



HOW TO FINANCE YOUR BUSINESSES WITH THE PRIHATIN FACILITIES

17 April 2020

CLIENT ALERT: HOW TO FINANCE YOUR BUSINESSES WITH THE PRIHATIN FACILITIES

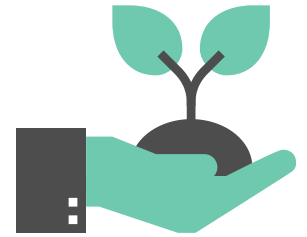


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In this article, we dissect the various financing related relief and stimulus packages announced by the Prime Minister on 27 March 2020 and 6 April 2020. We have broken down these packages into categories and the corresponding requirements to ease a borrower's engagement with a participating institution or lender.

1) SPECIAL RELIEF FACILITY ("SRF") 2020

- Total funding of RM5 billion with an interest rate of 3.5% per annum.
- Purpose: To provide immediate cash flow support to SMEs that are adversely impacted by the COVID-19 outbreak to sustain their business operations.
- Availability Period: From 6 March 2020 to 31 December 2020 or exhaustion of the RM5 billion fund whichever is earlier.



ELIGIBILITY AND AMOUNT AVAILABLE

- SMEs with 51% shares held under Malaysians (As defined by the National Entrepreneur and SME Development Council).
- Maximum of RM1 million per SME.



HOW

- Application can be made online with the Participating Financial Institutions ("PFIs"). Each application is subjected to the assessment of the PFI.
- SMEs are advised to call or email the PFIs to ascertain their eligibility of the SRF.
- Interested SMEs shall prepare such documents:

Copy of IC of Sole Proprietor / Partners / Directors.
Latest 2 years Audited / Certified Account / Management Account.
Latest 6 months Company's Bank Statement.
Latest Income Tax Return (if any).



DISBURSEMENTS

- The disbursement would depend on each PFI, subject to the length of time taken to undertake the assessment.



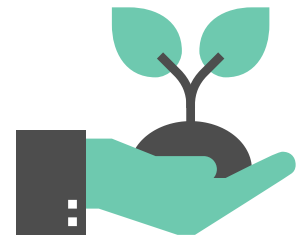
TENURE

- 5.5 years, including 6 months moratorium on repayments.

Note: SMEs that are not eligible for the SRF may also apply for financing from other facilities under BNM's Fund

2) ALL ECONOMIC SECTORS FACILITY (“AES”)

- The fund has been increased from RM5.8 billion to RM6.8 billion.
- Purpose: To enhance access to financing for SMEs and to support growth.
- The maximum financing rate has been reduced from 8% to 7% per annum (inclusive of any guarantee fee).



ELIGIBILITY AND AMOUNT AVAILABLE

- SMEs with 51% shares held under Malaysians.
- Maximum of RM5 million per SME.



HOW

- SMEs may make their applications with the Participating Financial Institutions (“PFIs”). Each application is subjected to the assessment of the PFI. Application is available for both new or existing customers.
- SMEs are advised to call or email the PFIs to ascertain their eligibility of the SRF.
- Interested SMEs shall prepare such documents:

Copy of IC of Sole Proprietor / Partners / Directors.
Latest 2 years Audited / Certified Account / Management Account.
Latest 6 months Company's Bank Statement



DISBURSEMENTS

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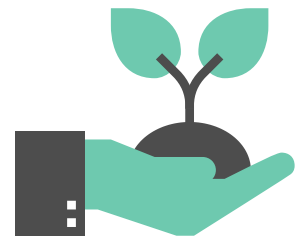


TENURE

- Maximum tenure of 5 years.

3) AUTOMATION AND DIGITALISATION FACILITY (“ADF”)

- RM300 million (as part of AES)
- Purpose: This fund is specifically aimed to increase productivity and efficiency of SMEs. In particular terms, the ADF may be used to finance the purchase of equipment, machinery, ICT hardware and software, ICT solutions and services, technology support services and other intangible assets.
- Up to 4% financing rate per annum (inclusive of any guarantee fee).
- This banking financial package is made available by the Government of Malaysia up until 31 December of 2020.



