

Ref. No. : (20) PSMB/1/14/13 Kulit 3

Date : 04 August 2021

TRAINING PROVIDERS' CIRCULAR NO. 07/2021

ENHANCEMENT OF TERMS AND CONDITIONS FOR THE ALLOWABLE COST MATRIX

1.0 PURPOSE

The purpose of the circular is to inform all training providers registered with the Human Resource Development Corporation (HRD Corp) about the enhancement the terms and conditions for the Allowable Cost Matrix (ACM).

2.0 BACKGROUND

2.1 In line with the expansion of the PSMB Act 2001 in March 2021, HRD Corp undertook a comprehensive review of the ACM to ensure its relevance and adequacy to all registered employers.

2.2 The COVID-19 pandemic has changed the training landscape and affected businesses adversely. Upskilling and reskilling during this tough time have become crucial to employers in order to keep up to date with the latest industry developments while meeting employee expectations. Realising this, HRD Corp is ramping up our efforts to support employers in carrying out high and advanced technology training for their workforce.

2.3 Based on industry feedback, the HRD Corp Board of Directors has approved enhancements to the terms and conditions of the ACM, which is geared at simplifying the application and claim processes.

3.0 REVISED TERMS AND CONDITIONS

3.1 The enhanced ACM is divided into two (2) segments; HRD Corp Focus Area Courses and Employer-Specific Courses.

The details are as follows:-

- i. **HRD Corp Focus Area Courses** are related directly to supporting Government initiatives towards nation building, based on the nine (9) priority areas stated in the table below. As such, the courses offered under HRD Corp Focus Areas are expected to equip the workforce with the skills required for the jobs of today and those of tomorrow. The nine (9) HRD Corp priority areas that have been identified are as follows:-

No.	Priority Area
1	Industry 4.0
2	Green Technology / Renewable Energy
3	Fintech
4	Smart Construction
5	Smart Farming
6	Aerospace industry
7	Block chain
8	Micro Credential
9	Future Technology

- ii. **Employer-Specific Courses** refer to all courses that are not under the stated priority areas above and are typically conducted to meet the employers' specific training requirements.

3.2 The implementation of the enhancement to the terms and conditions are to be done over three (3) phases.

i. Phase 1:

a. Implementation Date: **15 September 2021**

b. The enhanced terms and conditions are as below:

Types of Training	HRD Corp Focus Area Courses	Employer-Specific Courses
Course Fee Public: Face-to-Face	Max RM3,000/day/pax	Max RM1,300/day/pax (as per current term)
Course Fee Public: Remote Online Training (ROT)	Max RM2,000/day/pax	Max RM700/day/pax (as per current term)
Course Fee In-House: Face-to-Face and Remote Online Training	Max RM8,000/group/day • Prorated if less than 5 pax	Max RM6,000/group/day • Prorated if less than 5 pax for face-to-face and RM700/day/pax or whichever lower for ROT
Fee for Certification Courses	As Quoted	As Quoted (as per current term)
Item	Current Term	New Term
Scheme Name	SBL Khas	HRD Corp Claimable Courses

ii. Phase 2:

a. Implementation Date: **25 October 2021**

b. The enhanced terms and conditions are as below:

Item	Current Term	New Term
ROT internal Trainer's Allowance	Nil	RM1,000/day/group
Training Allowances	6 allowances: 1. Meal Allowances 2. Overseas trainee daily allowances 3. Daily Allowance 4. Rental of Hotel 5. Rental of Training Premises 6. Transportation	Consolidated into 4 allowances: 1. Meal Allowances 2. Overseas trainee daily allowances 3. Trainee Allowance 4. Transportation
Distance criteria (one way trip)	Training within 70km & training more than 70km	Training within 100km & training more than 100km

Note:

- As part of the improvement, HRD Corp has consolidated 6 allowances into 4 allowances only. The Trainee Daily Allowance, Rental of Hotel and Rental of Training Premises will be consolidated into Trainee Allowance.
- HRD Corp has also revised the distance criteria from 70 km to 100 km for a one way trip after taking into consideration current improvements to the nation's transportation system and network.

iii. Phase 3:

a. Implementation Date: **7 December 2021**

b. The enhanced terms and conditions are as below:

Item	Current Term	New Term
Upfront Payment to Registered Training Providers	Nil	Subject to the consent from the Registered Employer, the Training Provider may request for an upfront payment of a maximum of 30% based on the total course fee approved.

