

TERMS & CONDITIONS
SHARIAH-COMPLIANT SME FINANCING SCHEME (SSFS) 3.0

Criteria	Terms and Conditions
Coordinator	SME Corporation Malaysia (SME Corp)
	Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)
Size of financing scheme	RM1 billion
Source of financing	Internal resources of participating Financial Institutions
Objective	To finance the business activities of eligible SME companies, especially halal products exporters.
Eligible Product	<ul style="list-style-type: none"> • Term Financing • Business Cash Line-i
Application Period	<ul style="list-style-type: none"> • Maximum of RM1 billion for financing applications approved between 1 January 2019 until 31 December 2020, or upon full utilisation of the RM1 billion limit, whichever comes first. • Financial Institutions is provided with 3 months grace period until 31 Mac 2021 for processing and submission of application to SME Corp. Malaysia. .
Financing Amount	<ul style="list-style-type: none"> • The financing scheme is aimed to promote financing that is Shariah compliant which offers SME with 2% profit rebate for up to RM 1 billion. • An SME shall be eligible for up to RM5 million: <ul style="list-style-type: none"> – the aggregated amount of all financing provided under this scheme from all Participating Financial Institutions; and – SMEs with common controlling shareholders and/or directors except for nominee directors appointed by multinational investors. • SMEs may obtain financing above RM5 million, however only the first RM5 million will be eligible for the 2% profit rebate.

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Financing Period	<ul style="list-style-type: none"> Up to 5 years from the date of first disbursement (i.e. and/or until 31st March 2026) or until the facility is fully repaid / terminated / recall or terminated due to non-utilization of the facilities, whichever comes first. SMEs may obtain financing for a period exceeding 5 years, however there will be no payment of 2% rebate beyond 2026. Financing that turns impaired financing will not be eligible for the 2% rebate. However, the 2% rebate will be reinstated in the current month of regularisation.
Profit Rate	According to the current rate set by participating Financial Institutions.
Subsidy Rate	<ul style="list-style-type: none"> 2% of the profit rebate charged by the participating banks No subsidy if prescribed profit rate fall below 2% rebate.
Purpose of Financing	<ul style="list-style-type: none"> The scope of financing may include the following : <ul style="list-style-type: none"> Working capital; Purchase of assets; and Upgrading of businesses Priority shall be given to SMEs exporting halal products . SMEs that intends to export their products may also be considered. Does not include refinancing or restructuring of existing facilities. However, accounts that have been restructured before turning impaired financing in 2019 - 2020 are eligible under the scheme.
List of Participating Financial Institutions	<p>List of participating Islamic Financial Institutions are as follows :</p> <ol style="list-style-type: none"> Affin Islamic Bank Berhad Alliance Islamic Bank Berhad AmBank Islamic Berhad Bank Islam Malaysia Berhad Bank Rakyat Bank Muamalat Malaysia Berhad CIMB Islamic Bank Berhad Hong Leong Islamic Bank Berhad Maybank Islamic Berhad Public Islamic Bank Berhad RHB Islamic Bank Berhad HSBC Amanah Malaysia Berhad Agro Bank Standard Chartered Saadiq Berhad UOB Bank Malaysia Berhad Al Rajhi Bank Malaysia Berhad MBSB Bank

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	18. SME Bank 19. OCBC Al Amin
Financing Limit	<ul style="list-style-type: none"> • Allocation of RM1 billion will distribute evenly to avoid monopoly or focus on certain financial institutions only (can be revised based on performance as well as AIBIM approval). • Limit of RM52.60 million per participating Financial Institutions, to be adjusted accordingly depending on the number of participating Islamic Financial Institutions. • The unutilised amount of each participating Financial Institutions shall be reviewed periodically and reallocated to other participating Islamic Financial Institutions based on performance.
Eligible sector / coverage	<ul style="list-style-type: none"> • SMEs undertaking Syariah-compliant business activities in all sectors excluding financial product and services for which the activities are regulated under, among others, the various banking, insurance, takaful and unit trust laws and regulations. • SMEs with shareholding by government development agencies such as PNS, PUNB, MARA, MTDC, Cradle Fund Sdn Bhd and state development agencies are eligible. • SMEs approved for Syariah-compliant microfinancing are also eligible. • Exclude those SMEs having ANY shareholding by: <ul style="list-style-type: none"> – Government-linked corporations (GLC). – Public listed companies (PLC) – Multinational Corporations (MNC)

