



BNM's Fund for SMEs Terms & Conditions

December 2023 version

BNM's Funds for SMEs – under All Economic Sector (AES) Facility

Objective	To enhance access to financing for SMEs in all economic sectors, in particular underserved SMEs, at a reasonable cost
Allocation	RM5.5 billion
Eligibility	<ul style="list-style-type: none"> • Must be SMEs per National Entrepreneur and SME Development Council's (NESDC) definition • Registered with the Companies Commission of Malaysia (SSM), authorities/ district offices in Sabah & Sarawak or statutory bodies for professional service providers • Shareholding by Public Listed Companies and Government Linked Companies (if any) in the SMEs shall not exceed 20% • Malaysians residing in Malaysia hold a minimum of 51% shareholding in the SMEs.
Purpose of financing	<ul style="list-style-type: none"> • Capital Expenditure (e.g. purchase of machinery and equipment or renovation cost for owner-occupied business premises); or • Working Capital <p>Financing shall not be used for the following activities:</p> <ul style="list-style-type: none"> • Purchase of shares • Refinancing of existing credit/ financing facilities • Purchase of land/ real estate investment • Property development • Investment by investment holding companies • Activities where the stock in trade is money (including credit, leasing, factoring and insurance businesses) • Gambling, alcohol, tobacco or other similar type of activities and products • Non- Shariah-compliant business activities (applicable for Islamic Financing)
Maximum Financing Rate (as per BNM risk profile rating)	Up to 7.0% p.a.
BNM Funding Rate	<p>0.5% per annum (p.a.)</p> <p><i>Note: Applicable until 31 December 2024.</i></p>
Guarantee Cover	Guarantee cover ranging from 70% – 80%
Guarantee Fee	<p>Secured Portion :-Between 0.50% and 1.85% per annum.</p> <p>Unsecured Portion :-Between 0.80% and 2.15% per annum.</p>
Maximum Financing Tenure	Not exceed 5 years from the date of first drawdown
Financing Limit	<p>Maximum aggregate amount of financing under the Fund shall be limited to RM5 million per SME, include financing:</p> <ul style="list-style-type: none"> • approved under any of BNM's Funds (excluding any special assistance established by BNM to assist SMEs that are affected by disaster); and • to any related companies of the SMEs with common shareholder(s), unless the related companies of the SME have different workforces. In such cases, each SME has a financing limit of RM5 million respectively.

Unless otherwise specified herein, our charges exclude any current taxes and future taxes that may be imposed (including the Goods and Services Tax ("GST")), under the relevant legislation. Upon the effective date of implementation of any such taxes in the future and wherever applicable, we will be entitled to recover such taxes from you.

SME Automation & Digitalisation Facility (ADF)

Objective	To incentivise SMEs to automate processes and digitalise operations to increase productivity and efficiency
Allocation	RM1.5 billion
Eligibility	<ul style="list-style-type: none"> • Must be SMEs per National Entrepreneur and SME Development Council's (NESDC) definition • Registered with the Companies Commission of Malaysia (SSM), authorities/district offices in Sabah and Sarawak or statutory bodies for professional service providers • Shareholding by Public Listed Companies and Government Linked Companies (if any) in the SMEs shall not exceed 20% • Malaysian residing in Malaysia that hold a minimum of 51% shareholding in the SMEs
Purpose of financing	<ul style="list-style-type: none"> • Purchase of equipment, machinery, computer hardware and software, IT solutions and services, technology support service, and other intangible assets to enhance productivity and efficiency <p>Financing shall not be used for the following activities:</p> <ul style="list-style-type: none"> • Purchase of shares • Refinancing of existing credit/ financing facilities • Purchase of land/ real estate investment • Property development • Investment by investment holding companies • Activities where the stock in trade is money (including credit, leasing, factoring and insurance businesses) • Gambling, alcohol, tobacco or other similar activities/ products • Non-Shariah compliant activities (applies to Islamic financing only)
Maximum Financing Rate	<ul style="list-style-type: none"> • Effective financing rate of 4.0% per annum, inclusive of guarantee fee, if any • For Islamic financing, the profit rate for the Islamic contract is up to 4.0% per annum, inclusive of guarantee fee, if any
BNM Funding Rate	0% per annum (p.a.)
Guarantee Cover	Guarantee coverage can be obtained from Syarikat Jaminan Pembiayaan Perniagaan (SJPP)
Type Of Financing	Term Loan only
Maximum Financing Tenure	Up to 10 years from the date of the first drawdown
Maximum Financing Limit	<ul style="list-style-type: none"> • RM3 million per SME, inclusive of financing to related companies that have common shareholder(s) • Related SMEs with common shareholder(s) are now allowed to have separate limits on the maximum amount of financing under BNM's Fund for SMEs, subject to each SME having separate workforces • The maximum aggregate financing amount of RM5 million per SME under the BNM's Fund for SMEs does not apply to this Facility
Availability	Until Full Utilization