Note:

- Any request for upfront payment must be made during the Grant application process by the registered employer. The employer and training provider are to take full responsibility to ensure that the training is completed.
- HRD Corp will pay the requested upfront payment directly to the Registered Training Provider.
- In the event that the training was cancelled or could not be completed for any reason, the Training Provider is required to refund to HRD Corp the upfront payment paid to them within one (1) month from the date that HRD Corp was notified. HRD Corp at its absolute discretion may take necessary actions to recover the payment disbursed.
- The Claim for the balance payment can only be made after the completion of the training.

3.3 Employers may claim for **e-Learning programmes** based on training hours. All other terms and conditions for e-Learning remain unchanged. Employers are required to follow the method prescribed below during the grant application process.

The financial assistance offered is as per table below:-

Training Hour	Number to key in the Estimated Cost Table in e-Tris	Financial Assistance (Maximum allowed)
1 hour	0.1	RM70/pax
2 hours	0.2	RM140/pax
3 hours	0.3	RM210/pax
4 hours	0.5	RM350/pax
5 hours	0.7	RM490/pax
6 hours	0.8	RM560/pax
≥7 hours	1.0	RM700/pax

Note:

- The above calculation is applicable for e-Learning training **ONLY** where the total training hours is less or equal to 7 hours. Training arrangements of more than 7 hours shall be indicated based on an additional half day (4 hours /0.5) or full day (7 hours/1.0).
- The training duration for e-Learning must be a minimum of one (1) hour with at least 1 complete module.

3.4 As part of training, employers can claim for Coaching & Mentoring based on the in-house rate under the Employer-Specific Courses stated below:

- A maximum of RM6,000/group/day.
- The financial assistance to be granted to each employer is subject to a maximum of 10% of total levy balance as of 1st January in the year that the application was submitted.
- All other terms and conditions will remain unchanged.

4.0 DATE OF IMPLEMENTATION

4.1 The implementation date of this circular would be according to three (3) phases:

Implementation Date	Item
15 September 2021	Phase 1
	Item 3.3
	Item 3.4
25 October 2021	Phase 2
7 December 2021	Phase 3

5.0 CLOSING

- 5.1 For further clarification and assistance on these enhancements, kindly contact our Call Centre at 1800-88-4800 or email to support@hrdcorp.gov.my.

'Delivering Quality, Developing Excellence'

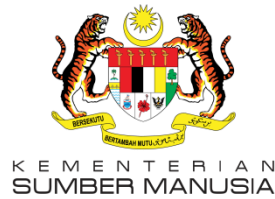
'Pembudayaan Norma Baharu dalam Dunia Pekerjaan Sejagat'



DATUK SHAHUL DAWOOD

Chief Executive

Human Resource Development Corporation



Frequently Asked Questions (FAQ)

Enhanced Terms and Conditions For Allowable Cost Matrix (ACM)

This FAQ is prepared for HRD Corp Registered Employers
and Training Providers

Training Department, Programmes Division
September 2021

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A. HRD CORP Focus Area Courses

1. What are HRD Corp Focus Area Courses?

Based on the nine (9) pillars listed in the table below, **HRD Corp Focus Area Courses** are closely tied to supporting Government initiatives toward nation building. As a result, the courses offered through the HRD Corp Focus Areas are designed to provide the workforce with the skills needed for the jobs of today and those of tomorrow. Details of the focus areas are as follows:

