

# Appendix IV SME Definition

## New Definition of SMEs (effective 1 January 2014)

Under the new SME definition, the existing qualifying criteria i.e. sales turnover and employment remain but the threshold has been increased to:

- Manufacturing sector: Sales turnover not exceeding RM50 million OR full-time employees not exceeding 200
- Services and other sectors: Sales turnover not exceeding RM20 million OR full-time employees not exceeding 75

Detailed definition by category namely micro, small and medium is as follows:

Size	Micro		Small		Medium	
	Sales Turnover	Employees	Sales Turnover	Employees	Sales Turnover	Employees
Manufacturing	<RM300,000	< 5 employees	RM300,000 to < 15 million	5 to < 75 employees	RM15 million to ≤ 50 million	75 to ≤ 200 employees
Services & other sectors			RM300,000 to < 3 million	5 to < 30 employees	RM3 million to ≤ 20 million	30 to ≤ 75 employees

Note: < is less than  
≤ is not exceeding

Under the new definition, all SMEs must be entities registered with SSM or other equivalent bodies. It however excludes:

- Entities that are public-listed companies on the main board
- Subsidiaries of:
  - Public-listed companies on the main board;
  - Multinational corporations (MNCs);
  - Government-linked companies (GLCs);
  - Syarikat Menteri Kewangan Diperbadankan (MKDs); and
  - State-owned enterprises.