

# Disaster Relief Facility (DRF) 2022

To alleviate the financial burden of MSMEs affected by floods and enable them to resume their business operations

## Eligibility criteria

SMEs<sup>1</sup> and micro enterprises affected by floods located in districts identified by *Agensi Pengurusan Bencana Negara* as flood disaster areas

All applications should be made directly with the participating financial institutions to reduce risk of financial scams. No third party agents are being employed by participating financial institutions for the purpose of this facility.

<b>Purpose of financing</b>	<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 floods; 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>
<b>Financing size</b>	<ul style="list-style-type: none"><li>• Up to RM700,000 per SME; and</li><li>• Up to RM150,000 per micro enterprise.</li></ul>
<b>Financing rate to SMEs</b>	The maximum effective financing rate is up to 3.50% per annum, inclusive of guarantee fee.
<b>Guarantee coverage</b>	<ul style="list-style-type: none"><li>• 80% guarantee cover at 0.5% p.a. guarantee fee.</li><li>• Participating Financial Institutions (PFIs) can obtain guarantee coverage from the Credit Guarantee Corporation Malaysia Berhad (CGC) and Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) for this facility.</li></ul>
<b>Tenure</b>	Up to 7 years, including a moratorium period of 6 months on both principal and interest/profit payments.
<b>Availability</b>	From 27 December 2021 until full utilisation (or subject to further decision by BNM).
<b>Application Procedure</b>	Application to be submitted directly to the PFIs and approval will be subject to the credit assessment of PFIs.

<sup>1</sup> At least 51% shares held by Malaysians and as defined by SME Corp. Malaysia's Guideline for SME Definition, accessible at [https://www.smecorp.gov.my/images/pdf/2021/Guideline\\_on\\_SMEDefinition\\_Updated\\_Sept2020\\_Final.pdf](https://www.smecorp.gov.my/images/pdf/2021/Guideline_on_SMEDefinition_Updated_Sept2020_Final.pdf)

## For more information



Contact the PFI's customer service centre



Log on to PFI's website



[bnm.gov.my/sme-financing](https://bnm.gov.my/sme-financing)



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