No.	HRD Corp Focus Area	Definition/Description
1	Industry 4.0	Industry 4.0 involves the integration of data, artificial intelligence, machinery and communication to create an efficient industrial ecosystem that is not just automated but intelligent. Industry 4.0 describes the growing trend towards automation and data exchange in technology and processes within the manufacturing industry, including: 1. Additive Manufacturing 2. Artificial Intelligence (AI) 3. Big Data Analytics 4. Advance Materials 5. Cyber Security 6. Simulation 7. Cloud Computing 8. Augmented Reality 9. Internet of Thing (IoT) 10. Autonomous Robots 11. System Integration <i>Source : Industry 4WRD: National Policy on Industry 4.0 by MITI</i> Courses on modern and smart technology are for the purpose of automating manufacturing and industrial processes. Example of courses: • Internet of Things: Business Implications and Opportunities • Decision-Making for Autonomous Systems • Robotic Process Automation • Smart Factory

No.	HRD Corp Focus Area	Definition/Description
2	Green Technology / Renewable Energy	Green technology is termed as sustainable technology that takes into account the long and short-term impacts on the environment. Renewable energy is generated from resources that can be replaced by nature, such as wind, water, and solar energy. Renewable energy is also called as "clean energy" or "green power" because it doesn't pollute air or water. Courses on the use of green technology/renewable energy help to produce goods or services that are more eco-friendly Example of courses: • Water and Wastewater Treatment Engineering: Biochemical Technology • Waste-to-Energy Fundamentals • Drinking Water Treatment Process & Water Quality Analysis with Competency Test • Municipal Solid Waste Management
3	FinTech	Financial Technology (FinTech) refers to the use of technology or integration of technology into financial services to improve offerings from the financial industry. Courses that focus on making the financial industry more user-friendly, appealing, productive, and efficient with technological innovations. Example of courses: • FinTech: The Future of Money, Markets and Banking • Challengers and Incumbents at a Crossroad: Forging a Digital Banking Future • IoT and APIs in the Financial Industry • FinTech Ethics and Risks

No.	HRD Corp Focus Area	Definition/Description
4	Smart Construction	Smart construction encompasses building design, construction and operation that makes full use of digital technologies and industrialised manufacturing techniques to improve productivity, minimise whole life cost, improve sustainability and maximise user benefits. Courses that use advanced technologies to enhance the construction industry in Malaysia. Example of courses: • Use of drones for Construction and Inspection • Building Information Modeling (BIM) Implementation Training Course • Training on Smart Cities Construction • Sustainable Construction and Development
5	Smart Farming	Smart farming is an emerging concept which refers to managing farms using technologies such as IoT, robotics, drones and Artificial Intelligence (AI) to increase the quantity and quality of crops while optimising the human labour required for the production. Courses that support the adoption of latest technology into agricultural industry. Example of courses: • Sustainable and Smart Farming using Cutting Edge Technologies and IoT • Precision Farming and Climate Smart Agriculture • Drones for Agriculture: Prepare and Design Your Drone (UAV) Mission • Data Analytics and Agricultural Intelligence

No.	HRD Corp Focus Area	Definition/Description
6	Aerospace industry	Aerospace activity is very diverse, with a multitude of commercial, industrial and military applications. Aerospace engineering consists of aeronautics and astronautics. Aerospace organisations are involved in the research, designation, manufacturing, operation, or maintenance of aircraft and spacecraft. Through Malaysian Aerospace Blueprint 2030, the government has identified 5 areas needed by Malaysia to be the No. 1 Aerospace Hub in Southeast Asia as below: 1. Maintenance, Repair & Overhaul (MRO) 2. Aero Manufacturing 3. Systems Integration 4. Engineering & Designing services 5. Education & Training <i>Source: Malaysian Aerospace Industry Association</i> Example of courses: • Digitalisation in the Aerospace Industry • Introduction to Aeronautical Engineering • Airborne Radar • Aerospace Electronic Engineering
7	Block chain	Blockchain refers to how the data are stored in "blocks" of information and then linked together in a permanent "chain." When a new block is added to the chain, it makes the previous blocks even harder to be modified, which helps each block to become more secured over time. Courses that will assist in understanding and implementing block chain technology in employers' operation. Example of courses: • Blockchain and Data Privacy Masterclass • Apache Hadoop Big Data Training • Blockchain for Business Application and Strategy • Blockchain and Smart Contract Security

