



**SME BANK – NEF  
ONLINE BUSINESS FINANCING**

**12 June 2015**

SMALL MEDIUM ENTERPRISE DEVELOPMENT BANK MALAYSIA BERHAD

For business.  
For growth.  
For life.



# ONLINE BUSINESS FINANCING (OBF)

Eligibility Criteria	
Purpose	To provide financing facilities to online business entrepreneurs, hence enhance the capabilities.
Eligibility	<ul style="list-style-type: none"><li>➤ <b>Malaysian entrepreneur involved in online business.</b></li><li>➤ <b>Managing online business full time.</b></li><li>➤ Has at least 6 months online business involved in selling physical or digital product(s) or services.</li><li>➤ The business is registered with SSM or other authorized registering bodies under a sole-proprietorship or a partnership firm, or a Sdn Bhd company.</li><li>➤ For a partnership firm or a Sdn Bhd company, the applicant must hold majority shares of &gt;51% <u>AND</u> is the key decision maker.</li></ul>

# ONLINE BUSINESS FINANCING (OBF)

## Eligibility Criteria

### Eligibility

- Has visible online business by having at least 1 of the following:-
  - i. **Facebook Fanpage or any other Social Media tools**
    - ❖ **Active for the past 1 year**
    - ❖ **Has contact information to be contacted**
  - ii. **Blog or website**
    - ❖ **Active for the past 1 year**
    - ❖ **Has contact information to be contacted**
    - ❖ **Minimum 4 pages / postings**
    - ❖ **Using own domain address (not BlogSpot / Wordpress etc)**
  - iii. **Store Account / Premium Account**
    - ❖ **Active for the past 1 year**
    - ❖ **Account with Mudah.my; and/or**
    - ❖ **Account with Ebay; and/or**
    - ❖ **Account with Lelong; and/or**
    - ❖ **Any registered Online Marketplace**
  - iv. **Registered with dropship platform**
    - ❖ **Active for the past 1 year**
- **For those who have business experience < 2 years need to attend entrepreneurship training conducted by SME Bank-CEDAR. Those without it could be considered and applicant will be required to acquire the certificate prior to disbursement.**

# ONLINE BUSINESS FINANCING (OBF)

## Application Criteria

### Financing size

Cycle	Financing/ Item Funded
OBF 1	Maximum of RM 30,000 Cost to create online platform, fees and advertising
OBF 2	Maximum of RM 250,000 Cost to create online platform, fees, advertising and working capital
OBF 3	Maximum of RM 500,000 Cost to create online platform, fees and advertising
OBF 4	Maximum of RM 500,000 Cost to create online platform, fees, advertising, machineries and equipments.

Cycle	Description
OBF 1	This group sells several products to the end user. The arrangement of business is the seller only order goods from supplier after receive payment from end user. The supplier will directly send goods order to end user right after receive payment from seller.
OBF 2	This group consists of sellers who hold stocks. The aim of stock holders is to shorten the process where the seller can directly send goods order to end user right after the payment.
OBF 3	The players in this segment have their own brand where they sell their products to end user. Players order finished goods from supplier and put their brand label before sell it back.
OBF 4	The entrepreneurs design and produce their own products and sell it through online.

# ONLINE BUSINESS FINANCING (OBF)

Application Criteria	
Tenure	Up to 5 years inclusive of maximum 1 year grace period
Profit rate	7% per annum
Repayment mode	Monthly
Security & Collateral	➤ Minimum 10% Cash Collateral ( 1 : 10 ) ➤ Security deposit of 2 months installment
Security Documents	<u>Company</u> i. Joint & Several Guarantee ii. Facility Agreement <u>Firm</u> i. Facility Agreement
Business Intervention	➤ Clients under this program shall be required to attend entrepreneurship courses organized by SME Bank – CEDAR to enhance their business acumen skills. ➤ Cost of entrepreneur training to be build in the financing amounting to RM 3,000.00 (as part of financing package).



# Thank you

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**Small Medium Enterprise Development  
Bank Malaysia Berhad  
(49572-H )**

Menara SME Bank,  
Jln. Sultan Ismail,  
P.O. Box 12352,  
50774 Kuala Lumpur  
Malaysia



**03-2615 2020**



**[www.smebank.com.my](http://www.smebank.com.my)**



**603 2698 1748**

# Young Entrepreneur Fund (YEF)

## Eligibility Criteria

Purpose	To provide alternative access to the young entrepreneurs in obtaining financing to start their new business as well as for the needs of their existing business
Ownership	<ul style="list-style-type: none"> <li>➤ Sole-proprietorship or partnership firm or a Sdn Bhd company. For a partnership firm or a Sdn Bhd company, the youth applicant must hold majority shares of &gt; 51% <u>AND</u> is the key decision maker.</li> <li>➤ <b>Start-up companies/ firms can be considered</b></li> </ul>
Qualification	<ul style="list-style-type: none"> <li>➤ Minimum possession of entrepreneurship certificate or vocational certificate.</li> <li>➤ Those without entrepreneurship certificate or vocational certificate could be considered through the acquisition of entrepreneurship training from Centre for Entrepreneur Development and Research (CEDAR), SME Bank.</li> </ul>

## Application Criteria

Financing size	RM20,000.00 to RM100,000.00
Tenure	Up to 7 years including a maximum grace period of 1 year ('Grace Period')
Profit rate	5% per annum
Repayment mode	Monthly
Collateral	Minimum 10% Cash Collateral ( 1 : 10 )
Security Documents	<u>Company</u> i. Joint & Several Guarantee ii. Facility Agreement <u>Firm</u> i. Facility Agreement