ELIGIBILITY AND AMOUNT AVAILABLE

- SMEs which 51% shares held under Malaysians.
- The ADF can only be financed to enhance the SMEs' own productivity and efficiency.
- Maximum financing amount of RM3 million per SME.



HOW

- SMEs may make their applications with the Participating Financial Institutions (PFIs). Each application is subjected to the assessment of the PFI. Application is available for both new or existing customers.
- SMEs are advised to call or email the PFIs to ascertain their eligibility of the ADF.



DISBURSEMENTS

- Disbursement would depend on each PFI, subject to the time taken to undertake the assessment.

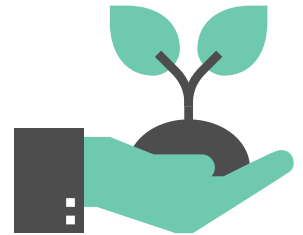


TENURE

- Maximum tenure of 10 years.

4) AGROFOOD FACILITY (“AF”)

- Total funding of RM1 billion with an interest rate of 3.75% per annum (inclusive of any guarantee fee).
- Purpose: To promote food production activities for Malaysia and for exports purposes.



ELIGIBILITY AND AMOUNT AVAILABLE

- SMEs which 51% shares held under Malaysians.
- Maximum financing amount of RM5 million per SME.



CRITERIA TO BE FULFILLED

- Viable projects involving primary agrofood production (upstream), agrofood processing/manufacturing, or other agrofood downstream activities; and
- Domestic oriented, where at least half of the total production is sold in the domestic market; and
- Supportive of domestic primary agrofood production.
 - (i) For agrofood manufacturing, at least half of the key input is sourced domestically; or
 - (ii) For other agrofood related services, at least half of the activities are supportive of domestic agrofood production to be fulfilled

Note: Financing under the AF must not be used for re-financing of existing credit/financing facilities.



HOW

- SMEs may make their applications with the Participating Financial Institutions (PFIs). Each application is subjected to the assessment of the PFI. Application is available for both new or existing customers.
- SMEs are advised to call or email the PFIs to ascertain their eligibility of the SRF.



DISBURSEMENTS

- Disbursement would depend on each PFI, subject to the time taken to undertake the assessment.

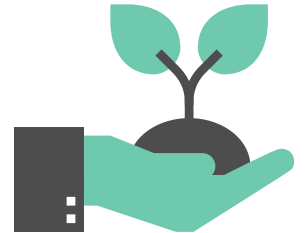


TENURE

- Maximum tenure of 8 years.

5) MICRO ENTERPRISES FACILITY (MEF)

- This facility is specifically made available for micro enterprises with sales turnover of less than RM300,000.
- Total funding of RM300 million. Financing rate shall be determined by the PFIs.
- Purpose: Increase access to collateral-free financing for micro enterprises.



ELIGIBILITY AND AMOUNT AVAILABLE

- Micro Enterprises owned by Malaysians.
- Requirement: Latest 6 months' bank statement
- Maximum amount has been increased to RM75,000 per micro enterprise.



HOW

- Application can be made online with the Participating Financial Institutions (PFIs). Each application is subjected to the assessment of the PFI.
- Each Micro Enterprise is advised to call or email the PFIs to ascertain their eligibility of the SRF.



DISBURSEMENTS

- Disbursement would depend on each PFI, subject to the time taken to undertake the assessment.

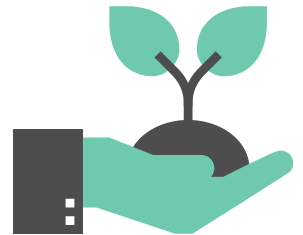


TENURE

- Maximum tenure of 5 years.

6) MICRO KREDIT PRIHATIN

- Purpose: A micro loan scheme which is offered to micro enterprises whose businesses are impacted by COVID-19 outbreak.
- Total funding of RM500 million. Under the PRIHATIN Plus introduced by the Government of Malaysia on the 6th April of 2020, the financing interest rate has been reduced from the initial 2% to 0%.



