Global Sustainable Buildings Guide - Malaysia

Financing

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# Are there any public or private “green” financing initiatives for sustainable real estate projects?

Through the Green Technology Financing Scheme 4.0 (GTFS), the Government of Malaysia has made available a financing facility of up to MYR 1 billion for the period until 31 December 2025 for businesses adopting green technology in the construction, management, maintenance and demolition of buildings. Housing developers and low-carbon mobility infrastructure are eligible to obtain a maximum financing of MYR 100 million and MYR 50 million respectively under the GTFS 4.0.

The Central Bank of Malaysia (Bank Negara Malaysia) further established the Low Carbon Transition Facility (LCTF) of up to MYR 10,000,000 per small and medium-sized enterprise (SME) to support SMEs in adopting sustainable and low-carbon practices, including improving energy efficiency, increasing the use of sustainable material for production and obtaining sustainability certification. The LCTF became available for application on 3 February 2022 until the MYR 2,000,000,000 allocation is fully utilized.

Green financing has become increasing popular to be adopted by the private sectors in Malaysia. Financial institutions are increasingly offering green financing facilities to businesses. An example would be RHB Bank's Sustainable Financing Program, which aims to provide MYR 1 billion in green financing by 2025 to SMEs and retail customers, to promote, among others, the adoption of renewable energy and green buildings. United Overseas Bank (Malaysia) Bhd has also approved MYR 6 billion in sustainable finance, as part of its Sustainable Finance Framework to support green building developers and owners to develop green real estate, and its Smart City Sustainable Financing Framework, aimed at supporting companies that contribute towards the creation of sustainable and smart cities.

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