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Agrofood Facility (AF)

Objective	To increase agrofood production for Malaysia and for export purposes through the provision of financing at affordable rates
Allocation	RM2.5 billion
Eligibility	<ul style="list-style-type: none"> • Must be SMEs per National Entrepreneur and SME Development Council's (NESDC) definition • Registered with the Companies Commission of Malaysia (SSM), authorities/district offices in Sabah and Sarawak or statutory bodies for professional service providers • Shareholding by Public Listed Companies and Government Linked Companies (if any) in the SMEs shall not exceed 20% • Malaysian residing in Malaysia that hold a minimum of 51% shareholding in the SMEs
Purpose of financing	<ul style="list-style-type: none"> • Capital expenditures • Working capital • Development of agrofood project <p>Agrofood activities eligible for financing under the Facility shall fulfil all of the following criteria:</p> <ul style="list-style-type: none"> • Viable projects involving primary agrofood production (upstream), agrofood processing/ manufacturing, or other agrofood downstream activities; and • Supportive of domestic primary agrofood production; and <ol style="list-style-type: none"> a) For agrofood manufacturing, at least half of the key input is sourced domestically; or b) For other agrofood related service, at least half of the activities are supportive of domestic agrofood production • Domestic oriented, where at least half of the total production is sold in the domestic market <p>Financing shall not be used for the following activities:</p> <ul style="list-style-type: none"> • Purchase of shares • Refinancing of existing credit/ financing facilities • Purchase of land for non agrofood purposes • Property development • Investment by investment holding companies • Activities where the stock in trade is money (including credit, leasing, factoring and insurance businesses) • Gambling, alcohol, tobacco or other similar activities/ products • Non-Shariah compliant activities (applies to Islamic financing only)
Maximum Financing Rate	<ul style="list-style-type: none"> • Effective financing rate of 3.75% per annum, inclusive of guarantee fee, if any • For Islamic financing, the profit rate for the Islamic contract is up to 3.75% per annum, inclusive of guarantee fee, if any
BNM Funding Rate	0.25% per annum (p.a.) <i>Note: Applicable until 31 December 2024.</i>
Guarantee Cover	Guarantee coverage can be obtained from Credit Guarantee Corporation (CGC) or Syarikat Jaminan Pembiayaan Perniagaan (SJPP)
Maximum Financing Tenure	Up to 8 years from the date of the first drawdown
Maximum Financing Limit	<ul style="list-style-type: none"> • RM5 million per SME, inclusive of financing to related companies that have common shareholder(s) • Related SMEs with common shareholder(s) are now allowed to have separate limits on maximum amount of financing under BNM's Fund for SMEs, subject to each SME having separate workforces

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PENJANA Tourism Financing (PTF)