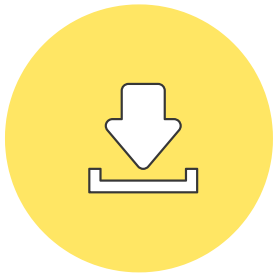
ELIGIBILITY AND AMOUNT AVAILABLE

- Malaysian owned business.
- Registered with Suruhanjaya Syarikat Malaysia (SSM) or Local Authority (LA).
- Business has been in operation for at least 6 months.
- Maximum of RM75,000 per micro enterprise.



REQUIRED DOCUMENTS

- A valid Business Registration certificate with SSM or Business License with Local Authority (LA).
- A photocopy of NRIC for all Directors / Sole Proprietor / Partners.
- Latest 3 months' Bank Statement.
- Any other supporting documents as required by the Bank.



APPLICATION

- Interested MEs may download the application form with the link provided below and send it to BSN for assessment.
- Link: <https://www.mybsn.com.my/formdownload?formDownloadId=4>
- Disbursement would depend on the time taken to undertake the assessment



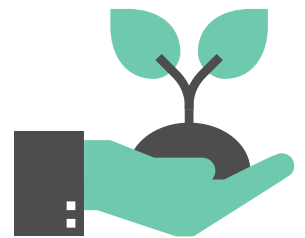
TENURE

- Between 1 year to 5.5 years including first 6 months of moratorium on monthly instalment.

Note: Interested applicants are to only elect either the Micro Kredit PRIHATIN scheme or the TEKUN Nasional scheme listed below.

7) TEKUN NASIONAL LOAN SCHEME

- The 0% loan scheme is also extended to TEKUN Nasional (maximum loan sum of RM10,000).



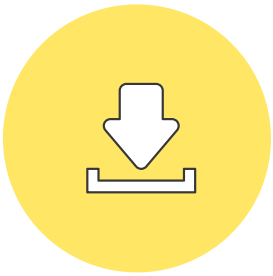
ELIGIBILITY AND AMOUNT AVAILABLE

- Malaysian owned business.
- Registered with Suruhanjaya Syarikat Malaysia (SSM) or Local Authority (LA).
- Maximum of RM10,000 per micro enterprise.



REQUIRED DOCUMENTS

- A valid Business Registration certificate with SSM or Business License with Local Authority (LA).
- A photocopy of NRIC of the applicant.
- Latest 3 months' Bank Statement.
- Any other supporting documents as required by the Bank.



APPLICATION

- Interested MEs may download the application form with the link provided below.
- Link: <https://docs.google.com/forms/d/e/1FAIpQLSdzO4T-ZdQ4aMZXnWc0enyi82YpEiIkL7oF7WGh8nL77woOXw/viewform>
- Disbursement would depend on the time taken to undertake the assessment.



TENURE

- Maximum tenure of 3 years.

Note: i) 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.

For more details, 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"

(<https://www.bnm.gov.my/documents/2020/Additionalmeasures.20200327.appendix.pdf>)

ii) interested applicants are to elect either the TEKUN Nasional scheme or the Micro Kredit PRIHATIN scheme

GUARANTEE SCHEMES

1) CREDIT GUARANTEE CORPORATION (“CGC”) SCHEMES

i) CGC Biz Jamin-i Scheme and Biz Jamin Bumi-i Scheme

- Objective: A guarantee scheme to assist SMEs who have viable projects but lack of collateral to obtain the required financing amount from Financing Institutions.
- Eligibility: Particularly financing for working capital and/or asset acquisition only.

