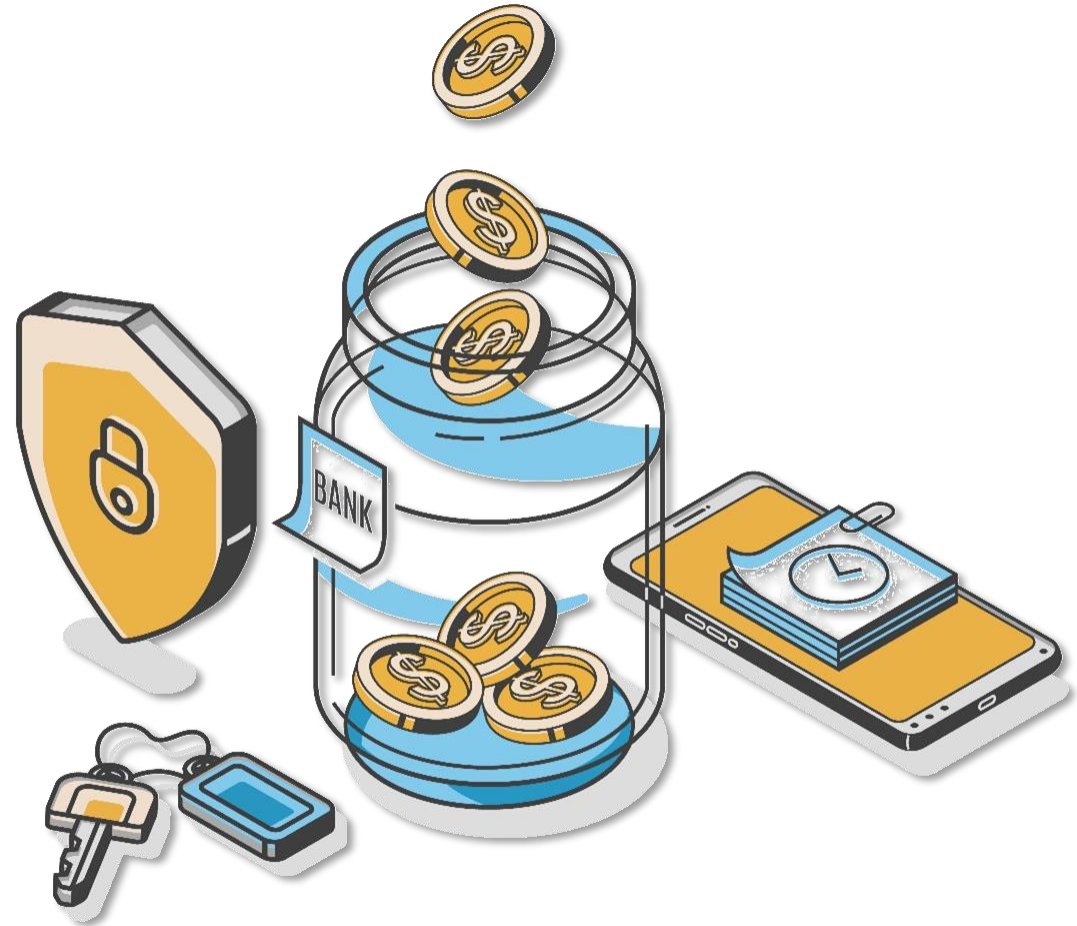


Initiative by:



PLC Professional Liquidity Scheme for MIA PC Holders

- Advances for pre-determined staff costs
- Using invoices as proof of debt
- One-off admin fee throughout the advance period



To assist member firms facing difficulties in collecting payments from their clients who have suffered financially from the COVID-19 pandemic.

This scheme will assist firms to pay pre-determined staff costs with advances against unpaid invoices.

WHAT ARE THE PROCESSES?



Criteria for Good Standing

For Managing Partner/Sole Proprietor of Firm

- No outstanding annual subscription and practising certificate fee.
- Complied with the CPE requirements.
- No disciplinary cases or pending cases with the Institute. This includes a member under investigation.

Criteria for Invoice

The minimum amount of invoice(s) is **RM3,500** per client and the maximum amount is **RM7,500** per client. The invoice(s) must be recent, i.e. the invoice must have been issued not more than 2 months ago. Only invoices from **clients with business activities that are not on the negative list** can be submitted.

Verification of invoice's authenticity and credit checking



- Client confirms that work has been completed and invoice amount is correct.
- Client consents to the credit check.
- In return to agreeing to participate, every accepted invoice that is used for an advance will be given a 180-day payment term.
- Client agrees that the electronic invoice replaces the original invoice for the duration of the payment term.
- Client settles its invoices by paying into a dedicated account.