No.	HRD Corp Focus Area	Definition/Description
8	MicroCredential	Courses that are recognised by Jabatan Pembangunan Kemahiran (JPK), Malaysian Qualifications Agency (MQA) or other approved accreditation bodies; and are registered with HRD Corp as micro credential courses. Example of courses: • Agile Leadership and Management • Applications of Blockchain
9	Future Technology	5 biggest future technology trends that Malaysian employers should embrace are: i. 5G & above and Enhanced Connectivity ii. Artificial Intelligence (AI) iii. The As-A-Service Revolution iv. Robotic, Drones and Vehicle Automation v. Extended Reality (EX) – Virtual and Augmented Reality (VR/MR) Courses that support the adoption and implementation of future technologies in Malaysia and not specifically covered under the other focus areas stated above. Example of courses: • Adoption of 6G and above technologies • Artificial Intelligence in Healthcare • Space Tourism • 3D Printed Food • Working in Virtual Reality

2. What are the Employer-Specific Courses?

Employer-Specific Courses are those not listed under the stated priority areas above and are typically conducted to meet the employers' specific training requirements.

3. How does a training provider register a course under HRD Corp Focus Area Courses?

The examination of whether a course falls into HRD Corp focus area course or not will not be done during course registration.

4. Does a training provider require to re-register a HRD Corp Claimable course under HRD Corp Focus Area Courses?

Training providers do not require to re-register if the course has been previously registered under HRD Corp.

5. What are the criteria(s) for a programme to be selected under HRD Corp Focus Area Courses?

The employer is required to indicate in their grant application in the e-Tris if they are applying grant for HRD Corp Focus Area Courses

Upon receiving the Grant application from employer, HRD Corp will evaluate the course content and other relevant documents to determine if the course meets the requirements of HRD Corp Focus Area Courses.

6. What are the changes to the terms and conditions of ACM?

Phase 1 Implementation (Effective date: 15 September 2021)

Types of Training	HRD Corp Focus Area Courses	Employer-Specific Courses
Course Fee Public: Face-to-Face	Max RM3,000/day/pax	Max RM1,300/day/pax (as per current term)
Course Fee Public: Remote Online Training (ROT)	Max RM2,000/day/pax	Max RM700/day/pax (as per current term)
Course Fee In-House: Face-to-Face and Remote Online Training	Max RM8,000/group/day • Prorated if lesser than 5 pax	Max RM6,000/group/day • Prorated if lesser than 5 pax for face-to-face and RM700/day/pax or whichever lower for ROT
Fee for Certification Courses	As Quoted	As Quoted (as per current term)
Item	Current Term	New Term
Scheme Name	SBL Khas	HRD Corp Claimable Courses

Phase 2 Implementation (Effective date: 25 October 2021)

Item	New Term
ROT Internal Trainer's Allowances	RM1,000/day/group
Consolidation of Training Allowances: 1. Meal Allowances 2. Overseas trainee's daily allowances 3. Daily Allowances 4. Accommodation 5. Rental of Training Places 6. Transportation	Consolidate from 6 items to 4 items. 1. Meal Allowances 2. Overseas trainee's daily allowances 3. Trainee's Allowance 4. Transportation
Distance criteria (one way trip)	Training venue within 100km & more than 100km

Phase 3 Implementation (Effective date: 7 December 2021)

Item	New Term
Upfront Payment to Registered Training Providers	Subject to the consent from Registered Employer, Training Provider requesting for an upfront payment maximum of 30% based on the total course fee approved.

