

CIRCULAR NO. 8/2022

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### TWO NEW FACILITIES UNDER BANK NEGARA MALAYSIA'S FUND FOR SMEs

Reference is made to the Press Release on [ESTABLISHMENT OF NEW FINANCING FACILITIES BY BANK NEGARA MALAYSIA \(BNM\)](#) dated 21 January 2022.

Application for the new facilities under the BNM's Fund for Small Medium Enterprises (SMEs) will be open from 3 February 2022 until the funds are fully utilised. The New Facilities are listed in the figures below:

RM1 billion Business Recapitalisation Facility (BRF)		
No	Question	Answer
1	What is BRF?	Aims to support SMEs to recover and grow while managing their level of indebtedness*.
2	What could SMEs obtain from BRF?	<ul style="list-style-type: none"> <li>– Equity financing</li> <li>– A mix of debt financing</li> </ul>
3	Who is eligible to apply for BRF?	SMEs of all economic sectors
4	What is the financing amount, tenure and financing rate?	<ul style="list-style-type: none"> <li>– Maximum fund of RM5million (Working capital and/or Capital expenditure)</li> <li>– Tenure financing up to 10 years</li> <li>– Funding of up to 3.5% per annum without guarantee, or up to 5% per annum of any guarantee fee</li> </ul>
5	How can SMEs apply for this financing?	SMEs can apply directly from participating banks and development financial institution regulated by BNM.

\* This refers to improvements in the capital structure of an SME, particularly those who wish to undertake capital expenditure, facilitating a more manageable debt-to-equity (D/E) for the SME after tapping on the BRF.

See: [https://www.bnm.gov.my/documents/20124/2294076/brf2022\\_en\\_broc.pdf](https://www.bnm.gov.my/documents/20124/2294076/brf2022_en_broc.pdf)

RM1 billion Low Carbon Transition Facility (LCTF)		
No	Question	Answer
1	What is LCTF?	Supports SMEs to adopt sustainable practices for business resilience including achieving the Government's target to be net-zero emission economy by 2050.
2	What are the examples of sustainable practices that are included in this LCTF?	<ul style="list-style-type: none"> <li>- Obtaining sustainability certification</li> <li>- Increasing use of sustainable materials for production</li> <li>- Improving energy efficiency of building and appliances</li> <li>- Installing on-site renewable energy generation equipment</li> </ul>
3	Who is eligible to apply for LCTF?	SMEs of all economic sectors

RM1 billion Low Carbon Transition Facility (LCTF)		
No	Question	Answer
4	What is the financing amount, tenure and financing rate?	<ul style="list-style-type: none"> <li>– Financing up to maximum of RM10million (Working capital and/or capital expenditure)</li> <li>– Tenure of financing is up to 10 years</li> <li>– Financing rate is up to 5% per annum (inclusive of any guarantee fee)</li> </ul>

See: [https://www.bnm.gov.my/documents/20124/2294076/lctf2022\\_en\\_broc.pdf](https://www.bnm.gov.my/documents/20124/2294076/lctf2022_en_broc.pdf)

Enhanced Features of the Disaster Relief Facility 2022 (DRF 2022)		
No	Question	Answer
1	Changes to DRF?	Increased allocation by RM300million (bringing to a total of RM500million)
2	What is the financing amount, tenure and financing rate for the SMEs and micro enterprises?	<ul style="list-style-type: none"> <li>- Financing up to RM700,000 per SME</li> <li>- Financing up to RM150,000 for micro enterprises</li> <li>- Tenure extended up to 7 years</li> </ul>
3	What is BNM's contact link?	<a href="https://www.bnm.gov.my">bnm.my/LINK</a>

See: [https://www.bnm.gov.my/documents/20124/2294076/drf2022\\_en\\_broc.pdf](https://www.bnm.gov.my/documents/20124/2294076/drf2022_en_broc.pdf)

Thank you.

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