

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

*(*Blue font denotes updated questions and answers from the previous version)*

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 aimed to provide immediate and targeted cash flow support to SMEs that are adversely impacted by the COVID-19 outbreak to sustain their business operations and safeguard jobs. SMEs affected by the Movement Control Order (MCO) are also eligible to apply for the SRF given that the MCO was introduced by the Government to contain the outbreak of COVID-19. For non-affected SMEs that are also seeking financing, they may apply for other financing facilities under BNM's Fund for SMEs (e.g. All Economic Sectors (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 call or email the PFIs to ascertain their eligibility under the SRF. All applications for financing will be subjected to the assessment by the PFIs.
3.	Are Malaysian SMEs with more than RM5 million of shareholders funds eligible to apply?	Yes. All applications for financing will be subjected to the assessment by the PFIs.
4.	Is SRF open to existing customers of the PFIs only?	<ul style="list-style-type: none"> No, SRF is open to all new and existing SME customers of the PFIs as long as they are Malaysian SMEs that fulfil the eligibility criteria set out by BNM and meet the PFIs' credit assessments. Customers facing any problems can come forward and contact BNMTELELINK with specific cases to obtain advice.
5.	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, subject to the assessment by the PFIs.
6.	Can related SMEs with common shareholders apply for SRF?	<ul style="list-style-type: none"> Different SMEs with common shareholder(s) will be subject to separate maximum financing limits, provided that the SMEs have different workforces.

No.	Question	Answer
		<ul style="list-style-type: none"> PFI will assess the requirement of having a different workforce based on their approved internal policies.
7.	Can SMEs obtain the SRF to repair or renovate existing business premises?	No. The SRF is solely for working capital purposes only.
8.	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.
9.	Do SMEs need to provide collateral to obtain financing under the SRF?	No. Collateral is NOT required under the SRF.
10.	How much is the guarantee fee charged on financing under the SRF?	The requirement for guarantee on financing under the SRF will be based on the assessment by the PFIs. The guarantee coverage, if any, is provided by either Credit Guarantee Corporation Malaysia (CGC) or Syarikat Jaminan Pembiayaan Perniagaan (SJPP) up to 80% of the financing amount at a fee of 0.5% per annum. However, where applicable, this guarantee fee would already be included in the financing rate charged to the customers i.e. up to 3.5% per annum.
11.	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.
12.	Can lawyers, architects and accountants that are not registered with SSM apply for SRF?	Yes, Malaysian SMEs operating as professional service providers (e.g. lawyers, architects, accountants) may apply for SRF as long as they are registered with respective statutory bodies (e.g. Malaysian Bar Council, Board of Architects Malaysia and Malaysian Institute of Accountants).
13.	Can SMEs which have obtained financing under BNM's Special Relief Facility 2015 and Disaster Relief Facility (DRF) 2017 apply for SRF COVID-19?	Yes, Malaysian SMEs which have previously obtained financing under BNM's special relief facilities may still apply for SRF COVID-19. Each SRF/DRF has a separate limit because SMEs affected by the floods in 2015 and 2017 may also be adversely affected by COVID-19.
14.	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. SMEs can also apply through the imSME¹ platform. Approval for financing under the above products

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

No.	Question	Answer
		<p>and schemes are subjected to the specific scheme's eligibility criteria and assessment by the PFIs.</p> <ul style="list-style-type: none"> • Additionally, SMEs can 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). • To ease the cash flow of SMEs that are likely to be the most affected by COVID-19, financial institutions will offer an automatic deferment/moratorium of all loan/financing repayments for a period of 6 months, with effect from 1 April 2020. • Further, SMEs can call or email their banks to request to reschedule and restructure (R&R) existing loan/financing facilities, if required. • 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 assists SMEs facing business financing problem with financial institutions through R&R of existing financing. For more information, call BNMTELELINK at 1-300-88-5465.
Automation and Digitalisation Facility (ADF)		
15.	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.
16.	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 as per the description under Q15.
17.	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 Q15 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 or MEF facilities under the BNM's Fund for SMEs; ○ Industry Digitalisation Transformation Fund by Bank Pembangunan Malaysia Berhad; or

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		<ul style="list-style-type: none"> o Other existing financing schemes/products for SMEs offered by the financial institutions; subject to the assessment by the PFIs/financial institutions.
18.	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).
19.	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.
Agrofood Facility (AF)		
20.	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"> o Crops (paddy, vegetables and fruits) o Livestock (poultry, cattle and dairy) o Fisheries For more information, please refer to the Ministry of Agriculture's '2019-2020 Way Forward and Strategy' ²
21.	Would all SMEs involved in 'food production' be eligible for the AF?	Agrofood activities eligible for financing under the AF shall fulfil all of the following criteria: <ol 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. <ol style="list-style-type: none"> a) For agrofood manufacturing³, 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. SMEs can call or email the PFIs for further clarification.
22.	Can a farmer obtain financing under the AF to buy equipment or invest in	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.

² This document is available [here](#).

³ 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
	technology to increase productivity?	
23.	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.
24.	Can SMEs involved in the agrofood certification and best practices apply for the AF, for examples the following? <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.
25.	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.
26.	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.
27.	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.
Micro Enterprise Facility (MEF)		
28.	Can micro enterprises apply for the MEF multiple times with different PFIs?	Yes, a microenterprise can apply for the MEF multiple times where the financing limit for each application is RM50,000 per micro enterprise per PFI, subject to the assessment by the PFIs.

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29.	Do micro enterprises need to provide collateral to obtain financing under MEF?	No, collateral is NOT required under MEF.
General		
30.	What are the other SME financing facilities under the BNM's Fund?	Please refer to the Appendix table in the BNM's press release on " Additional Measures to Further Support SMEs and Individuals Affected by the COVID-19 Outbreak " dated 27 March 2020.
31.	Are SMEs with shareholder's funds of more than RM5 million eligible for financing under BNM's Fund?	Yes, Malaysian SMEs with shareholder's funds of more than RM5 million are now eligible for financing under the Fund, subject to meeting the eligibility criteria of specific facilities applied and PFIs' credit assessments.
32.	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.
33.	What should I do if banks charge me with financing rates that are higher than the maximum limit specified by BNM?	<ul style="list-style-type: none"> • SMEs charged with higher rates are advised to contact BNMTELELINK with details of the specific cases i.e. name of the PFI, branch office, officer name and type of facility, for further investigation. • The following are the maximum financing rates chargeable for different facilities under the BNM's Fund: <ul style="list-style-type: none"> ○ SRF: up to 3.5% p.a. ○ AES: up to 7% p.a. ○ ADF: up to 4% p.a. ○ AF: up to 3.75% p.a. ○ MEF: subject to PFIs' assessment
34.	Since mobility is limited during the MCO, can SMEs apply for financing online or via phone?	<ul style="list-style-type: none"> • Yes, SMEs can apply for financing online via the imSME platform (https://imsme.com.my) or visit the PFI's website for online application. • SMEs are also advised to contact PFIs via email or phone to enquire on options to submit financing applications digitally.
35.	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"> a) Obtain clarification from the PFI on the reason(s) for rejection; b) Consider re-submitting the application via the imSME platform, if the SME has not done so earlier (https://imsme.com.my);

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		<p>c) 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</p> <p>d) Channel enquiries or complaint to BNM via BNMTELELINK: <u>Customer Contact Centre (BNMTELELINK)</u> Tel : 1-300-88-5465 (1-300-88-LINK) (Overseas: +603-2174-1717) Web form : eLINK (https://telelink.bnm.gov.my/) SMS : 15888</p>

Bank Negara Malaysia
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