7. What is HRD Corp Claimable Course?

Effective from 15 September 2021, Skim Bantuan Latihan Khas (SBL Khas) is known as HRD Corp Claimable Courses.

8. If an employer plans to conduct an ROT In-house programme under the Employer-Specific Courses, what is the maximum claimable course fee?

For ROT In-house programme under Employer-Specific Courses, the employers can claim a maximum of RM700/day/pax or RM6,000/day/group, whichever lower.

B. Allowance

9. Can the registered employers claim for internal trainer's allowance for Remote Online Training programmes? If so, what is the claimable amount?

Yes, effective from 25 October 2021, employers can claim for internal trainer's allowance for ROT programmes. Employers are allowed to claim a maximum of RM1,000/day/group. However, if the number of trainees is lesser than 5 pax, the internal trainer's allowance will be prorated.

10. What is Trainee's Allowance?

To further assist the employers, effective from 25 October 2021, HRD Corp has consolidated 3 allowances into 1 single allowance. The Trainee's Daily Allowance, Accommodation Allowance and Rental of Training Premises are consolidated into Trainee's Allowance and applicable to face-to-face training only.

11. What is the claimable amount for Trainee's Allowance if a trainee attends a 2-day programme where the distance to the training venue from the employer's premise is lesser than 100km for one way trip?

For public and in-house face-to-face programme where the distance to the training venue is lesser than 100km, the claimable Trainee's Allowance is RM150/day/pax only.

However, as per the existing terms, in the event that the training hours for in-house programme are extended to an additional minimum of 3 hours at night, employer is allowed to claim RM400/day/pax (whichever lower). Employers are required to attach the quotation/invoice of the accommodation and training schedule which indicate the training will be extended till night.

12. If an employer's application has been submitted, approved or queried, can the employer still request to change to the new ACM terms?

The new terms and conditions are effective according to its respective implementation dates. The new terms and conditions are only applicable to the new applications received by HRD Corp where the training date is on or after the implementation date of each phase.

13. If the employer submits grant appeal after 15 September 2021, what is their eligibility under the allowable cost matrix (ACM)?

Employer's eligibility would be based on the respective implementation dates and subject to training date and also the items being appealed.

C. Upfront Payment

14. How does the employer request for upfront payment for the training providers?

Effective from 7 December 2021, registered employers can request to HRD Corp for the upfront payment for training providers during grant application. This upfront payment will be paid upon grant approval.

HRD Corp allows employers to request for a **maximum of 30%** from the total course fee approved. This upfront payment is **ONLY** applicable for HRD Corp Claimable Courses (fka SBL Khas).

15. What if employers did not request for any upfront payment?

HRD Corp will not pay any upfront payment to Training Provider in such cases. They can claim 100% upon completion of training.

16. What if employers request for upfront payment less than 30%?

Upon grant approval, HRD Corp will pay upfront payment as per employer's request.

17. Will HRD Corp impose 4% service fee to the upfront payment?

Yes. HRD Corp imposes 4% service fees on every stage upon disbursement of payment.

18. What should employers do if the training programme has been cancelled but upfront payment has been made to the training providers?

The Employer is required to cancel the programme via e-TRiS and ensure that the training provider returns the upfront payment to HRD Corp within one (1) month from the date HRD Corp was notified on the cancellation.

19. What will happen to the upfront payment if the claim is not being submitted by the Training Provider within 6 months after training completion or claim rejection due to whatsoever reason?

As per Circular No. 3/2019, all claim submissions must be made within six (6) months from the training completion date. Failure to submit claims within the stipulated duration may cause the claim to be rejected. Unless an appeal is received from the Training Provider and approved accordingly, for any rejected claim submission, the Training Provider is required to refund the upfront payment to HRD Corp within one (1) month from the date HRD Corp rejected their claim submission.