BIZ JAMIN-I SCHEME

- To assist SMEs who have viable projects but lack of collateral to obtain the required financing.
- Maximum RM15 million per SME

BIZ JAMIN BUMI-I SCHEME

- To assist Bumiputera SMEs who have viable projects but lack of collateral to obtain the required financing.
- Maximum RM15 million per SME

GUARANTEE COVERAGE

The CGC guarantee coverage ranges from between 30% to 90% subject to the following:

- Unsecured Portion - Up to 80% (a maximum cover of RM5 Million)
- Secured Portion - Up to 90% (no capping imposed on secured portion)

GUARANTEE COVERAGE

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- Unsecured Portion - Up to 90% (a maximum cover of RM5 Million)
- Secured Portion - Up to 90% (no capping imposed on secured portion)

GUARANTEE FEE

- Unsecured Portion - 0.75% to 4.00% per annum
- Secured Portion - 0.50% to 3.20% per annum

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- Secured Portion - 0.50% to 3.20% per annum

Note: The chart above is for referencing purposes only. SMEs are advised to contact their PFIs for more information. SME with higher risk profiles will be charged higher guarantee fees, whereas SMEs with lower risk profiles will be charged lower guarantee fees. The range observed is to match customer's credibility in terms of risk rating with the pricing of the guarantee.

ii) CGC Bizmula-i Scheme and Bizwanita-i Scheme

- Objective: Financing up to RM300,000 will be made available specifically for SMEs in all economic sectors with a business record of less than 4 years. The funds are designed to facilitate greater access to financing for viable SMEs.

BIZMULA-I SCHEME

- Provided specifically for businesses less than 4 years in operations utilising the BNM's Fund for SMEs.
- Purpose of the scheme is to finance Working Capital and/or Asset Acquisition only.

BIZWANITA-I SCHEME

- Provided specifically for women entrepreneurs that businesses are less than 4 years in operations utilising the BNM's Fund for SMEs.
- Purpose of the scheme is to finance Working Capital and/or Asset Acquisition only.

ELIGIBILITY CRITERIA

- Incorporated under Companies Commission of Malaysia ("SSM").
- At least 51% shares held by Malaysians.
- Maximum shareholders' funds not exceeding RM5 million;
- Shareholding by Public Listed Companies and Government Linked Companies (if any) in the SMEs shall not exceed 20%.

ELIGIBILITY CRITERIA

- Incorporated under Companies Commission of Malaysia ("SSM").
- At least 51% shares held by Malaysians.
- *Company or business of which at least 51% shareholding is owned by a woman/women and the key person is a woman at point of application
- Maximum shareholders' funds not exceeding RM5 million;
- Shareholding by Public Listed Companies and Government Linked Companies (if any) in the SMEs shall not exceed 20%.

Minimum: RM30,000 per SME
Maximum: RM300,000 per SME

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Maximum: RM300,000 per SME

FINANCING RATE AND TENURE

Effective Profit Rate: *BNM Funding Rate at 1.50% (subject to change at BNM's discretion) + 6.30% per annum.

Ceiling Profit Rate: 12.00% per annum.

Financing tenure up to 5 years maximum.

FINANCING RATE AND TENURE

Effective Profit Rate: *BNM Funding Rate at 1.50% (subject to change at BNM's discretion) + 6.30% per annum.

Ceiling Profit Rate: 12.00% per annum.

Financing tenure up to 5 years maximum.

Application Procedures:

- Application form is available at all CGC's branches and online (<https://www.cgc.com.my/download-forms/>)
- The complete application form together with all supporting documents can be submitted to any CGC branches.

2) SYARIKAT JAMINAN PEMBIAYAAN PERNIAGAAN (“SJPP”)

- Guarantee facility of up to RM5 billion will be made available.
- Increment of guarantee coverage rate from 70% to 80%.