1. How does the firm's Managing Partner access the application platform?

There will be a landing page that appears in the MIA's website with brief information on the scheme and a link to PLC's platform, to facilitate access by the firm's Managing Partner. The access for firms' clients will be done through a direct link to PLC's platform.

2. Is there any registration fee and other hidden charges for this interest-free scheme?

MFs that are interested will have to pay a one-time RM200 registration fee. PLC charges RM186 for every accepted transaction to cover for the cost of this scheme and contribution of 2.16% on advanced amount for risk pool.

3. What happens if my clients pay back more than what PLC has advanced to me?

When your clients have paid more than the advanced amount and administrative fee, your account will have a surplus. Any surpluses will be returned to you either in the first or third week of the month.

4. What is the reason for setting the invoice limit of RM3,500?

The credit processing attracts administrative fees and charges by external parties/service providers. If the amount of invoice is too small, the cost may outweigh the benefits.

5. Can I combine my invoices from the same client in order to achieve the RM3,500 minimum limit?

Yes, if you have issued multiple invoices to the same client, you may consolidate them into a single invoice, provided none of the invoices are more than 2 months' old. You may need to explain to your client about the invoices being combined so that they are aware of it.

6. Who is responsible to ensure that the invoices get paid?

It is your firm's responsibility to ensure your clients pay the invoices by the due date and into the dedicated account.

7. What if my clients are still unable to pay after 6 months' time?

At the end of 6 months, any unsettled invoices are released from the platform and your firm will rely on your original invoices with the original payment terms to pursue collection from your clients. At the end of this scheme, if there is a surplus in your firm's dashboard, the surplus will be returned to you. If it is in deficit, you will have 60 days to make good of the deficit.

8. Can I make changes to the purpose of the advance?

The purpose of this scheme is to help firms to meet salary obligations, retain employees and get on with the business. Hence, the advances are only to help firms cover salary costs. However, if there are surpluses in your account, it will be returned to you to be used for other purposes. Hence, it is important for you to actively engage your clients to get the invoices paid.

9. Why is there a need to involve the client in the approval process since the Managing Partner will be the one who bears the full responsibility for repayment?

Unlike a typical loan program, this scheme has been designed to minimise hardship on both firms and clients. You may have good clients who are good paymasters but have been adversely affected by the COVID-19 pandemic, which causes delay in paying your invoices. This scheme helps them by first assessing their payment conduct and if it has been sound, the scheme will advance payment on their behalf to you. When circumstances get better in 6 months' time, your clients will have regained the ability to settle the invoices and in doing so, you will not have another debt to deal with.

10. How do I convince my clients to approve the invoices submitted by my firm in this scheme?

Please advise your clients that by approving the invoices submitted by the firm in this scheme, clients have a 6-month extension period to make payment.

11. The advances will be used by PLC to pay staff's net salaries only? What about the other statutory payments such as EPF, SOCSO, PCB and EIS?

Subject to the firm's advance limit, in addition to paying the net salaries, PLC will advance to the Managing Partner, a grossed up amount of the net salaries to cover both the employer's and employees' portions of EPF, PCB, SOCSO and EIS. It will be the responsibility of the firm to ensure that these statutory payments are made.



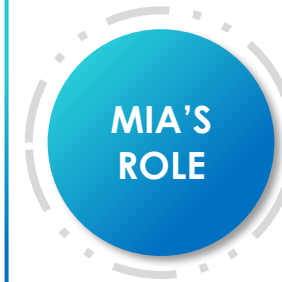
- (i) Scheme enrolment:
 - Agrees to PLC's terms and conditions.
- (ii) Invoicing:
 - To recreate the existing unpaid invoice in the platform.
 - To agree that the platform invoice replaces the original invoice when the client agrees to accept the platform invoice and PLC agrees to accept the client.
 - To agree that the payment of invoice will be to the dedicated account.
 - To agree that the payment of invoice by Client is within 6 months from the date of submission.
 - To agree that any unsettled invoices at the end of the payment term is replaced back by the original invoice based on the original payment terms.

[Note: Firms may offer client incentives to settle earlier, but incentive will be managed directly between firm and client and is not captured in the platform]

- (iii) Employees' details: To create employees' details (salary, EPF, SOCSO, PCB) in the platform as the payment will be made directly to staff's accounts by PLC, as instructed by the Managing Partner.





- (i) To confirm that the work described in each invoice has been completed.
- (ii) To confirm the invoice amount is correct.
- (iii) To agree to the extended payment term (within 6 months from date of submission).
- (iv) To agree that the electronic invoice replaces the original invoice for the duration of the payment term.
- (v) To agree that settlement of the invoice is done by paying into the dedicated account.
- (vi) To provide consent for PLC to perform credit check on them.



- (i) To provide pre-qualified firms' list to PLC.
- (ii) To ensure each firm is a genuine MIA member firm.

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