20. What are the Implementation dates of these 3 phases?

Phase	Date
Phase 1	15 September 2021
Phase 2	25 October 2021
Phase 3	7 December 2021

For details, please refer to [Employers' Circular No. 8/2021](#)

D. E-Learning

21. What is the minimum duration for an e-learning programme to enable employer to claim?

Minimum duration for an e-learning programme is one (1) hour with one (1) complete module. This is applicable for e-learning type of training only.

22. How will the course fee for e-learning be calculated?

The course fee calculation for e-learning is based on the following table:

Training Hour	Number to key in the Estimated Cost Table in e-TRiS	Financial Assistance (Maximum allowed)
1 hour	0.1	RM70 per pax
2 hours	0.2	RM140 per pax
3 hours	0.3	RM210 per pax
4 hours (half day)	0.5	RM350 per pax
5 hours	0.7	RM490 per pax
6 hours	0.8	RM560 per pax
7 hours	1.0	RM700 per pax

The calculation as per table above is applicable for e-learning training ONLY where the total training hours is less or equal to 7 hours. Training arrangement of more than 7 hours shall be indicated based on an additional half day (4hours/0.5) or full day (7hours/1.0).

Scenario 1

Number of Trainees: 1 pax

Training Duration: 2 hours

Course Fee Quoted: RM500/pax

Calculation for Financial Assistance: As per the above table, for 2 hours training, employer is allowed to claim RM140 (Including SST) only.

As such, balance RM360 (RM500 –RM140) is to be borne by the employer.

Scenario 2

Number of Trainees: 1 pax

Training Duration: 5 hours 30 Minutes

Course Fee Quoted: RM500/pax

Calculation for Financial Assistance: As per the above table, for 5 hours and 30 minutes training, employer is allowed to claim RM490 (including SST). The training hours is rounded down to the nearest hour i.e. 5 hours.

As such, balance RM10 (RM500-RM490) to be borne by the employer.

Scenario 3

Number of Trainees: 1 pax

Training Duration: 10 hours

Course Fees Quoted: RM1,000/pax

Calculation for Financial Assistance: RM700 where the course fee is for 1 day only since 10 hours is insufficient to be considered as 1.5 day)

As such, balance RM300 to be borne by the employer.

Scenario 4

Number of Trainees: 1 pax

Training Duration: 11 hours

Course Fees Quoted: RM1,500/pax

Calculation for Financial Assistance:

= RM700 (course fee for 7 hours i.e. 1 day) x 1.5 day (7 hours + 4 hours)

= RM1,050/pax for 1.5 days

As such, balance RM450 to be borne by the employer.

E. Coaching and Mentoring

23. What is the claimable amount of course fee by employers for Coaching and Mentoring sessions?

Effective from 15 September 2021, for Coaching and Mentoring 1:1 or 1:2, employer can claim based on the in-house rate under Employer-Specific Courses where the maximum course fee would be RM6,000/group/day.

However, financial assistance to be granted to each employer subjected to a maximum of 10% of total levy balance as at 1st January of the year when the application was submitted.

24. Is online Coaching and Mentoring claimable?

Yes, provided it meets the minimum duration and other HRD Corp terms and conditions.

25. If the Coaching and Mentoring is conducted online, will the claimable amount be RM6,000/group/day or RM700/pax/day?

For in-house personal Coaching and Mentoring the claimable amount will be RM6,000/day.

26. In order to claim for Coaching and Mentoring, does the coach/trainer requires to be TTT certified or exempted?

Yes, the coach/trainer must be either TTT certified or exempted.

27. What if 10% levy balance allocated for coaching and mentoring type of training has exceeded the allowed limit for the calendar year?

Grant application will be rejected and no appeal is allowed.

NOTE:

This FAQ should be read together with Circulars and guidelines and other existing terms and conditions. Employers are advised to refer to HRD Corp if they require further clarification. Please be informed that HRD Corp reserves the right to make final decision with regards to the interpretation of the terms and conditions and also definitions in this FAQ and related Circulars.