	GUARANTEE SCHEMES	WORKING CAPITAL GUARANTEE SCHEME (“WCGS”)	WORKING CAPITAL GUARANTEE SCHEME BUMIPUTERA (“WCGS”)	WORKING CAPITAL GUARANTEE SCHEME EXPORT (“WCGE”)	AUTOMATION & DIGITAL GUARANTEE SCHEME (“ADGS”)
Amount Available		<ul style="list-style-type: none"> • Up to RM10 million per SME 	<ul style="list-style-type: none"> • Up to RM3 million per SME 	<ul style="list-style-type: none"> • Up to RM10 million per SME 	<ul style="list-style-type: none"> • Up to RM10 million per SME
Purpose		<ul style="list-style-type: none"> • To assist SME companies in all sectors to gain access to financing facility • To fund Working Capital and/or Capital Expenditure (CAPEX) 	<ul style="list-style-type: none"> • To assist Bumiputera SMEs in all sectors to gain access to financing • To fund Working Capital and/or Capital Expenditure (CAPEX) 	<ul style="list-style-type: none"> • To assist SME companies in all sectors and industries which are export oriented and expanding their market overseas to gain access to financing • To fund Working Capital and/or Capital Expenditure (CAPEX) 	<ul style="list-style-type: none"> • To assist SME companies investing in automation, digitalization, and modernization in line with industry 4.0 to gain access to financing • To fund Working Capital and/or Capital Expenditure (CAPEX)
Eligibility		<ul style="list-style-type: none"> • Incorporated under Companies Commission of Malaysia (“SSM”) • At least 51% shares held by Malaysian 	<ul style="list-style-type: none"> • SME Bumiputera companies (as per Bank Negara Malaysia’s definition) in all sectors • At least 51% shares held by Malaysian 	<ul style="list-style-type: none"> • SME companies (as per Bank Negara Malaysia’s definition) in all sectors • At least 51% shares held by Malaysian 	<ul style="list-style-type: none"> • SME companies (as per Bank Negara Malaysia’s definition) in all sectors • At least 51% shares held by Malaysian

	GUARANTEE SCHEMES	WORKING CAPITAL GUARANTEE SCHEME ("WCGS")	WORKING CAPITAL GUARANTEE SCHEME BUMIPUTERA ("WCGS")	WORKING CAPITAL GUARANTEE SCHEME EXPORT ("WCGE")	AUTOMATION & DIGITAL GUARANTEE SCHEME ("ADGS")
Guarantee Fee		• 0.75% of guarantee coverage per annum	• 0.75% of guarantee coverage per annum	• 0.75% of guarantee coverage per annum	• 0.75% of guarantee coverage per annum
Guarantee Coverage		• 80% of the total financing obtained from the PFIs (including principal and profit)	• 80% of the total financing obtained from the PFIs (including principal and profit)	• 80% of the total financing obtained from the PFIs (including principal and profit)	• 80% of the total financing obtained from the PFIs (including principal and profit)


Application Procedures:

- SME to apply financing facilities from PFI. SJPP does not provide any financing or credit facilities.
- PFI will review the credit of each application.
- In the event where SME lacks or does not have any collateral, PFI will submit scheme application to SJPP directly.
- SJPP will review scheme application for approval and revert to PFI.
- Any further conditions/ requirements will be communicated to the PFI, and subsequently to the SME.

Note: Subject to the SME's eligibility, particularly for eligible SMEs involved in export activities, the Government of Malaysia has agreed to pay 2% (percentage point) of the profit rate charged on the financing provided by PFIs. The profit rate rebate (subsidy) provided is tax exempted. For more details, please visit SJPP website at <http://www.sjpp.com.my/sjppv2e/>

PARTICIPATING FINANCIAL INSTITUTIONS PARTNERING WITH SJPP

<ul style="list-style-type: none"> • Agro Bank • Affin Bank • Affin Islamic Bank • Alliance Bank • Alliance Islamic Bank • Ambank • Ambank Islamic • Bank Rakyat • Bank Muamalat • CIMB Bank • CIMB Islamic • EXIM Bank • HSBC • HSBC Amanah • Public Bank • Public Islamic Bank 	<ul style="list-style-type: none"> • RHB Bank • RHB Islamic Bank • UOB • Malayan Banking Berhad • Maybank Islamic • Bank Islam • Standard Chartered • Standard Chartered Saadiq • HSBC • SME Bank • Malaysian Industrial Development Finance Berhad (MIDF) • Hong Leong Bank • Hong Leong Islamic Bank
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