

**BNM's Fund for SMEs:
Financing Facilities to Assist Businesses Affected by COVID-19
Frequently Asked Questions (FAQ)**

No.	Question	Answer
Special Relief Facility (SRF)		
1.	Why is the SRF only limited to SMEs adversely affected by COVID-19?	<ul style="list-style-type: none"> SRF is targeted to provide immediate and targeted cash flow support to businesses that are adversely impacted by COVID-19 to sustain their business operations. For SMEs who are not adversely affected by COVID-19, they may apply for financing facilities under BNM's Fund for SMEs, for examples, All Economic Sector (AES) Facility, Automation and Digitalisation Facility (ADF), Agrofood Facility (AF) and Micro Enterprises Facility (MEF), subject to the eligibility criteria of each facility and the assessment by the Participating Financial Institutions (PFIs).
2.	How can SMEs know that they are eligible to apply for financing under the SRF?	SMEs are advised to approach the PFIs to ascertain their eligibility under the SRF. All applications for financing will be subjected to the assessment by the PFIs.
3.	Can SMEs apply for the SRF multiple times with different PFIs?	Yes, SMEs can apply for the SRF multiple times, with the total aggregated approved financing capped at RM1 million per SME (inclusive of financing to related companies that have common shareholder(s)), subject to the assessment by the PFIs.
4.	Can SMEs obtain the SRF to repair or renovate existing business premises?	No. The SRF is solely for working capital purposes only.
5.	Can SMEs obtain the SRF to re-finance existing loans?	No. The SRF must not be used for re-financing of existing credit/financing facilities.
6.	Do SMEs need to provide collateral to obtain financing under the SRF?	No. Collateral is not required under the SRF.
7.	Can SMEs apply for the SRF if they have fully utilised the RM5 million aggregate allocation under BNM's Fund for SMEs?	Yes. The maximum aggregate financing amount of RM5 million per SME under the BNM's Fund for SMEs does not apply to the SRF.
8.	If my business is not eligible for the SRF, what other support is available to me?	<ul style="list-style-type: none"> SMEs that are not eligible for the SRF may also apply for financing from other facilities under BNM's Fund for SMEs or other financing products offered by the financial institutions via the imSME¹ platform. Approval for financing under the above schemes are subjected to the specific scheme's eligibility criteria and assessment by the PFIs. Additionally, they could 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 (www.myknp.com.my).

¹ Online SME financing/loan referral platform managed by Credit Guarantee Corporation Malaysia Berhad (CGC). Accessible at <https://imsme.com.my/portal/en/>

No.	Question	Answer
		<ul style="list-style-type: none"> • Businesses (SMEs and corporates) are advised to engage their respective financial institutions for rescheduling and restructuring (R&R) of their existing loans/financing facilities, to help alleviate their cash flow problems. • For SMEs, in the event that the negotiation with financial institutions on rehabilitation of existing financing is unable to reach an amicable solution, SMEs may apply for the Small Debt Resolution Scheme (SDRS) which provides assistance to SMEs facing business financing problem with financial institutions through R&R of existing financing. For more information, refer to BNMLINK or BNMTELELINK at 1-300-88-5465. • Corporates facing difficulties in servicing their debt obligations can seek assistance from the Corporate Debt Restructuring Committee (CDRC) on a voluntary basis. CDRC's role is to mediate between the companies and their lenders in arriving at a viable debt restructuring arrangement. (www.cdrc.my)
Automation and Digitalisation Facility (ADF)		
9.	What are the projects/activities eligible for financing under the ADF?	ADF can be used to finance the purchase of equipment, machinery, ICT hardware and software, ICT solutions and services, technology support services and other intangible assets, to enhance the SMEs' productivity and efficiency.
10.	Can SMEs obtain the ADF to appoint a consultancy firm charged with reviewing enhancements of business operations?	Yes, subject to the assessment by the PFIs and that the cost incurred is part of the overall cost to finance purchases under Q9 above.
11.	Are SMEs involved in the production and supply of automation and digitalisation services eligible for the ADF?	<ul style="list-style-type: none"> • No, the ADF is only for SMEs to finance the purchases under Q9 to enhance the SMEs' own productivity and efficiency. • SMEs involved in the production or supply of automation and digitalisation services may opt to apply for financing under the following: <ul style="list-style-type: none"> ○ AES Facility under BNM's Fund for SMEs; ○ Industry Digitalisation Transformation Fund by Bank Pembangunan Malaysia Berhad; or ○ Other existing financing schemes/products for SMEs offered by the financial institutions; subject to the assessment by the PFIs/financial institutions.
12.	Do SMEs need to provide collateral to obtain financing under the ADF?	The collateral requirement for financing under ADF is subject to assessment by the PFIs, including guarantees under Credit Guarantee Corporation Malaysia (CGC) or Syarikat Jaminan Pembiayaan Perniagaan (SJPP).
13.	Can SMEs apply for the ADF if they have fully utilised the RM5 million aggregate allocation under the BNM's Fund for SMEs?	Yes. The maximum aggregate financing amount of RM5 million per SME under BNM's Fund for SMEs does not apply to the ADF.

