



REQUEST FOR PROPOSAL

for

BUMIPUTERA MSMEs FINANCING INITIATIVE WITH FINANCIAL INTERMEDIARIES

Issuer : SME Corp. Malaysia
Level 6 Block B Platinum Sentral
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur

Issue Date : 8 December 2022

Closing Date : 22 December 2022

1 INTRODUCTION

SME Corporation Malaysia (SME Corp. Malaysia) is the central coordinating agency (CCA) under the Ministry of Entrepreneur Development and Cooperatives (MECD) that coordinates the implementation of development programmes for micro, small and medium enterprises (MSMEs) across all related Ministries and agencies. It acts as the central point of reference for research and data dissemination on SMEs and entrepreneurs, as well as provides business advisory services for SMEs and entrepreneurs throughout the country.

2 BUMIPUTERA MSMEs FINANCING INITIATIVE

Bumiputera MSMEs Financing Initiative (BMFI) is a project undertaken by SME Corp. Malaysia with the aim to provide better access to financing for Bumiputera MSMEs.

Through this initiative, SME Corp. Malaysia will appoint licensed Financial Intermediaries that are capable to provide innovative and quick short-term financing solution for Bumiputera MSMEs through their digital platforms. The digital platforms are also expected to offer loan facilities that are convertible to grant for eligible Bumiputera MSMEs. In exchange, SME Corp. Malaysia will contribute seed fund of RM15 million to kickstart this initiative.

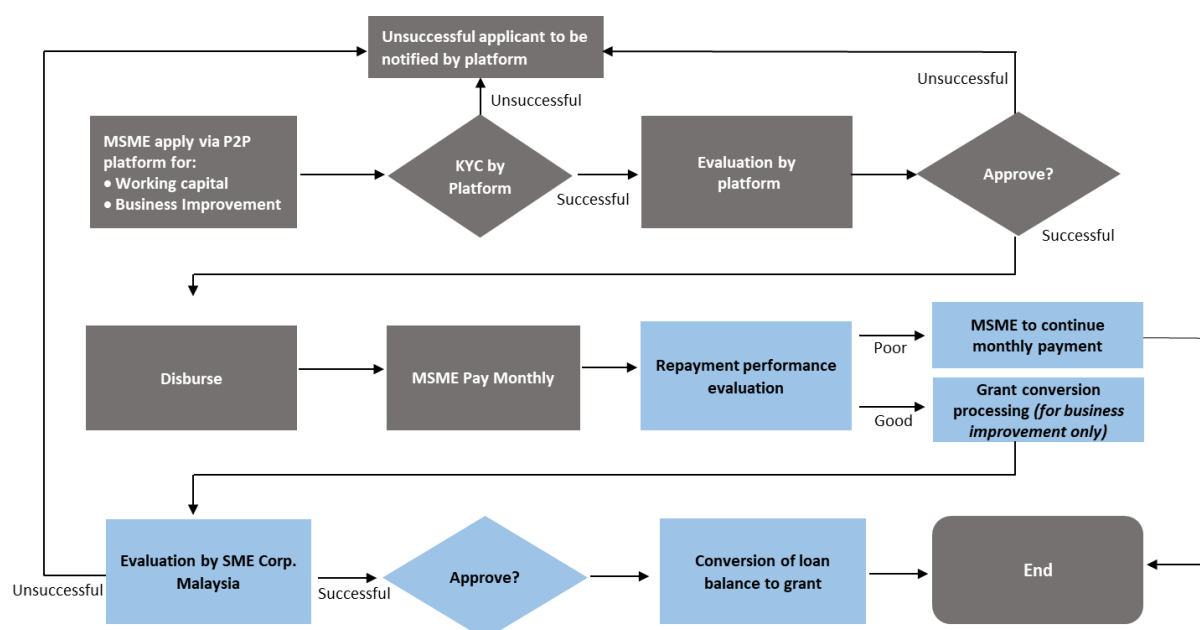
3 SCOPE

Under this collaborative effort with Financial Intermediaries, Bumiputera MSMEs are expected to have better access to financing for business improvement via digital platforms. The appointed Financial Intermediaries are required to administer the funds provided by SME Corp. Malaysia (including to perform grant conversion for those eligible as required under the initiative) and sustain the operation of the digital platforms solely by using the fund generated from charges impose on processing the applications. The application processing fees are fixed at 1% of the financing amount to a maximum of RM2,000 per application to be borne by the applicants. Through this initiative, Bumiputera MSMEs can apply for short-term financing for up to RM200,000 at a fixed financing rate of 2% per annum for the following:

- 3.1 Working Capital** financing for operating expenditure purposes to ease applicants' cash flow position; and
- 3.2 Business Improvement** financing to accelerate applicants' growth for following purpose only:
 - i. Purchase of machinery & equipment;
 - ii. System, eCommerce, e-Payment and ICT applications;
 - iii. Packaging and Product Packaging;
 - iv. Advertising and Promotion;
 - v. Assessment and consultancy costs for listing on the LEAP market;
 - vi. Technical advisory services;
 - vii. Certification & Quality Management System.

Subject to SME Corp. Malaysia approval, items (i to vii) are entitled for grant conversion of up to 50% for small and medium enterprises and up to 70% for microenterprises from the eligible expenditure.

The appointed Financial Intermediaries are required to implement the project based on the stipulated operating framework as follows:



4 REQUIREMENT OF THE FINANCIAL INTERMEDIARIES

Potential Financial Intermediaries must fulfil basic criteria as follows:

- Registered under the Securities Commission of Malaysia (SC);
- Registered with Companies Commission of Malaysia (SSM);
- Syariah-compliant products and services;
- Minimum 3 years operational experience;
- Audited Financial Statement for 3 years;
- Dedicated 24/7 operation team;
- Malaysian based; and
- All necessary cyber security measures and business risk management.

5 ROLES & RESPONSIBILITIES OF THE FINANCIAL INTERMEDIARIES

The Financial Intermediaries have the obligations to:

- Provide 24/7 access for online financing application
- Perform Know Your Customer (KYC) process including credit risk assessment
- Approve financing for Bumiputera MSMEs
- Tracking of disbursement to successful applicant
- Collection of monthly instalments
- Grant conversion processing, subject to SME Corp. Malaysia approval
- End to end default management process (late payment fee, restructuring and debt recovery)
- Monthly operational and financial reporting

** All above functions are to be performed via digital platform with approved Service Level Agreement (SLA) between SME Corp. and the appointed Financial Intermediaries*

6 RFP RELATED QUESTIONS / CLARIFICATIONS / SUBMISSION

All interested Financial Intermediaries must submit the Request for Proposal (RFP) application form to SME Corp. Malaysia to qualify as potential Applicants.

Applicants are required to complete the online application form and submit the requested supporting documents at <https://forms.gle/x3Vqk9VCuWU4rGCd9>. The online application is to be submitted no later than **5.00 pm** on **22 December 2022**.

For enquiries, please email to:

- Nik Syahril Nik Mahmood (syahril@smecorp.gov.my)
- Rosman Zamri (rosman@smecorp.gov.my)

Applicants are also required to print and place the application form and supporting documents in a single, sealed envelope and deliver them to the following physical address no later than **5.00 pm** on **22 December 2022**:

**Attn: Bumiputera Business Development Division
SME Corp. Malaysia
Level 7 Block C, Platinum Sentral
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur**

Application form including supporting documents received after the deadline for any reason will not be accepted and will be returned to the Applicant unopened.

SME Corp. Malaysia reserves the right to select or decline any RFP submissions. Potential RFPs will be considered for the next step. The final selection will be made by an internal panel at SME Corp. Malaysia.

Disclaimer:

All commitments and assistance extended under the said Initiative are subject to the availability of fund. SME Corp. Malaysia reserves the right to discontinue or suspend the Initiative, or change the content or formatting of the Initiative, at any time without notice to anyone, and to require the immediate cessation of any specific use of the Initiative. In addition, we reserve the right in our sole discretion to suspend, terminate or restrict the public's access to the Initiative at any time and for any reason. SME Corp. Malaysia will not be held liable for any loss or damage suffered by any Parties participating in this Initiative.

WARNING: Providing false or misleading information for the purpose of defrauding SME Corp. Malaysia is a crime under the Penal Code which penalties include imprisonment and with whipping and shall also be liable to fine. In addition, SME Corp. Malaysia may deny any benefits, rewards or assistance if false information is associated to an application.

SME Corp. Malaysia
8 December 2022