



## Business Financing Enhancements

The Ministry of Trade and Industry (MTI) announced today ([Click here for the news release](#)) that the government is enhancing its business financing schemes to support an additional S\$2.3 billion in loans to help local firms gain access to credit in this current economic slowdown. The enhancements include increasing loan quantum, raising government risk sharing of loan defaults and extending business financing schemes to all local enterprises. With the enhancements, up to 124,000 local companies will be eligible to benefit from these schemes. The enhancements will take effect from 1 December 2008.

### Summary of Business Financing Enhancements

If you are a...	...and need...	...you can tap on...	Current	Enhancements (Valid for one year with effect from 1 Dec 2008 unless otherwise stated)
<b>Start-up</b>	<b>Start-up Capital</b>	<b>SPRING Start-up Enterprise Development Scheme (SEEDS) / Business Angels Scheme (BAS)</b>	<ul style="list-style-type: none"> <li>Start-ups with less than 3 years from incorporation</li> <li>Paid-up Capital less than S\$500,000</li> <li>Government investment quantum caps: S\$300,000 (SEEDS), S\$1m (BAS)</li> <li>1:1 dollar co-matching</li> </ul>	<ul style="list-style-type: none"> <li>Start-ups with less than 5 years from incorporation (Permanent)</li> <li>Paid-up Capital between S\$50,000 and S\$1m (Permanent)</li> <li>Government investment quantum cap raised to S\$1m (SEEDS), S\$1.5m (BAS) (Permanent)</li> <li>2:1 dollar co-matching</li> </ul>
<b>Small business with no more than 10 employees</b>	<b>Working Capital</b>	<b>Micro Loan Programme</b>	<ul style="list-style-type: none"> <li>Maximum loan quantum of \$50,000</li> <li>Default risk shared between Government and Participating Financial Institutions at 50:50 ratio</li> </ul>	<ul style="list-style-type: none"> <li>Increased maximum loan quantum to \$100,000</li> <li>Government default risk sharing increased from 50% to 80%</li> </ul>
<b><u>SME</u></b> <ul style="list-style-type: none"> <li>Group has no more than <u>200 employees</u> for services and construction sectors</li> <li>Group fixed assets are below <u>S\$15 million</u> for manufacturing sectors</li> <li>Registered or incorporated in Singapore, with at least 30% local shareholding</li> </ul>	<b>Working Capital</b>	<b>Bridging Loan Programme <sup>1</sup></b>  <sup>1</sup> Companies with more than 10 employees are eligible for Bridging Loan Programme	NA (New Programme)	<ul style="list-style-type: none"> <li>Maximum loan quantum of \$500,000</li> <li>Default risk shared between Government and Participating Financial Institutions at 50:50 ratio</li> </ul>
	<b>Asset-based loans for factory, machinery, equipment purchase or lease/hire purchase</b>	<b>Local Enterprise Finance Scheme (LEFS)</b>	<ul style="list-style-type: none"> <li>Maximum loan quantum of S\$15m</li> <li>Default risk shared between Government and Participating Financial Institutions at 50:50 ratio</li> </ul>	<ul style="list-style-type: none"> <li>Government default risk sharing increased from 50% to 80%</li> <li>Expanded to provide term loans using fully-paid assets as collaterals and include financing of more types of construction equipment and heavy vehicles</li> </ul>
	<b>Working Capital</b>	<b>Loan Insurance Scheme (LIS) (Domestic Loans)</b>	<ul style="list-style-type: none"> <li>Working capital loans secured against account receivables</li> <li>Default risk shared between Insurer and Participating Financial Institutions at 75:25 ratio</li> <li>Government subsidises 50% of insurance premium on loans</li> <li>Participating Financial Institutions provide capital</li> </ul>	<ul style="list-style-type: none"> <li>No Change</li> </ul>
<b><u>Larger enterprise (Non-SME)</u></b> <ul style="list-style-type: none"> <li>Group has more than <u>200 employees</u> for services and construction sectors</li> <li>Group fixed assets are above <u>S\$15 million</u> for manufacturing sectors</li> <li>Registered or incorporated in Singapore, with at least 30% local shareholding</li> </ul>	<b>Working Capital</b>	<b>Bridging Loan Programme <sup>1</sup></b>  <sup>1</sup> Companies with more than 10 employees are eligible for Bridging Loan Programme	NA (New Programme)	<ul style="list-style-type: none"> <li>Maximum loan quantum of S\$500,000</li> <li>Default risk shared between Government and Participating Financial Institutions at 50:50 ratio</li> </ul>
	<b>Working Capital</b>	<b>Loan Insurance Scheme (LIS) (Domestic Loans)</b>	Currently larger enterprises are not eligible	<ul style="list-style-type: none"> <li>Extended to larger enterprises</li> <li>Working capital loans secured against account receivables</li> <li>Default risk shared between Insurer and Participating Financial Institutions at 75:25 ratio</li> <li>Government supports 50% of insurance premium on loans</li> <li>Participating Financial Institutions provide capital</li> </ul>
	<b>Asset-based loans for factory, machinery, equipment purchase or lease/hire purchase</b>	<b>Local Enterprise Finance Scheme (LEFS)</b>	Currently larger enterprises are not eligible	<ul style="list-style-type: none"> <li>Extended to larger enterprises</li> <li>Loan quantum of up to S\$15m</li> <li>Default risk shared between Government and Participating Financial Institutions at 50:50 ratio</li> <li>Expanded to provide term loans using fully-paid assets as collaterals and include financing of more types of construction equipment and heavy vehicles</li> </ul>
<b>Internationalising Firm</b>	<b>Funding for overseas fixed assets, structured project financing</b>	<b>Internationalisation Finance Scheme (IF Scheme)</b>	<ul style="list-style-type: none"> <li>Maximum loan quantum of S\$15m</li> <li>Default risk shared between Government and Participating Financial Institutions at 70:30 ratio</li> <li>Eligibility restricted by turnover caps</li> </ul>	<ul style="list-style-type: none"> <li>Government default risk sharing increased from 70% to 80%</li> <li>Increase of turnover caps               <ul style="list-style-type: none"> <li>Non-Trading Listed, Privately-held: &lt;\$300m</li> </ul> </li> </ul>

