

FAQs on Loan/Financing Deferment Measures

Date: 7 April 2020

No.	Question	Answer
1.	What is the definition of SME	1. For manufacturing sector, Annual Turnover should not be more than RM50million or Permanent Full Time employee less than 200 people. 2. For services and other sectors, Annual Turnover should not be more than RM20million or Permanent Full Time employee less than 75 people. Please refer to definition under Guideline for New SME Definition issued by SME Corporation Malaysia in October 2013.
2.	Who is eligible?	All existing SMEs with UOB who meets all the criteria below: a) Loan/financing not in arrears exceeding 90 days as at 1 April 2020; and b) Denominated in Malaysian Ringgit For Non-SME/Corporate customers, you can request to participate by writing in to your respective Relationship Manager as long as the above criteria are met.
3.	What is this moratorium for?	The moratorium is intended to provide temporary relief to businesses that face temporary financial constraints arising from the Covid-19 pandemic. Interest/profit will continue to accrue throughout the moratorium period and loan/financing repayment will resume after the moratorium period. This is not a waiver of principal and interest/profit for existing loan/financing but a payment holiday by deferring the loan/financing repayment. For all Islamic financing where the Shariah contract remains, profit for these 6 months will be accrued but not compounded. For SMEs, interest/profit for this 6 months will be accrued but not compounded. For Non-SMEs/Corporate customers, as they do not fall under the scope of BNM's automatic moratorium measures, they can request for moratorium by submitting through their Relationship Managers. This will be considered on a case by case basis.
4.	What is the moratorium period?	6 months deferment for payment of principal and interest/profit for loan/financing repayment/payment, commencing 1 April 2020.

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5.	What type of financial relief is given?	6 month moratorium for principle and interest/profit.
6.	Which loan/financing qualifies for the moratorium?	<p>The loan/financing must meet all of the following criteria:</p> <p>a) Loan/financing not in arrears exceeding 90 days as at 1 April 2020; and</p> <p>b) Denominated in Malaysian Ringgit</p> <p>The moratorium is applicable to loan/financing with scheduled or contractually due payments, including loan/financing facilities that require scheduled interest/profit payments.</p>
7.	Any specific industries?	No, it applies to all industries.
8.	If I have multiple facilities with the Bank and one of which is in default, would other facility continue to qualify for the moratorium?	The moratorium is applied on a per facility basis, and if the facility meets the conditions in (2) above, then the moratorium apply.
9.	Do I need to apply?	<p>All SME loan/financing excluding credit card that meet the criteria stated on item (2) above will automatically qualify for the moratorium effective from 1 April 2020.</p> <p>If Non-SME/Corporate customers require this moratorium, you can request for moratorium by submitting through your Relationship Managers not later than 31 December 2020. This will be considered on a case by case basis.</p>
10.	Will my CCRIS records be adversely affected?	No, non-payment during moratorium period will not be classified on CCRIS records.
11.	What if I wish to opt out?	<p>For SME customers only, your Relationship Manager will be sending an email advising you of the automatic moratorium granted on your loan/financing with the Bank. If you wish to opt out, you would be required to reply the email by 31 March 2020.</p> <p>Please take note that once you opt out, you can request to opt in at a future date. Any such application will be considered on a case by case basis.</p>
12.	Can I ask for more than 6 months moratorium?	The moratorium is only for 6 months. Extension will be considered on a case by case basis.
13.	Will interest/profit be charged during moratorium period?	Yes, interest/profit will continue to accrue but it will not be compounded and the Bank will not charge any late penalty charges on the accrued interest/profit during the moratorium period. The repayment/payment of the loan / financing will resume after the moratorium period.

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14.	Can I still utilise balance approved loan/financing and/or available trade line during moratorium?	<p>Yes. You can still utilised any balance available loan/financing or trade line subject to your existing loan/financing limit approved tenor during the moratorium period.</p> <p>The newly drawdown/disbursed loan/trade financing is not entitled for 6 months moratorium. However, should there be a need, you can request for moratorium by submitting through your Relationship Managers. This will be considered on a case by case basis.</p>
15.	What if I have Standing Instruction with another Bank for the repayment/payment of the loan/financing?	Please arrange to suspend your Standing Instruction for 6 months with your respective Bank.
16	I have Islamic Banking products, do I have to enter into a new Shariah contract for the moratorium period?	<p>For Islamic financing products, there is no requirement to enter into a new Shariah contract for the moratorium period.</p> <p>In respect of Islamic trade financing products specifically Accepted Bills-i, Trust Receipts-i and Foreign Currency Trust Receipt-i, and Islamic Revolving Credit-i, the Bank will perform a Commodity Murabahah transaction for the extension, that is the moratorium period. You will be receiving additional documents as evidence to the Commodity Murabahah transaction. If you do not agree with this arrangement, you are required to inform the Bank in writing by 14 April 2020 and in such case, the payment due date for such trade financing and revolving credit products will not be extended. In other words, no moratorium will be applicable for such trade financing and revolving credit products.</p> <p>The details pertaining to the Commodity Murabahah transaction can be found at https://www.uob.com.my/web-resources/default/covid-updates/ib-tnc-trustreceipt-acceptedbills.pdf or for further details, you may contact us at 03-27726127.</p>