

GUIDELINES – SPECIAL FUND FOR TOURISM (SFT3)

INTRODUCTION

To develop the tourism industry, the Ministry of Tourism, Arts and Culture Malaysia (MOTAC) offers financing-i assistance through Special Fund for Tourism (SFT3) under the Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank).

SFT3 is a program financing the Government effort to develop tourism industry among the small and medium entrepreneurs and to contribute towards the income for the nation.

All application will be processed by MOTAC and subject to the endorsement of Tourism Fund Financing Committee (JKPTP) based on the viability of the project for tourism industry. Endorsed applications will then be forwarded to SME Bank for final assessment and approval.

PURPOSE OF FINANCING

- To help entrepreneurs to expand tourism products/services; and
- Acquisition of tourism business/assets, which include redemption.

APPLICATION PERIOD

1 March 2019 until 31 December 2020

FUND SIZE

RM1 billion

EFFECTIVE FINANCING RATE (AFTER 2.0% p.a SUBSIDY)

- From BFR – 1.0% p.a to BFR + 0.5% p.a. as follows:

Rating	Pricing
1	BFR – 1.0% p.a.
2	BFR – 0.5% p.a.
3	BFR + 0.5% p.a.

FINANCING TENURE

- up to maximum of 20 years including maximum 3 years Grace Period

PAYMENT TERMS

- The period for payment will be determined based on the project cash flow, the economic life of the assets financed and/or terms of repayment as stipulated by the fund provider; and
- Grace period may be considered and is determined based on the gestation period and the cash flow of the project.

MINIMUM FINANCING-i AMOUNT

- RM50,000 for handicraft and homestay only
- RM1.0 million for services related to tourism
- RM5.0 million (for working capital) (for hotel)
- RM10.0 million (for asset) (for hotel)

MAXIMUM FINANCING-i AMOUNT

- No threshold or maximum capping per project

TYPE OF FINANCING

- Syariah based Financing-i

TYPE OF FACILITIES

- Commodity Murabahah Term Financing-i
- Commodity Murabahah Revolving Financing-i
- Bank Guarantee-i

ELIGIBLE APPLICANT

- Malaysian owned companies registered under Companies Commission of Malaysia Act 2001 or Co-operative Societies Act 1993 (minimum 51% owned by Malaysian);
- Meet classification of SMEs or any category of customers eligible to be financed by SME Bank; and
- Existing business operations for more than 2 years. For those having less than 2 years in operations, applications will be assessed on a case-to-case basis.
- Project must be located in Malaysia.

PRIORITY ACTIVITIES

- a) Project including homestay or handicrafts must be registered with Ministry of Tourism, Art and Culture (MOTAC) as tourism project (where applicable) or endorsed as a tourism projects by JKPTP, MOTAC;

b) Priority shall be give to the following types of projects:-

- Tourism projects that are being promoted by the Government including but not limited to recreational, sports, health, education etc.
- Building new or adding, widens and renovate tourism and historical properties (such as hotels, motels, chalet, lodge, rest house and homestay);
- Provide transport services related to tourism such as coaches, express bus, car rental, ferry etc;
- Tourism resorts and infrastructures (includes renovation and landscape work) i.e theme park/recreation park such as floral garden, safari park and tourism integrated complexes;
- Provide or manufacture or supply products or facilities related to tourism such as restaurant which provides cultural shows, souvenirs and hand-craft centers, duty free shops, recreational equipment and facilities at tourism area such as bicycle, marine, golf equipment;
- Working capital for the tourism activities;
- Other related tourism projects which is determined by the Government.

SECURITY ACCEPTABLE TO THE BANK (BUT NOT LIMITED TO THE FOLLOWINGS)

- Security coverage as per Bank's Financing guidelines

PROCESS FLOWS

- i. Application of financing through normal process to JKPTP for early verification of project's eligibility criteria from tourism industry's perspective.
- ii. Application of financing direct to SME Bank. Once approved, SME Bank will notify JKPTP, MOTAC the decision for further endorsement.

BASIC INFORMATION REQUIRED TO APPLY SFT3

- Application letter
- Special Fund for Tourism's Application Form (must be typed)
- Company Profile shall include:
 - i. Form 9 or Business Registration Form
 - ii. Current SSM e-Info
 - iii. Certificate/ License / Approval Letter such as of Certificate of Registration for Tourism Projects, Registration for Tourism Accomodation Premises, Star Rating Certificate, Cetificate of Registration of Homestay/ Handicraft / License from Travel Agency / Trading Business License from Local Council etc
- Latest statements of CTOS/CCRIS
- Project proposal shall include:

- i. Information of project location and activities;
- ii. Company Profile and Management Details;
- iii. Facilities and services provided;
- iv. Project schedule;
- v. Detailed project costs;
- vi. Sources of financing;
- vii. Promotion and marketing strategy;
- viii. Organization chart;
- ix. Incentives (if any)

Additional Documents

Applicants will be required by SME Bank to further submit additional documents once endorsement by MOTAC is obtained based on the proposal of the applicant's project.

The completed application form and documents must be forwarded to:

Secretary General
Ministry of Tourism, Arts and Culture Malaysia
Industrial Development Division
Level 14, Tower 1
No. 2, Jalan P5/6 Presint 5
62200 Putrajaya

For further inquiries or consultation session regarding SFT3, please contact Dana Pelancongan 03 - 8891 7480 / 7492 / 7469 or email to danapelancongan@motac.gov.my.

Applicant is encouraged to get advice from Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank) regarding the detailed terms and conditions of the Financing-i:-

Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank)

Menara SME Bank
Jalan Sultan Ismail
P.O Box 12352
50774 Kuala Lumpur
Tel : 03 - 2615 2020
(Head, Program Development Section)