

PEMERKASA PLUS

NEED TO A BRIEF RESPITE ON
YOUR BANK LOANS?

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CLIENT ALERT: PEMERKASA PLUS NEED TO A BRIEF RESPITE ON YOUR BANK LOANS?



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The recent spotlight is no other than the controversial debate on the “blanket automatic loan moratorium”. Following the national lockdown, Full- Movement Control Order (“FMCO”) announced by the Government of Malaysia (which has then been extended until 28 June), a group of business organisations has called for a blanket automatic loan moratorium until herd immunity from Covid-19 is achieved. The school of thoughts behind this call had certainly raised enough attention and acrimonious discussion of the public. This article, however, intends to give an overview on the moratorium itself.

It has been more than one calendar year since the first Movement Control Order (“MCO”) was implemented in Malaysia. Yet, we are still, due to the unsympathetic spread of the virus, undergoing a national lockdown- MCO 3.0. It goes without saying that there are businesses which have been heavily affected and forced to face enormous challenges.

Malaysia had first introduced an automatic loan moratorium, which was implemented in March last year where borrowers enjoyed deferment of loan repayments for a period of six months.

As reported, Malaysia was the only country in Southeast Asia region that implemented a blanket automatic loan repayment moratorium for individuals and small and medium enterprises (SMEs). Starting from March 2020, borrowers were allowed to only resume services of their loan borrowings on September.

Helping hands, in a different approach

Following the PEMERKASA Plus stimulus package recently announced by the Government of Malaysia, the Repayment Assistance packages have been introduced.

Please note that as opposed to the earlier “blanket automatic loan moratorium”, this said initiative is not automatic. As such, affected borrowers are required to apply directly to their respective financial institutions. Further, this is a targeted approach being that the Repayment Assistance packages is targeted to help those in need, namely the B40 groups and affected individuals and businesses.



| | CATEGORY | REPAYMENT ASSISTANCE |
|-------------|--|--|
| Individuals | (a) Loss of employment (B40, M40, and T20); (b) B40 recipients of the Bantuan Sara Hidup ("BSH") or Bantuan Prihatin Rakyat ("BPR"). | Eligible borrowers may opt for: i) Moratorium for three months; OR ii) Reduction of monthly instalments by 50% for 6 months. |
| Businesses | (a) SMEs that are not allowed to operate during FMCO; (b) Microenterprises (as defined by SME Corp. for facilities with approved amounts of up to RM150,000). | |

Note: Facilities must be approved before 1 June 2021 and shall not be in arrears exceeding 90 days as at date of application.

Apart from the categories stated above, individual borrowers who have encountered a reduction of income are also encouraged to seek for assistance as they are eligible for the 3-month payment relief or a reduction of their monthly instalments according to their respective reduced income.

In order to apply for the Repayment Assistance program, borrowers should provide the following details to their respective institutions:

(A) For individuals:

- (i) Full name as per NRIC;
- (ii) Loan or financing account number;
- (iii) Contact number;
- (iv) Reason for application i.e. loss of employment or reduction in income; and
- (v) Latest 3 months bank statements.

(B) For SME and Microenterprises:

- (i) Company name;
- (ii) Company registration number;
- (iii) Contact number of the person in charge;
- (iv) Email address of the person in charge; and
- (v) Business facility account number.



Borrowers are advised to contact their respective banks for their preferred loan repayment options and to be informed of any other supporting documents, if so required. Generally, applications will be reviewed and responded within **2-5** Business Days. Listed below are the participating institutions in the PEMERKASA Plus Repayment Assistance program:

BANKING INSTITUTIONS

Affin Bank Berhad
Al Rajhi Banking & Investment Corporation (Malaysia)
Alliance Bank Malaysia Berhad
Ambank (M) Berhad
BNP Paribas Malaysia Berhad
Bank Islam Malaysia Berhad
Bank Muamalat Malaysia Berhad
CIMB Bank Berhad
Citibank Berhad
HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
Kuwait Finance House (Malaysia) Berhad
MUFG Bank (Malaysia) Berhad
Malayan Banking Berhad
MBSB Bank Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
Sumitomo Mitsui Banking Corporation Malaysia Berhad
United Overseas Bank (Malaysia) Bhd.

DEVELOPMENT FINANCE INSTITUTIONS

Bank Kerjasama Rakyat Malaysia Berhad
Bank Pembangunan Malaysia Berhad
Bank Pertanian Malaysia Berhad (Agrobank)
SME Bank
Bank Simpanan Nasional
EXIM Bank

If the Repayment Assistance application is rejected, borrowers could still appeal by providing additional justification/supporting documents. In addition, borrowers may seek assistance from Agensi Kaunseling dan Pengurusan Kredit ("AKPK"), an agency which provides advisory services and assistance to individual borrowers/customers in managing their finances.

Economy takes time to recover, and efforts and diligence are essential to its route. As such, vulnerable individuals and business owners should avail themselves of the assistance provided under the targeted repayment packages.



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