# Tabung Usahawan Siswazah (TUS)

## Eligibility Criteria

Purpose	Fund specifically for graduates to encourage them to participate in entrepreneurship and to start up business as well as expansion of existing business.
Ownership	<ul style="list-style-type: none"> <li>➤ Malaysian citizen not more than 40 years old, and</li> <li>➤ Has graduated for not more than 15 years.</li> </ul>
Qualification	<ul style="list-style-type: none"> <li>➤ Must at least hold a Diploma from               <ul style="list-style-type: none"> <li>• Public / Private Universities or</li> <li>• Polytechnic / Mara Colleges</li> </ul> </li> <li>➤ That is recognized by               <ul style="list-style-type: none"> <li>• Malaysian Qualifications Agency (MQA) or</li> <li>• Jabatan Perkhidmatan Awam (JPA) or</li> <li>• Kementerian Pendidikan Malaysia (KPM)</li> </ul> </li> </ul>
Business Entity	<ul style="list-style-type: none"> <li>➤ The business is registered with SSM/ other authorized registering bodies. (sole-proprietorship or partnership firm, or a Sdn Bhd company)</li> <li>➤ For partnership firm or Sdn Bhd company, the graduate must hold majority shares of <math>\geq 51\%</math> <u>AND</u> is the key decision maker and must be full time in business.</li> <li>➤ For those who have business experience &lt; 2 years need to attend course conducted by <b>SME BANK-CEDAR</b>.</li> <li>➤ Those who have &gt;2 years business experience may submit their application and documents to the nearest Enterprise Centre. (2 years management/audited account as proof)</li> <li>➤ Any business activities related to services and manufacturing that is not in contrary to Shariah principles</li> </ul>



# Tabung Usahawan Siswazah (TUS)

## Application Criteria

Purpose financing	<ul style="list-style-type: none"> <li>➤ <b><u>Working capital</u></b> <ul style="list-style-type: none"> <li>• Purchase of raw material, stocks, operational cost, legal fees, takaful, renovation etc.</li> <li>• Margin of financing : Up to 100% (except for renovation)</li> </ul> </li> <li>➤ <b><u>Purchase of Assets</u></b> <ul style="list-style-type: none"> <li>• Machinery, equipment, furniture, loose items, vehicle etc.</li> <li>• Margin of financing : up to 100 % (for new items)</li> </ul> </li> </ul>		
Financing size	RM20,000.00 to RM500,000.00		
Tenure	Up to 10 years including of maximum 4 years grace period		
Profit rate	4% per annum		
Repayment mode	Monthly		
Guarantee	<b><u>Company Firm</u></b>	i. Joint & Several Guarantee i. <b>For financing above RM100,000 *Third party guarantee needed OR</b> ii. Minimum 20% cash collateral of the financing in excess of RM100,000	ii. Facility Agreement
Security Documents	<b><u>Company Firm</u></b>	i. Joint & Several Guarantee i. Facility Agreement	ii. Facility Agreement

# Business Accelerator Programme (BAP)

## Eligibility Criteria

Purpose	Collaborative effort with SME Corp in providing soft financing to SMEs under the Business Accelerator Programme.
Eligibility	<ul style="list-style-type: none"><li>i) Applicant must be Small &amp; Medium Enterprise</li><li>ii) Companies/ Businesses with qualifying rating of SCORE 2 or Higher</li><li>iii) Company must be at least 60% owned by Malaysian during the period of financing</li><li>iv) Full time business operator</li><li>v) Business with at least 6 months in operation</li><li>vi) Financial aspect:<ul style="list-style-type: none"><li>a. The company is solvent</li><li>b. 3 years latest audited account</li><li>c. For sole proprietor/ partnership, the latest management account is acceptable</li></ul></li></ul>

# Business Accelerator Programme (BAP)

## Application Criteria

Financing limit RM50,000 to RM1,000,000.

Business Entity At least 60% Malaysian equity

Purpose financing

➤ **Purchase of Assets**

- Machinery, equipment, furniture, loose items
- Margin of financing : up to 90 % (for new items)

Types of assets	Maximum Margin of Financing	
	Brand new	Used / reconditioned (not more than 5 years old)
Machinery & equipment	90%	65%
Mould & die	90%	65%
Testing equipment	90%	65%

➤ **Working capital**

- Purchase of raw material, stocks,
- Margin of financing : Up to 90%

➤ **Note**

- Refinancing is not allowed
- For reimbursement, it shall not be more than 3 months old at the point of loan application (accept for reimbursement)

# Business Accelerator Programme (BAP)

## Eligibility Criteria

Tenure	<b>Purchase of assets</b> - Maximum of up to 10 years including grace period of not more than 2 year (24 months).  <b>Working Capital</b> - Maximum of up to 7 years including grace period of not more than 1 year (12 months).		
Profit rate	4.0% per annum		
Repayment mode	Monthly		
Collateral	<b><u>Asset Financing</u></b> <ul style="list-style-type: none"> <li>Fixed Charge on the assets financed.</li> <li>Any form of guarantee from other authorized institutions.</li> </ul> <b><u>Revolving Working Capital (RWC) Financing &amp; Fixed Working (FWC) Capital Financing</u></b> <ul style="list-style-type: none"> <li>Cash collateral at minimum of 10% of financing amount payable proportionate prior to utilization of the facility.</li> <li>Any form of guarantee from other authorized institutions</li> </ul>		
Security Documents	<b><u>Company</u></b> <b><u>Firm</u></b>	i. Joint & Several Guarantee i. Facility Agreement	ii. Facility Agreement