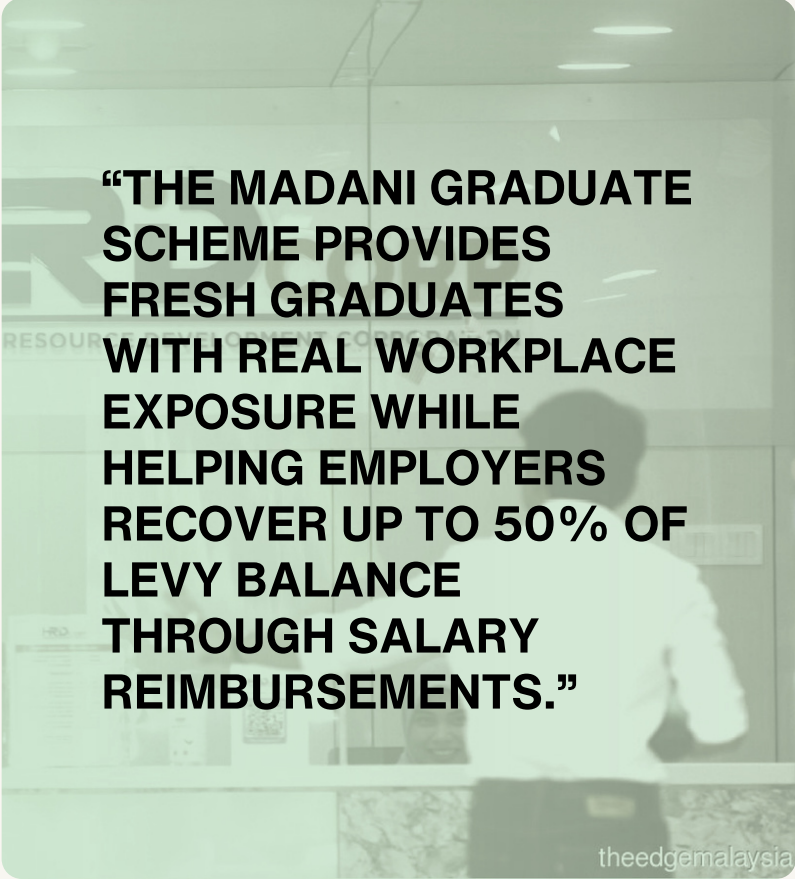


CIRCULAR

INTRODUCTION OF THE MADANI GRADUATE SCHEME (SGM) BY HRD CORP

The Government of Malaysia, through the Human Resource Development Corporation (HRD Corp), has introduced the MADANI Graduate Scheme (SGM), a levy-based initiative aimed at enhancing the employability of Malaysian graduates while supporting registered employers in building a future-ready workforce.



“THE MADANI GRADUATE SCHEME PROVIDES FRESH GRADUATES WITH REAL WORKPLACE EXPOSURE WHILE HELPING EMPLOYERS RECOVER UP TO 50% OF LEVY BALANCE THROUGH SALARY REIMBURSEMENTS.”

theedgemalaysia

WHAT IS THE SCHEME ABOUT?

The SGM offers fresh graduates the opportunity to undergo a structured 12-month workplace training programme, while allowing registered employers to claim reimbursement of the graduate's basic salary for the same period from their HRD levy. However, employers may only recover up to 50% of their levy balance, calculated as at 1 January of the application year, and this reimbursement is payable only upon successful completion of the programme.





WHO IS ELIGIBLE?

- Malaysian citizen
- Completed higher academic requirements (including SKM Level 4 and above)
- Seeking first full-time job in the formal sector (permanent or fixed-term contract of at least 12 months)
- No prior full-time work experience

PROGRAMME DURATION

- Employers must employ graduates for a minimum of 12 months under the scheme
- Financial assistance is only claimable after full completion of the programme

CLAIMABLE AMOUNT

- Graduate Skills Development Allowance equivalent to 12 months' basic salary paid by the employer
- Employers may claim up to 50% of levy balance (as at 1 January of the application year)
- No other allowances are claimable under this scheme

SUPPORTING DOCUMENTS REQUIRED

Employers must prepare and submit the following upon claim application:

- Graduation letter or certificate from a recognised institution
- Employment/Offer Letter with details of monthly basic salary
- Joint Declaration by employer and graduate confirming it is the graduate's first full-time job
- A 12-month training programme schedule including objectives, duration, and expected learning outcomes
- Proof of 12 months' salary payments (bank transfer slips, payslips)

APPLICATION PROCEDURE

- Employers may employ graduates under SGM from January 2025 onwards
- Claims can only be submitted after the 12-month programme is completed
- Claim submission window: within 6 months after completion of the programme
- Employers remain eligible to apply for other HRD Corp training schemes for the same graduate during the SGM programme

WHEN WILL THIS SCHEME BE IMPLEMENTED?

- Employment of graduates under SGM: From January 2025
- Grant applications and reimbursements: From 1 January 2026 onwards

WHAT HAPPENS IF GRADUATES LEAVE BEFORE COMPLETING 12 MONTHS?

- If a graduate resigns or does not complete the 12-month programme, the employer will not be eligible to claim financial assistance under SGM.



Employers are encouraged to review the [HRD Corp's Circular and FAQ](#), enclosed herewith, for comprehensive guidance on the registration process under this scheme.