Objective	To support viable SMEs in the tourism sector by preserving their capacity and assisting them to adjust and remain viable post COVID-19
Allocation	RM600 million
Eligibility	<ul style="list-style-type: none"> Malaysian SMEs in the core tourism and tourism-related sectors which are either: <ul style="list-style-type: none"> i) SMEs per National Entrepreneur and SME Development Council's (NESDC) definition; OR ii) Licensed by / registered with MOTAC The eligible sectors are as follows: <ul style="list-style-type: none"> i) Core tourism: Tourism accommodation premises (e.g. budget hotels, homestays registered with MOTAC, chalet and resorts), travel agencies, tour operators, transportation for tourists (e.g. bus, boat and car rental operators); and ii) Tourism-related: Medical tourism, MICE (Meetings, Incentives, Conferences, Exhibitions) ecosystem, money service operator, and tourism-related retail, recreation and wellness. Special Relief Facility's (SRF) and/or PENJANA SME Financing's (PSF) recipients are eligible for the PTF.
Purpose of financing	<ul style="list-style-type: none"> Capital expenditures; and/or Working capital; and/or Refinancing of up to 50% of total financing approved <p><i>Note: 50% of financing approved can be used to refinance existing business financing from financial institutions and other sources including credit/ leasing companies (existing business financing excludes financing obtained under BNM's Fund for SMEs)</i></p> <p>Financing shall not be used for the following activities:</p> <ul style="list-style-type: none"> Purchase of shares Purchase of land for non agrofood purposes Property development Investment by investment holding companies Activities where the stock in trade is money (including credit, leasing, factoring and insurance businesses) Gambling, alcohol, tobacco or other similar activities/ products Non-Shariah compliant activities (applies to Islamic financing only)
Maximum Financing Rate	<ul style="list-style-type: none"> Effective financing rate of 3.5% per annum, inclusive of guarantee fee, if any For Islamic financing, the profit rate for the Islamic contract is up to 3.5% per annum, inclusive of guarantee fee, if any
BNM Funding Rate	0% per annum (p.a.)
Guarantee Cover	Guarantee coverage can be obtained from Syarikat Jaminan Pembiayaan Perniagaan (SJPP)
Maximum Financing Tenure	<p>Up to 7 years from the date of the first drawdown (inclusive of 6 months moratorium on monthly installment).</p> <p>In addition to the existing 6 months' repayment deferment, the facility will also provide SMEs with the option of making interest/profit-only payments for an additional period of 12 months</p>
Maximum Financing Limit	<ul style="list-style-type: none"> SME: Up to RM500k (Min RM50k) Micro Enterprise: Up to RM75k (Min RM10k) <p><i>Note: The above is applicable for associated companies for SMEs with common shareholder(s) i.e. with >20% shareholding</i></p>
Availability	Until Full Utilization

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High Tech & Green Facility (HTG)

Objective	Support affected high tech and innovation-driven SME that are best aligned to strategic long-term development goals embedded in the National Investment Aspirations (NIAs). This is critical to strengthen Malaysia's competitive positioning in the global value chains, preserve the supply chain ecosystem and safeguard high-skilled jobs.
Allocation	RM1.1 billion
Eligibility	<ul style="list-style-type: none"> • Must be SMEs per National Entrepreneur and SME Development Council's (NESDC) definition • Registered with the Companies Commission of Malaysia (SSM), authorities/district offices in Sabah and Sarawak or statutory bodies for professional service providers • Shareholding by Public Listed Companies and Government Linked Companies (if any) in the SMEs shall not exceed 20% • Malaysian residing in Malaysia that hold a minimum of 51% shareholding in the SMEs • Viable Malaysia SMEs which are: <ul style="list-style-type: none"> ○ Within manufacturing and services subsectors with most aligned to the long-term strategic development goals for Malaysia under the National Investment Aspirations (NIAs)¹ scores: <ol style="list-style-type: none"> i) Electrical and Electronics (E&E) ii) Chemicals iii) Refined petroleum iv) Machinery & Equipment v) Medical devices and Pharmaceuticals vi) Automotive and Transport equipment (including Aerospace; motor vehicles and parts manufacturers) vii) ICT viii) R&D services ix) Any other high-tech industries/ sub-sectors deemed eligible by BNM ○ Businesses (including commercially ready start-ups) involved in providing technology solutions under three key segment – Green technology, Digital and 4th Industrial Revolution technology and Biotechnology. ○ SMEs and start-ups involved in the listed Government programmes (Programmes deemed eligible by BNM will be updated periodically at http://www.bnm.gov.my/funds4sme) <p>¹ The National Investment Aspirations (NIAs) refer to overarching strategic developmental objectives to increase economic complexity, create high-value jobs, extend domestic industry linkages and develop new and existing clusters.</p>
Purpose of financing	<ul style="list-style-type: none"> • Working capital or/and • Capital Expenditure <p>Financing shall not be used for the following activities:</p> <ul style="list-style-type: none"> • Purchase of shares • Refinancing of existing credit/ financing facilities • Purchase of land for non agrofood purposes • Property development • Investment by investment holding companies • Activities where the stock in trade is money (including credit, leasing, factoring and insurance businesses) • Gambling, alcohol, tobacco or other similar activities/ products • Non-Shariah compliant activities (applies to Islamic financing only)
Maximum Financing Rate	<ul style="list-style-type: none"> • Up to 3.5% per annum, for financing without guarantee; or • Up to 5.0% per annum, inclusive guarantee fee
BNM Funding Rate	0% per annum (p.a.)
Guarantee Cover	Guarantee can be obtained from Credit Guarantee Corporation (CGC) or Syarikat Jaminan Pembiayaan Perniagaan (SJPP)
Maximum Financing Tenure	Up to 10 years
Maximum Financing Limit	Up to RM10 mil
Availability	Until Full Utilization

