

BNM's Fund for SMEs
Disaster Relief Facility (DRF)
General Frequently Asked Questions (FAQ)

Disaster Relief Facility (DRF)		
No.	Question	Answer
1.	What is DRF?	<p>DRF is a financing facility established by BNM to alleviate the financial burden of SMEs and micro enterprises affected by the recent floods nationwide, to enable them to resume their business operations. The purpose of DRF financing are:</p> <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 floods; and/or • Working capital <p>Note: Financing should not be used for refinancing of existing credit/financing facilities</p>
2.	Who is eligible to apply for DRF?	<p>SMEs¹ and micro enterprises affected by floods located in districts identified by <i>Agensi Pengurusan Bencana Negara</i> (NADMA) as flood disaster areas</p> <p>Note: SMEs and micro enterprises may obtain the information from <i>Portal Bencana</i> administered by NADMA at https://portalbencana.nadma.gov.my/en/disaster-information</p>
3.	What is the maximum financing amount and tenure for SMEs and micro enterprises under the DRF?	<ul style="list-style-type: none"> • Eligible SMEs and micro enterprises will be able to obtain financing up to RM700,000 per SME and up to RM150,000 for micro enterprises • Financing tenure of up to 7 years, including moratorium period of 6 months on both principal and interest/profit payments
4.	What is the financing rate?	The maximum effective financing rate is 3.50% per annum, inclusive of guarantee fee
5.	Which banks can SMEs and micro enterprises apply for financing under DRF?	Affected businesses can apply for financing from participating financial institutions (PFIs) which comprise commercial banks, Islamic banks and development financial institutions regulated by BNM

¹ At least 51% shares held by Malaysians and as defined by SME Corp. Malaysia's Guideline for SME Definition, accessible at https://www.smecorp.gov.my/images/pdf/2021/Guideline_on_SMEDefinition_Updated_Sept2020_Final.pdf

6.	How can SMEs and micro enterprises know that they are eligible to apply for financing under the DRF?	Eligible SMEs and micro enterprises are advised to contact the PFIs to ascertain their eligibility under the facility. All applications for financing will be subject to assessments by the PFIs
7.	How long will it take for PFIs to approve the application?	PFIs are to process the applications within 14 days upon receiving complete documentation from the applicants
8.	Do SMEs or micro enterprises need to provide collateral to obtain financing under the DRF?	No. Collateral is NOT required under the DRF
9.	What can an SME or micro enterprise do if its application for financing under any of the facilities is rejected by the PFI?	If an application is rejected, the SME or micro enterprise is advised to do the following: <ul style="list-style-type: none"> a) Obtain clarification from the PFI on the reason(s) of rejection; b) Obtain financing advisory services through MyKNP (<i>Khidmat Nasihat Pembiayaan</i>) that provides advisory assistance and tips to improve eligibility for future financing and alternative sources of finance (www.myknp.com.my); or c) Contact BNM's eLINK at https://bnmlink.bnm.gov.my for additional assistance
10.	When will the DRF be made available?	The facility will be available from 27 December 2021 until full utilisation (or subject to further decision by BNM)

Bank Negara Malaysia

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