

## Questions and Answers on *Pembiayaan Mikro* and Micro Enterprise Fund

### **PEMBIAYAAN MIKRO**

#### **1. What is microfinancing (*Pembiayaan Mikro*)?**

- Microfinancing are small business loans ranging from RM1,000 to RM50,000 for micro enterprises. Microfinancing is meant for business financing only, such as for working capital and for capital expenditure. It is not a personal loan.

#### **2. What are micro enterprises?**

The National SME Development Council defines micro enterprises as follows:

<b>Manufacturing and Manufacturing Related Services sectors</b>	<b>Primary Agriculture and Services sectors</b>
Businesses with less than: <ul style="list-style-type: none"><li>• RM250,000 annual sales turnover; or</li><li>• Five full-time employees</li></ul>	Businesses with less than: <ul style="list-style-type: none"><li>• RM200,000 annual sales turnover; or</li><li>• Five full-time employees</li></ul>

#### **3. Who is eligible for microfinancing?**

- All micro enterprises with viable businesses.
- Microfinancing is available to businesses in all economic sectors. Certain participating financial institutions may provide microfinancing facilities to borrowers in specific sectors only.

#### **4. Who are the participating financial institutions that offer microfinancing?**

- There are 3 development financial institutions namely, Agrobank, Bank Rakyat and Bank Simpanan Nasional.
- A total of 7 banking institutions namely, Alliance Bank, AmBank, CIMB Bank, Public Bank, Maybank and United Overseas Bank and Bank Muamalat.

#### **5. Where can I apply for microfinancing?**

- At branches and affiliates / agents of participating financial institutions that display the National Microfinance Logo. Loan applications will be assessed and processed by the respective participating financial institutions.
- To obtain further information on where to apply for microfinancing, customers are advised to contact the relevant participating financial institutions that

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provide microfinancing. Please refer to the *Comparative Table on Microfinance Product Features* for Hotline numbers of each participating financial institution

### 6. How does the National Microfinance Logo look like?



### 7. What are the key features of microfinancing?

- Loan Size : Ranges from RM1,000 to RM50,000
- Purpose of Financing : Business purposes i.e. for working capital or capital expenditure.
- Loan Tenure : Varies from 1 month to 7 years
- Collateral Requirement : No collateral is required
- Loan Application : Simple application form
- Loan Documentation : Minimal documents, such as Identity Card, proof of business (i.e. business registration / license / permit), proof of income (i.e. bank statement), utility bills (i.e. electricity, water, phone bills)

To refer to the *Comparative Table on Microfinance Product Features* for more details on eligibility criteria for each participating financial institution.

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### **8. Do I need to have a guarantor?**

- Most participating financial institutions do not require any guarantors.
- Some financial institutions will require guarantors when the loan applied for is above a certain amount.

### **9. What is the interest / financing rate charged on microfinancing loans?**

- Interest / financing rates are set by the respective participating financial institutions based on assessment of the borrower's risk profile.
- The participating financial institutions will be able to provide more detailed information on the interest / financing rates and product features of their microfinancing products.

### **10. How long will it take to approve my loan application?**

- The committed duration to approve a loan is 1 to 10 working days, upon obtaining complete information / documents from the applicant.
- Please refer to the *Comparative Table on Microfinance Product Features* for committed loan approval time at each participating financial institution.

### **11. Is there a special preference for microfinancing apart from the basic lending criteria as mentioned above?**

- No. All viable micro businesses are eligible for microfinancing, and approval of loan applications will rely solely on creditworthiness of borrowers.

### **12. Who should I contact if I encounter difficulties in applying for microfinancing or have related issues?**

- If you have any difficulties applying for microfinancing at any of the branches or affiliates / agents of the participating financial institutions offering microfinancing, please contact the financial institutions' hotline to seek assistance.
- Please refer to the *Comparative Table on Microfinance Product Features* for Hotline numbers of each participating financial institution.

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### **MICRO ENTERPRISE FUND**

#### **13. What is the purpose of the Micro Enterprise Fund (MEF)?**

- MEF is established to increase access to microfinancing for micro enterprises with viable businesses, in the increasingly challenging business environment.
- The fund is administered by Bank Negara Malaysia and is available since 5 November 2008. A total of RM200 million has been allocated by Bank Negara Malaysia for this purpose.

#### **14. Who is eligible to apply for MEF?**

- Any micro enterprise that is eligible to apply under *Pembiayaan Mikro* is eligible to apply for MEF. Please refer to the response to Question 3 above.

#### **15. Where can micro enterprises apply for the MEF?**

- Micro enterprises can apply for MEF at any of the participating financial institutions of *Pembiayaan Mikro*. Please refer to the list of participating financial institutions provided under Question 4 above.

#### **16. Who will be able to get financing from MEF?**

- Any micro enterprise that is deemed to be a viable business by a participating financial institution will be able to obtain financing.

#### **17. How do I obtain more information on the microfinancing product features offered by each participating financial institution?**

- The microfinancing product features of each participating financial institution is published in the *Comparative Table on Microfinance Product Features*. This Comparative Table can be obtained from the BNM Website ([www.bnm.com.my](http://www.bnm.com.my)), BankingInfo Website ([www.bankinginfo.com.my](http://www.bankinginfo.com.my)) and the SMEinfo Portal Website ([www.smeinfo.com.my](http://www.smeinfo.com.my)). This table is updated as and when there are changes to the product features by any participating financial institution.

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### 18. What do I do if my loan application is rejected?

- You can try to apply at another participating financial institution. Different participating financial institutions have different eligibility criteria.

### 19. What do I do if the bank rejects my application without giving a proper reason?

- All banks are required by Bank Negara Malaysia to provide you with reason for rejection. If you are rejected without a reason, you can contact the following at Bank Negara Malaysia to submit your complaint:

#### **BNMLINK (Customer Service Walk-In Centre)**

Ground Floor, Block D, Bank Negara Malaysia

Jalan Dato' Onn, 50480 Kuala Lumpur

(Operating Hours: Monday to Friday, 9.00 a.m. – 5.00 p.m.)

#### **BNMTELELINK (Customer Service Call-In Centre)**

Tel: 1-300-88-5465 (LINK)

Fax: 03-2174 1515

Email: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

### 20. Is refinancing allowed under the MEF?

- No, the fund is not meant for refinancing of existing loans.

### 21. Can I get financing from different banks to a total of amount of more than RM50,000?

- Yes. Even if you have an outstanding microfinancing loan of RM50,000, you can approach another participating financial institution to submit a new microfinancing loan application. However, your credit evaluation will be based your repayment capacity and your total outstanding loan amount with all financial institutions.

**Bank Negara Malaysia**  
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