

ALTERNATIVE MODES OF FUND RAISING FOR SMES

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Categories of Alternative Funds



1. Equity based fundraising
2. Debt based fundraising
3. Grants

Equity Based Fund Raising

1. Angel investments – Malaysian Business Angel Network

- Tax incentive up to RM500k p.a.
- Invest from RM30k to RM1m in tech companies

2. Equity Crowdfunding (ECF)

- Approved in 2016 by SC. Currently 10 platforms eg. PitchIn, AtaPlus, Fundnel
- Since 2016, 263 campaigns raised RM421 mil

3. Venture Capital & Private Equity

- Invest from RM500k to RM300m
- High growth, high returns (10x to 50x)

4. Corporate Investors

- Mostly for strategic reasons, some for financial returns
- Tax incentive up to RM20 mil p.a. to invest in VC funds or directly into companies

Debt fundraising



1. Peer to Peer (P2P) lending

- Approved in 2016 by SC. Currently 10 platforms eg. Funding Societies, Microleap, Capbay
- Since 2016, 30k campaigns raised RM2.3 bil (as at 31st Dec 2021)

2. Venture Debt

- MDV (Govt Agency), Penjana Kapital (Iris Capital, Crewstone), Warisan Quantum

3. Convertible Notes

- MTDC (Govt Agency), Warisan Quantum

Grants



1. Cradle Fund

- For commercialisation (RM500k) and Prototyping (RM150k)
- Innovative technology Cos

2. MDEC/MRANTI (NTIS – Nat Tech & Innovation Sandbox)

- Innovative digital technology Cos, Uni commercialisation



Thank You

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