

# FAQs on SDRS

Question	Answer
<input type="checkbox"/> Is there any requirement on a minimum or maximum amount of financing outstanding?	<ul style="list-style-type: none"> <li>• No minimum or maximum amount. Eligible SMEs with any outstanding amount of financing can apply for the scheme .</li> </ul>
<input type="checkbox"/> Can the SMEs include the owners/directors' personal financing under the scheme?	<ul style="list-style-type: none"> <li>• Owners/Directors' personal financing with PFIs are not eligible to be assisted and cannot be included in the scheme. However, they may seek assistance from the AKPK.</li> </ul>
<input type="checkbox"/> Can SMEs with non-impaired financing with only one FI apply for the scheme?	<ul style="list-style-type: none"> <li>• SMEs with non-impaired financing with one FI are not eligible to be assisted under the scheme. They are advised to negotiate directly with the FI involved to workout possible solution to avoid the financing from turning impaired and to prevent the FI from instituting legal proceedings against them.</li> </ul>
<input type="checkbox"/> Why only SMEs with non-impaired financing with multiple FIs are eligible to be assisted under SDRS?	<ul style="list-style-type: none"> <li>• SMEs with financing with multiple FIs would often find it difficult to reach a holistic solution to resolve their financing problem as they need to approach each bank individually. In addition, a rejection for restructuring by one particular bank may hamper the SMEs' effort in meeting its financing obligations with the other banks.</li> <li>• Hence, the assistance under SDRS is important to ensure holistic approaches are taken to resolve the financial problem efficiently. Under this scenario, the Secretariat will normally call for a lenders' meeting where the SME and all FIs engage in detailed and transparent discussions.             <ul style="list-style-type: none"> <li>➢ For the SME - opportunity to present their case to all FIs without having to approach each FI individually (saving time and cost)</li> <li>➢ For FIs - opportunity to seek clarification in coming up with an equitable debt workout solutions to the SME and all lenders.</li> </ul> </li> </ul>
<input type="checkbox"/> What is the approval rate of applications submitted under the scheme?	<ul style="list-style-type: none"> <li>• About 83% percent of the applications eligible to be assisted under the scheme were approved for restructuring and rescheduling.</li> </ul>
<input type="checkbox"/> What is the success rate of SMEs assisted under the scheme?	<ul style="list-style-type: none"> <li>• As at June 2015, approximately 50% of the SMEs assisted were able to improve its cash flow positions, settle their financing and had successfully turned around their businesses.</li> </ul>
<input type="checkbox"/> My business is dormant or has ceased operations but I have other source of income (e.g. have other business or now a salaried employee) to repay my existing financing. Can I apply under SDRS?	<ul style="list-style-type: none"> <li>• No. Only going concern businesses are eligible to be assisted under SDRS. For businesses that are dormant or have ceased operations, the SMEs are advised to negotiate directly with the FIs involved.</li> </ul>

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<p><input type="checkbox"/> Can SMEs include their problematic financing with other creditors under the SDRS?</p>	<ul style="list-style-type: none"><li>• Financing outstanding with non-participating institutions or amount owed from other creditors, such as suppliers, credit/leasing companies, are not eligible to be assisted under the scheme. The SMEs are advised to negotiate directly with the parties involved. Examples of non-participating institutions are :<ul style="list-style-type: none"><li>○ AEON Credit</li><li>○ MBSB</li><li>○ BMW Credit</li><li>○ Orix Leasing</li><li>○ Amanah Ikhtiar Malaysia (AIM) / TEKUN</li><li>○ Money lenders/credit companies/credit cooperatives</li><li>○ Illegal money lenders</li></ul></li></ul>
<p><input type="checkbox"/> How many times can an SME be assisted under the scheme?</p>	<ul style="list-style-type: none"><li>• Assistance under SDRS is for one time only. Once approved for a restructuring/rescheduling, it will be the last opportunity for the SME honour its financing obligations and to turnaround the business. Should the company fail to honour its commitment within the restructuring/rescheduling period, the FIs have the liberty to exercise its right under the legal proceeding process. Thereafter, the same SME is no longer eligible to be assisted under the scheme for a second time.</li></ul>
<p><input type="checkbox"/> In what circumstances can an SME obtain a new financing under the scheme?</p>	<ul style="list-style-type: none"><li>• New financing will only be provided when additional funding is required to complete a project/contract (e.g. development project, contract to supply) and that the completion of the project/contract will in turn generate sufficient income for the SME to fully repay the new financing and service existing debts.</li><li>• Where new financing is deemed justified, it shall be granted under the existing SME financing schemes established by Bank Negara Malaysia.</li></ul>
<p><input type="checkbox"/> How long does it take to process an application?</p>	<ul style="list-style-type: none"><li>• Upon submission of full complete documents by the SME, the FIs are given 21 calendar days to process the application and make a decision.</li><li>• If the application is declined by the FIs, the Secretariat will re-evaluate the application and table its recommendation to the SDRC for a decision. The Secretariat is also given 21 calendar days to process the application and obtain SDRC's decision.</li></ul>