Unless otherwise specified herein, our charges exclude any current taxes and future taxes that may be imposed (including the Goods and Services Tax ("GST")), under the relevant legislation. Upon the effective date of implementation of any such taxes in the future and wherever applicable, we will be entitled to recover such taxes from you.

Disaster Relief Facility (DRF) 2022

Objective	To alleviate the financial burden of SMEs affected by floods and enable them to resume their business operations
Allocation	RM500 million
Eligibility	<ul style="list-style-type: none"> • Micro Enterprises and SMEs (MSME) affected by floods located in districts identified by Agensi Pengurusan Bencana Negara* as flood disaster areas and MSMEs' assets (e.g. inventory, equipment and business premise) have been damaged by the disaster • Must be Micro Enterprises and SMEs per National Entrepreneur and SME Development Council's (NESDC) definition • Malaysians residing in Malaysia hold a minimum of 51% shareholding in the Micro Enterprises/ SMEs
Purpose of financing	<ul style="list-style-type: none"> • Repairs and/or replacement of assets for business use (e.g. plants and machinery) which have been damaged by natural disasters; and/or • Working capital <p>Financing shall not be used for the following activities:</p> <ul style="list-style-type: none"> • Purchase of shares • Refinancing of existing credit/ financing facilities • Purchase of land for non agrofood purposes • Property development • Investment by investment holding companies • Activities where the stock in trade is money (including credit, leasing, factoring and insurance businesses) • Gambling, alcohol, tobacco or other similar activities/ products • Non-Shariah compliant activities (applies to Islamic financing only)
Maximum Financing Rate	<ul style="list-style-type: none"> • Up to 3.5% per annum (inclusive of guarantee fee)
BNM Funding Rate	0% per annum (p.a.)
Guarantee Cover	<ul style="list-style-type: none"> • 80% guarantee cover at 0.5% per annum guarantee fee • Guarantee can be obtained from Credit Guarantee Corporation (CGC)
Maximum Financing Tenure	Up to 7 years from the date of the first drawdown (inclusive of 6 months moratorium on monthly installment)
Maximum Financing Limit	<ul style="list-style-type: none"> • Up to RM700,000 per SME; • Up to RM150,000 per Micro Enterprise
Availability	Until Full Utilization

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Low Carbon Transition Facility (LCTF)