No.	Question	Answer
Agrofood Facility (AF)		
14.	What does 'agrofood' mean?	<ul style="list-style-type: none"> Agrofood refers to food commodity or products made from: <ul style="list-style-type: none"> Crops (paddy, vegetables and fruits) Livestock (poultry, cattle and dairy) Fisheries <p>For more information, please refer to the Ministry of Agriculture's '2019-2020 Way Forward and Strategy'³</p>
15.	Would all SMEs involved in 'food production' be eligible for the AF?	<p>Agrofood activities eligible for financing under the AF shall fulfil all of the following criteria:</p> <ul style="list-style-type: none"> (i) Viable projects involving primary agrofood production (upstream), agrofood processing/manufacturing, or other agrofood downstream activities; and (ii) Domestic oriented, where at least half of the total production is sold in the domestic market; and (iii) Supportive of domestic primary agrofood production. <ul style="list-style-type: none"> a) For agrofood manufacturing⁴, at least half of the key input is sourced domestically; or b) For other agrofood related services, at least half of the activities are supportive of domestic agrofood production. <p>SMEs can contact the PFIs for further clarification.</p>
16.	Can a farmer obtain financing under the AF to buy equipment or invest in technology to increase productivity?	Yes, as long as the farmer meets the eligibility criteria of the AF. In addition, the farmer can also tap on the ADF which offers a longer tenure of 10 years.
17.	Can SMEs use the funds to purchase land for business expansion?	Land purchase under development of agrofood projects is allowed subject to the amount not exceeding 30% of total project cost and the land is being used for primary agrofood production activities.
18.	Can SMEs involved in the agrofood certification and best practices apply for the AF? e.g. <ul style="list-style-type: none"> Malaysian Good Agricultural Practice (MyGap) Malaysian Organic (MyOrganic) Good Manufacturing Practice (GMP) Hazard Analysis Critical Control Points (HACCP) Halal certificate 	<ul style="list-style-type: none"> Yes, as long as the SME meets the eligibility criteria of the facility. Example of eligible activities include: <ul style="list-style-type: none"> purchase of high-yielding seeds / inputs. investment in equipment which provides the best cultivation, harvesting or food production techniques. investments in machinery which enhances productivity. financing to enhance a food manufacturer's packaging / branding etc.

³ This document is available [here](#).

⁴ This requirement does not apply to agrofood manufacturing of pre-production activities (such as manufacturing of animal feed for livestock and fisheries, and seed production for fruits/vegetables).

No.	Question	Answer
19.	Can SMEs obtain financing under the AF to re-finance existing loans?	No. Financing under the AF must not be used for re-financing of existing credit/financing facilities.
20.	Do SMEs need to provide collateral to obtain financing under the AF?	The collateral requirement for financing under AF is subject to assessment by PFIs, including guarantees under CGC and SJPP.
21.	Can SMEs apply for the AF if they have fully utilised the RM5 million aggregate allocation under the BNM's Fund for SMEs?	No. The maximum aggregate financing amount of RM5 million per SME under BNM's Fund for SMEs is inclusive of financing under the AF.
General		
22.	Can SMEs apply for financing under the SRF, ADF and AF at the same time?	Yes. SMEs can apply for financing under the SRF, ADF and AF at the same time, if they meet the eligibility criteria for each facility, subject to the assessment by the PFIs.
23.	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> <ol style="list-style-type: none"> Obtain clarification from the PFI on the reason(s) for rejection; Consider re-submitting the application via the imSME platform, if the SME has not done so earlier (https://imsme.com.my/portal/en/); 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 (www.myknp.com.my); or Channel enquiries or complaint to BNM via BNMLINK or BNMTELELINK: <ul style="list-style-type: none"> <u>Laman Informasi Nasihat dan Khidmat (BNMLINK)</u> (Walk-in Customer Service Centre) Ground Floor, D Block Jalan Dato' Onn 50480 Kuala Lumpur <u>Customer Contact Centre (BNMTELELINK)</u> Bank Negara Malaysia P.O. Box 10922 50929 Kuala Lumpur Tel : 1-300-88-5465 (1-300-88-LINK) (Overseas: +603-2174-1717) Web form : eLINK (https://telelink.bnm.gov.my/) SMS : 15888