



Crowdfunding & Job Creation

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The Main Reasons Why Startups Fail

- According to a CB Insights report, **lack of market need is the most common reason for startup failure**. In 42% of cases, failed startups created a product or service that didn't meet a real need in the market. Without strong market demand, it can be difficult to gain traction and grow the business.
- Another top reason is startups **run out of cash and due to lack of financing or investors**.
- In some cases, the two main reasons are inter-connected

What is Crowdfunding?

the practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the Internet.





Equity Crowdfunding in Malaysia

What is it?

It allows local incorporated companies (LLP, Sdn Bhd and unlisted Berhad) to raise funding, **up to RM20 million** for their business from the general public and investor community.

Who oversees?

The Securities Commission (SC) of Malaysia is the overseer of Equity Crowdfunding in Malaysia. Platforms are registered by the Securities Commission. Only registered platforms known as "Recognized Market Operators" are allowed to host companies on their platform to raise funding.

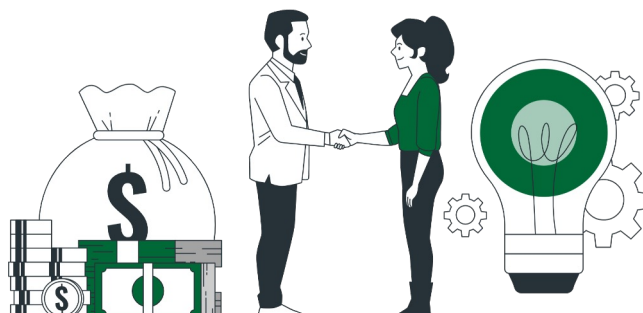


GUIDELINES ON RECOGNIZED MARKETS

SC-GL/6-2015(R7-2021)

1 st Issued :	11 December 2015
Revised :	22 November 2021

The Opportunity



Turning customers, clients, users and partners to invest in companies and startups that they previously had no access to (investment wise), and combining that with other Retail, Angel and Sophisticated investors that may include VCs, Family Funds, Institutional and from the Government. **Prior to June 2015, public fundraising by privately held companies were not allowed.**



