

Dubai SME launches Mohammad Bin Rashid Fund for SME

Fund aims to maximise financing solutions for innovative businesses while developing Emirati entrepreneurs

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Dubai: Dubai SME today launched the Mohammad Bin Rashid Fund for SMEs, a government initiative established by a law issued by His Highness Shaikh Mohammad Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai.

Aimed at maximising financing solutions for innovative businesses while developing Emirati entrepreneurs, the fund's assets today exceed Dh600 million and offer Emirati nationals between 21 and 65 years old one of two types of loans: The seed capital Loan, offered directly to start-ups requiring funding of more than Dh50,000 but not exceeding Dh500,000, and the credit scheme loan, offered through banking partners — and guaranteed by the fund — to both start-ups and existing businesses requiring funds in excess of Dh500,000 but not exceeding Dh5 million.

Commenting on the launch, Sami Al Qamzi, director-general of the Department of Economic Development in Dubai, said: "The fund follows clear procedures within the Dubai SME services, allowing entrepreneurs to benefit from integrated funding solutions. Dubai SME contributes to the development of the proposed business idea, obtains necessary approvals from other government departments, offers training workshops to help integrate new business owners in the local market and support them [as they] prepare their finance application forms. Once this is presented to the fund, a feasibility study is made and financial advice and financing options are given," he added.

The fund's operating model ensures its sustainability by reinvesting settled loans into new projects. The fund allows for a maximum two-year grace period, through which no accumulating interest would be levied on the seed loan. The period granted to settle the loan should not exceed seven years, including the two-year grace period.

Within its mandate, the fund will monitor funded projects by reviewing its business reports and field visits and offering advice to entrepreneurs as and when needed.

Abdul Baset Al Janahi, chief executive officer of Dubai SME and vice-chairman of the fund's supervising committee, said: "Through the fund, we aim specifically to nurture the sense of innovation and creativity of Emirati entrepreneurs. In addition to its financing role, the fund will act as an incubator to innovative projects through [the] Hamdan Innovation Incubator."