

ANNEX B-7: ENHANCED FINANCING SUPPORT

(I) Enterprise Financing Scheme – SME Working Capital Loan (EFS-WCL)

The SME Working Capital Loan was introduced in 2016 to help Singapore-based small and medium enterprises (SMEs) access financing for their operational cash flow needs. Since October 2019, it has been subsumed under the Enterprise Financing Scheme administered by Enterprise Singapore.

The EFS-WCL, which is available to SMEs in all industries, was enhanced for one year from 2 March 2020.

To provide SMEs with stronger support for their working capital needs, EFS-WCL will be further enhanced from 1 April 2020 to 31 March 2021.

I-1. Scheme Enhancements

Details of the enhanced EFS-WCL are as follows:

Parameter	Details
Maximum loan quantum [<i>Enhanced</i>]	<ul style="list-style-type: none">• \$1,000,000 per borrower, from \$600,000 previously <p><i>At Budget 2020, the maximum loan quantum was increased from \$300,000 to \$600,000.</i></p>
Maximum repayment period	<ul style="list-style-type: none">• 5 years
Government's risk-share [<i>Enhanced</i>]	<ul style="list-style-type: none">• 80% <p><i>At Budget 2020, the maximum Government risk-share was increased from 70% to 80%.</i></p>
Interest rate	<ul style="list-style-type: none">• Subject to assessment by Participating Financial Institutions (PFIs)
Principal Payment Deferment [<i>New</i>]	<ul style="list-style-type: none">• SMEs may request for deferment of principal repayment for 1 year, subject to assessment by PFIs

(II) Enterprise Financing Scheme – Trade Loan (EFS-TL)

Administered by Enterprise Singapore, the Enterprise Financing Scheme – Trade Loan (formerly known as Loan Insurance Scheme Plus) supports Singapore-based enterprises' trade financing needs, which include the financing of short-term import, export, and guarantee needs.

The EFS-TL, which is available to enterprises in all industries, will be enhanced for one year, from 1 April 2020 to 31 March 2021, to further help enterprises with their trade financing needs.

II-1. Scheme Enhancements

Details of the enhanced EFS-TL are as follows:

Parameter	Details
Maximum loan quantum [<i>Enhanced</i>]	<ul style="list-style-type: none">• \$10,000,000 per borrower group, from \$5,000,000 previously
Maximum repayment period	<ul style="list-style-type: none">• 1 year
Government's risk-share [<i>Enhanced</i>]	<ul style="list-style-type: none">• 80%, from up to 70% previously
Interest rate	<ul style="list-style-type: none">• Subject to assessment by Participating Financial Institutions

(III) Loan Insurance Scheme (LIS)

The Loan Insurance Scheme helps SMEs secure short-term trade loans by having commercial insurers co-share loan default with Participating Financial Institutions. A portion of the insurance premium paid by SMEs to insurers is supported by the Government.

III-1. Scheme Enhancements

The Government will increase support for the LIS insurance premium, from 50% to 80% for one year, from 1 April 2020 to 31 March 2021, to help SMEs across all industries manage their trade financing costs.

Parameter	Details
Maximum loan quantum insured	<ul style="list-style-type: none">• Subject to assessment by Commercial Insurers and Participating Financial Institutions
Maximum insured period	<ul style="list-style-type: none">• 1 year
Government's subsidy on insurance premium <i>[Enhanced]</i>	<ul style="list-style-type: none">• 80%, from 50% previously

(IV) Temporary Bridging Loan Programme (TBLP)

Administered by Enterprise Singapore, the Temporary Bridging Loan Programme was launched in March 2020 to provide additional cash flow support for tourism sector enterprises for one year.

IV-1. Scheme Enhancements

The programme will be expanded to all sectors from 1 April 2020. The maximum loan quantum will also be increased to \$5 million.

Eligible enterprises may apply for the TBLP from 1 April 2020 to 31 March 2021.

Details of the enhanced TBLP are as follows:

Parameter	Details
Sector Coverage <i>[Enhanced]</i>	<ul style="list-style-type: none">• All sectors, from tourism enterprises previously
Maximum loan quantum <i>[Enhanced]</i>	<ul style="list-style-type: none">• \$5,000,000 per borrower group, from \$1,000,000 previously
Maximum repayment period	<ul style="list-style-type: none">• 5 years
Government's risk-share	<ul style="list-style-type: none">• 80%
Interest rate	<ul style="list-style-type: none">• Capped at 5% per annum
Principal Payment Deferment <i>[New]</i>	<ul style="list-style-type: none">• Enterprises may request for deferment of principal repayment for 1 year, subject to assessment by PFIs

MORE INFORMATION

For more information on the above enhanced financing schemes, please contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.