Objective	To encourage and catalyse SMEs to transition to low carbon operations by adopting sustainability practices for business resilience
Allocation	RM2 billion [RM1 billion allocation from Bank Negara Malaysia + RM1 billion from participating financial institutions (matching basis)]
Eligibility	<ul style="list-style-type: none"> • Must be SMEs per National Entrepreneur and SME Development Council's (NESDC) definition • Registered with the Companies Commission of Malaysia (SSM), authorities/district offices in Sabah and Sarawak or statutory bodies for professional service providers • Shareholding by Public Listed Companies and Government Linked Companies (if any) in the SMEs shall not exceed 20% • Malaysian residing in Malaysia that hold a minimum of 51% shareholding in the SMEs
Purpose of financing	<ul style="list-style-type: none"> • Fund Capital Expenditure (CAPEX) on purchasing and installing solar system only <p>Financing shall not be used for the following activities:</p> <ul style="list-style-type: none"> • Purchase of shares • Refinancing of existing credit/ financing facilities • Purchase of land/ real estate investment • Property development • Investment by investment holding companies • Activities where the stock in trade is money (including credit, leasing, factoring and insurance businesses) • Gambling, alcohol, tobacco or other similar activities/ products • Non-Shariah compliant activities (applies to Islamic financing only)
Maximum Financing Rate	<ul style="list-style-type: none"> • Effective financing rate of 5.0% per annum, inclusive of guarantee fee, if any • For Islamic financing, the profit rate for the Islamic contract is up to 5.0% per annum, inclusive of guarantee fee, if any
BNM Funding Rate	0% per annum (p.a.)
Guarantee Cover	Guarantee coverage can be obtained from Syarikat Jaminan Pembiayaan Perniagaan (SJPP)
Type Of Financing	Term Loan / Term Financing only
Maximum Financing Tenure	Up to 10 years from the date of the first drawdown
Maximum Financing Limit	<ul style="list-style-type: none"> • RM10 million per SME, inclusive of financing to related companies that have common shareholder(s) • Related SMEs with common shareholder(s) are now allowed to have separate limits on the maximum amount of financing under BNM's Fund for SMEs, subject to each SME having separate workforces • The maximum aggregate financing amount of RM5 million per SME under the BNM's Fund for SMEs does not apply to this Facility
Availability	Until Full Utilization

Unless otherwise specified herein, our charges exclude any current taxes and future taxes that may be imposed (including the Goods and Services Tax ("GST")), under the relevant legislation. Upon the effective date of implementation of any such taxes in the future and wherever applicable, we will be entitled to recover such taxes from you.

Micro Enterprises Facility (MEF)

Objective	To increase access to collateral-free micro financing for micro enterprises at reasonable cost.
Allocation	RM700 million
Eligibility	<ul style="list-style-type: none"> Malaysian Micro Enterprises that meet the definition issued by National Entrepreneur and SME Development Council's (NESDC) Malaysians residing in Malaysia hold a minimum of 51% shareholding in the Micro Enterprise Malaysian micro entrepreneurs including self-employed individuals, gig workers on digital platforms¹ and participants of the iTEKAD² programme. <p>Note: The financing shall be offered under the Skim Pembiayaan Mikro, with no collateral.</p> <p>¹ Gig workers on digital platforms as defined by PENJANAGIG i.e. individuals involved in carrying out tasks or work through a service provider platform on digital applications to earn income.</p> <p>² Participants of the iTEKAD programme refer to eligible low-income micro entrepreneurs, including those affected by COVID-19, subject to terms and conditions outlined by respective participating banks.</p>
Purpose of financing	<ul style="list-style-type: none"> Working Capital; or/and Capital Expenditure <p>Financing shall not be used for the following activities:</p> <ul style="list-style-type: none"> Purchase of shares Refinancing of existing credit/ financing facilities Purchase of land for non agrofood purposes Property development Investment by investment holding companies Activities where the stock in trade is money (including credit, leasing, factoring and insurance businesses) Gambling, alcohol, tobacco or other similar activities/ products Non-Shariah compliant activities (applies to Islamic financing only)
Maximum Financing Rate	<ul style="list-style-type: none"> Financing rate charged shall be determined by the FI
BNM Funding Rate	<p>0.25% per annum (p.a.)</p> <p><i>Note: Applicable until 31 December 2024.</i></p>
Guarantee Cover	<ul style="list-style-type: none"> Guarantee can be obtained from Credit Guarantee Corporation (CGC) or Syarikat Jaminan Pembiayaan Perniagaan (SJPP)
Maximum Financing Tenure	Up to 5 years
Maximum Financing Limit	<ul style="list-style-type: none"> Up to RM50,000 per Micro Enterprise/ Gig Worker per FI

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