The Crowdfunding Landscape in Malaysia

EQUITY CROWDFUNDING



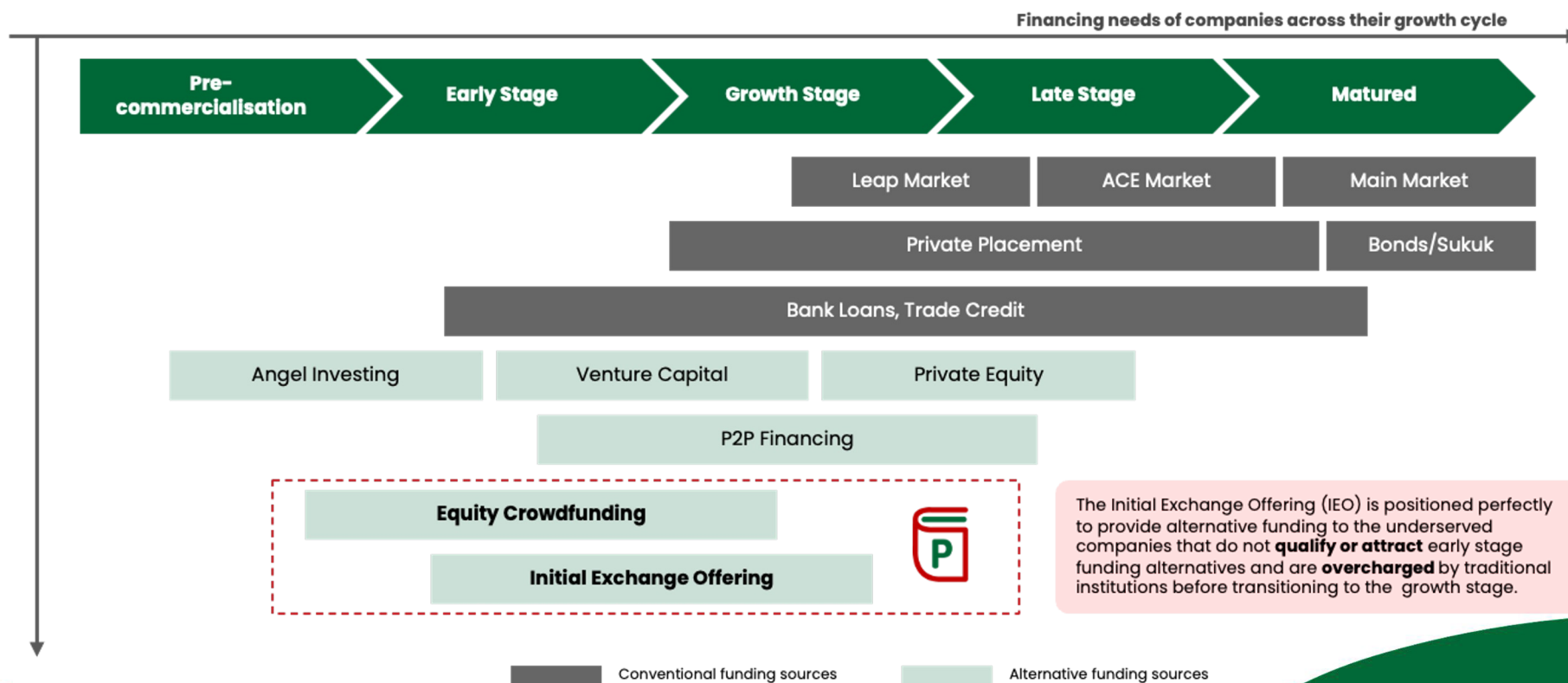
P2P FINANCING



REWARD/DONATION



Strategically Positioned to Fill the Gap

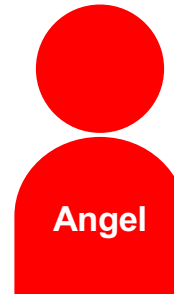


Source: Capital Market Masterplan 3, Securities Commission Malaysia; BCG Analysis; Deloitte Financial Services Insight.

Equity Crowdfunding: Who Can Invest



- All other investors apart from Angel or Sophisticated Investors



- Tax resident of Malaysia AND
- Total net personal assets > RM3 million or its equivalent in foreign currencies, OR
- Gross total annual income is > RM180,000 or its equivalent in foreign currencies in the preceding 12 months, OR
- Gross total annual income > RM250,000 or its equivalent in foreign currencies in the preceding 12 months (jointly with spouse)



- An accredited investor, high-net worth entity or high-net worth individual as defined in the Capital Markets and Services Act 2007 and related regulations

Investment Limit¹: Up to RM5,000 per issuer and up to RM50,000 per year

Investment Limit¹: Up to RM500,000 per year

Investment Limit¹: No limit

1. As prescribed under the Malaysian Crowdfunding Regulations issued by the Securities Commission of Malaysia

Policy Street – A Case Study



**Policy
Street**



May 2020, raised RM5,28 mil from 274 investors



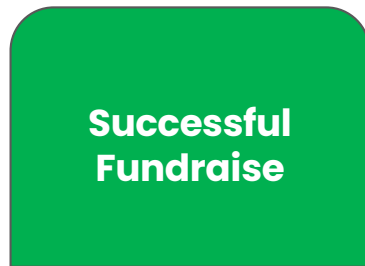
Pre – ECF Fundraising, staff strength at 30 people. After, staff grew 3X at 90 people



June 2023, raised another RM72 mil from Gobi Partners via Dana Impak

Crowdfunding + Job Creation via pitchIN

1



RM305 million +

2



170

3



450+

Equity Crowdfunding In Malaysia



- Regulated by Securities Commission Malaysia (SC)
- More than RM600 mil have been raised for more than 350 companies
- 10 Recognized Market Operators (RMO)
- Companies **must be incorporated in Malaysia**
 - LLP, Sdn Bhd and Unlisted Berhad
- Companies can raise up to RM20 Million (one or multiple rounds)
- Suitable for tech and non-tech, early and growth-stage companies
- Co-Investment Funds for companies and tax incentives for investors

Thank You

