

## BNM's Fund for SMEs : Business Recapitalisation Facility (BRF)


BNM's Business Recapitalisation Facility is established to provide financing which lowers the indebtedness of SMEs who wish to undertake capital expenditure.

 Financing size  
per SME

**Max RM5 million**

 Financing Rate  
to SMEs

Up to **5.0% p.a.**  
inclusive of guarantee fee or  
**3.5% p.a.** without guarantee;  
no cap on return for equity  
investment

 Maximum Tenure

Up to  
**10 years**

**All applications should be made directly with the participating financial institutions to reduce risk of financial scams. No third party agents are being employed by participating financial institutions for the purpose of this facility.**

Objective	To support SMEs to recover and grow, while managing their level of indebtedness <sup>1</sup> through innovative financing solutions
Size	RM1 billion
Eligibility criteria	Viable Malaysian-owned SMEs <sup>2</sup> including micro enterprises from all economic sectors
Purpose of financing	Working capital and/or capital expenditure
Tenure	Up to 10 years
Financing size per SME	Up to RM5 million
Financing rate to SMEs	The maximum effective rate is up 5.0% p.a., inclusive of guarantee fee or 3.5% p.a. without guarantee; no cap on return for equity investment
Type of facility	SMEs can either obtain: <ul style="list-style-type: none"> <li>Equity financing through issuance of preference shares, common shares, or any suitable equity-like instruments; or</li> <li>A mix of debt financing from participating financial institutions (PFIs) and equity financing through third party equity financiers (blended finance).</li> </ul>
Availability	3 February 2022 until full utilisation
Application procedure	Application for equity financing or blended financing can be submitted to PFIs and approval will be subjected to the credit assessment of PFIs and/or relevant third party equity investors

<sup>1</sup> 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.

<sup>2</sup> 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](https://www.smecorp.gov.my/images/pdf/2021/Guideline_on_SMEDefinition_Updated_Sept2020_Final.pdf)

For more  
information



Contact the PFI's customer service centre



Log on to PFI's website



[bnm.gov.my/sme-financing](https://bnm.gov.my/sme-financing)

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