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Eligibility requirements	<ul style="list-style-type: none">Subject to the respective Participating Financial Institutions credit assessment, own criteria and respective limit of Participating Financial Institutions : ANDComply with SME definition as per below: <table><tr><td></td><td colspan="3"><u>ENTERPRISE SIZE</u></td></tr><tr><td><u>SECTOR</u></td><td><u>MICRO</u></td><td><u>SMALL</u></td><td><u>MEDIUM</u></td></tr><tr><td>Manufacturing, Manufacturing-Related Services and Agro-based industries</td><td>Sales turnover of less than <u>RM300,000</u> OR full time employees less than <u>5</u></td><td>Sales turnover between <u>RM300,000</u> and less than <u>RM15 million</u> OR full time employees between <u>5</u> and not exceeding <u>75</u></td><td>Sales turnover between <u>RM15 million</u> and <u>RM50 million</u> OR full time employees between <u>75</u> and not exceeding <u>200</u></td></tr><tr><td>Services, Primary Agriculture and Information & Communication Technology (ICT)</td><td>Sales turnover of less than <u>RM300,000</u> OR full time employees less than <u>5</u></td><td>Sales turnover between <u>RM300,000</u> and less than <u>RM3 million</u> OR full time employees between <u>5</u> and not exceeding <u>30</u></td><td>Sales turnover between <u>RM3 million</u> and <u>RM20 million</u> OR full time employees between <u>30</u> and not exceeding <u>75</u></td></tr></table>		<u>ENTERPRISE SIZE</u>			<u>SECTOR</u>	<u>MICRO</u>	<u>SMALL</u>	<u>MEDIUM</u>	Manufacturing, Manufacturing-Related Services and Agro-based industries	Sales turnover of less than <u>RM300,000</u> OR full time employees less than <u>5</u>	Sales turnover between <u>RM300,000</u> and less than <u>RM15 million</u> OR full time employees between <u>5</u> and not exceeding <u>75</u>	Sales turnover between <u>RM15 million</u> and <u>RM50 million</u> OR full time employees between <u>75</u> and not exceeding <u>200</u>	Services, Primary Agriculture and Information & Communication Technology (ICT)	Sales turnover of less than <u>RM300,000</u> OR full time employees less than <u>5</u>	Sales turnover between <u>RM300,000</u> and less than <u>RM3 million</u> OR full time employees between <u>5</u> and not exceeding <u>30</u>	Sales turnover between <u>RM3 million</u> and <u>RM20 million</u> OR full time employees between <u>30</u> and not exceeding <u>75</u>
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	<ul style="list-style-type: none">At least 60% Malaysian owned SME.Have undergone SCORE/MCORE assessment. Those who have not undergone SCORE/MCORE assessments, must do so within 2 months after receiving financing approval from the bank.SMEs participating in the scheme must give full cooperation when they are required to undergo another round of SCORE/MCORE assessment at least 2 years after the first assessment was done for impact assessment.SMEs must sign declaration with the Participating Financial Institutions upon application, stating fulfilment of the above eligibility criteria and to allow disclosure of information on the financing facility by the Participating Financial																

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	<p>Institutions to SME Corp. Malaysia (as the implementing agency) and Ministry of Finance.</p> <ul style="list-style-type: none"> Those financing facilities that currently enjoy profit rebate under other schemes (e.g. Green Tech Financing Scheme) are not eligible under SSFS. However, SMEs may apply under SSFS and enjoy the 2% rebate for the remaining financing amount (subject to a maximum of RM5 million) for the amount not eligible under those other schemes provided the customer complies with the eligibility criteria under this SSFS.
	<ul style="list-style-type: none"> SMEs that enjoy profit rebate or where the profit rate is below market rate under other Government-sponsored (including Bank Negara Malaysia) funds or schemes will not be eligible under SSFS, whether current or future. Examples are SME financing schemes under MIDF, SME Bank and Green Technology Financing Scheme. Refinancing / restructuring of existing loans is not allowed. SMEs that have never received 2% rebate through SSFS 1.0 & SSFS 2.0.
Credit Risk	The credit risk shall be 100% borne by the participating Financial Institutions.
Tax Exemption	<ul style="list-style-type: none"> The 2% profit rate subsidy payment is not considered as income to the bank and is exempted from income tax. The profit rebate (subsidy) provided is tax exempted for the customer as per Stamp Duty Exemption Order (No.22) 2006.