, for a voltage exceeding 1000V insulated with rubber
900490	Rubber goggles
901839100	Rubber catheters

9404	Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs, stuffed, or internally fitted with any material or of cellular rubber or plastics, whether or not covered.
95030094	Toys of rubber, including balloons
9506	Inflatable balls, golf balls, lawn-tennis balls & other rubber balls

Table 1: Summary of Quarterly Financial Report

No	Project Title	Project Leader	Project Duration		Project Status (Completed/ On-going/ Extension)	Total Amount Approved (RM)	Total Amount Received (RM)	Category of Expenditure							Total Actual Expenditure (RM)	% Total Actual Expenditure	Committed Expenditure (RM)	Committed Expenditure + Total Actual Expenditure (RM)	Balance (RM)
			Start	End				1	2	3	4	5	6	7					
							A								B	(B/A) x 100	C	D = (B + C)	E = A + D

Category of Expenditure	
1	Wages and allowance for temporary
2	Travel and transportation
3	Rentals
4	Research materials and supplies
5	Minor modifications and repairs
6	Special services such as consultation and sample testing and analysis
7	Prototype development



INDUSTRY LINKAGE FUND SECRETARIAT

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