

**BNM's Fund for SMEs  
Disaster Relief Facility 2021  
General Frequently Asked Questions (FAQ)**

Disaster Relief Facility (DRF) 2021		
No.	Question	Answer
1.	What is DRF 2021?	<p>DRF 2021 is a financing facility established by BNM to alleviate the financial burden of SMEs affected by floods and enable them to resume their business operations. The purpose of DRF 2021 are for:</p> <ul style="list-style-type: none"> <li>• Repairs and/or replacement of assets for business use (e.g. plants and machinery) which have been damaged by natural disasters; and/or</li> <li>• Working capital.</li> </ul> <p><i>Note: Financing should not be used for refinancing of existing credit/financing facilities</i></p>
2.	Who is eligible to apply for DRF 2021?	<p>Microenterprises and SMEs<sup>1</sup> affected by floods located in districts identified by <i>Agensi Pengurusan Bencana Negara</i> (NADMA) as flood disaster areas.</p> <p><i>Note: SMEs may obtain the information from Portal Bencana administered by NADMA at <a href="http://portalbencana.ndcc.gov.my/portal">http://portalbencana.ndcc.gov.my/portal</a></i></p>
3.	What is the maximum financing amount and tenure for SMEs and micro enterprises under the DRF 2021?	<ul style="list-style-type: none"> <li>• Eligible SMEs will be able to obtain financing up to RM500,000 and up to RM75,000 for micro enterprises</li> <li>• Financing tenure of up to 5 years, including a moratorium period of 6 months on both principal and interest payments</li> </ul>
4.	What is the financing rate?	The maximum effective financing rate is 3.50% per annum, inclusive of guarantee fee
5.	When will the DRF 2021 be made available?	The facility is available until 31 July 2021 or full utilisation (whichever is earlier)
6.	Which banks can SMEs apply DRF 2021 from?	Affected businesses can apply for financing from participating financial institutions (PFIs) which comprise commercial banks, Islamic banks and development financial institutions regulated by BNM
7.	How can SMEs know that they are eligible to apply for financing under the DRF 2021?	Eligible SMEs are advised to contact the PFIs to ascertain their eligibility under the facility. All applications for financing will be subject to assessments by the PFIs

<sup>1</sup> At least 51% shares held by Malaysians and as defined by SME Corp's Guidelines on National SME Definition accessible at [https://www.smecorp.gov.my/images/pdf/2020/Guideline-SMEDefinition\\_updated.pdf](https://www.smecorp.gov.my/images/pdf/2020/Guideline-SMEDefinition_updated.pdf)

8.	How long will it take for PFIs to approve the application?	PFIs are to process the applications within 14 days upon receiving complete documentation from the applicants
9.	Do SMEs need to provide collateral to obtain financing under the DRF 2021?	No. Collateral is NOT required under the DRF 2021
10.	What can an SME do if its application for financing under any of the facilities is rejected by the PFI?	<p>If an application is rejected, the SME is advised to do the following:</p> <ul style="list-style-type: none"> <li>• Obtain clarification from the PFI on the reason(s) of rejection;</li> <li>• Obtain financing advisory services through MyKNP (Khidmat Nasihat Pembiayaan) that provides advisory assistance and tips to improve eligibility for future financing and alternative sources of finance (<a href="http://www.myknp.com.my">www.myknp.com.my</a>); or</li> <li>• Contact BNM at <a href="http://bnm.my/LINK">bnm.my/LINK</a> for additional assistance</li> </ul>