			<ul style="list-style-type: none"> <li>○ Non-Trading Listed: &lt;\$100m</li> <li>○ Non-Trading Privately-held: &lt;\$200m</li> <li>○ Trading Listed: &lt;\$200m</li> <li>○ Trading Privately-held &lt;\$500m</li> </ul>	<ul style="list-style-type: none"> <li>○ Trading Listed: &lt;\$300m</li> <li>○ Trading Privately-held: No Change</li> </ul>
<b>Exporter/Trading Firm (both SMEs and larger enterprises)</b>	<b>Funding for export-oriented trade facilities</b>	<b>Loan Insurance Scheme (LIS) (Export-Oriented Loans)</b>	<ul style="list-style-type: none"> <li>● Eligibility restricted by turnover caps <ul style="list-style-type: none"> <li>○ Non-Trading Listed: &lt;\$100m</li> <li>○ Non-Trading Privately-held: &lt;\$200m</li> <li>○ Trading Listed: &lt;\$200m</li> <li>○ Trading Privately-held &lt;\$500m</li> </ul> </li> <li>● Risk sharing between Insurer and Participating Financial Institutions 75:25</li> <li>● Government subsidises 50% of insurance premium on loans</li> <li>● Participating Financial Institutions provide capital</li> </ul>	<ul style="list-style-type: none"> <li>● Removal of turnover caps</li> </ul>

**Fact Sheets**

- [SPRING Start-Up Enterprise Development Scheme \(SPRING SEEDS\) 标新局起步企业投资计划](#) and [Business Angel Scheme \(BAS\) 商业天使投资人计划](#)
- [Micro Loan Programme 微型贷款计划](#)
- [Bridging Loan Programme \(BLP\) 过渡性贷款配套](#)
- [Local Enterprise Finance Scheme \(LEFS\) 本地企业融资计划](#)
- [Loan Insurance Scheme \(LIS\) 贷款保险计划](#)
- [Internationalisation Finance Scheme \(IF Scheme\) 国际化融资计划](#)

**List of participating financial institutions**

<b>Bridging Loan, Micro Loan and Local Enterprise Finance Scheme (LEFS)</b>	<b>Loan Insurance Scheme (LIS)</b>	<b>Internationalisation Finance Scheme</b>
<ol style="list-style-type: none"> <li>1. DBS Bank Limited</li> <li>2. GE Commercial Financing (Singapore) Ltd</li> <li>3. Hong Leong Finance Limited</li> <li>4. IFS Capital Limited</li> <li>5. Indian Bank</li> <li>6. Maybank</li> <li>7. ORIX Leasing Singapore Ltd</li> <li>8. Oversea-Chinese Banking Corporation Limited</li> <li>9. RHB Bank</li> <li>10. Sing Investments &amp; Finance Limited</li> <li>11. Singapura Finance Limited</li> <li>12. Standard Chartered Bank</li> <li>13. The Hongkong and Shanghai Banking Corporation Limited</li> <li>14. United Overseas Bank Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. DBS Bank Limited</li> <li>2. GE Commercial Financing (Singapore) Ltd</li> <li>3. Hong Leong Finance Ltd</li> <li>4. Maybank</li> <li>5. Oversea-Chinese Banking Corporation Limited</li> <li>6. Standard Chartered Bank</li> <li>7. The Bank of East Asia, Limited</li> <li>8. The Hongkong and Shanghai Banking Corporation Limited</li> <li>9. United Overseas Bank Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. ABN AMRO</li> <li>2. DBS Bank Limited</li> <li>3. GE Commercial Financing (Singapore) Ltd</li> <li>4. Hong Leong Finance Limited</li> <li>5. IFS Capital Limited</li> <li>6. Maybank</li> <li>7. ORIX Leasing Singapore Ltd</li> <li>8. Oversea-Chinese Banking Corporation Limited</li> <li>9. Standard Chartered Bank</li> <li>10. The Hongkong and Shanghai Banking Corporation Limited</li> <li>11. United Overseas Bank Limited</li> </ol>

[Back to top](#)

Last updated on 21 Nov 2008

This site requires Internet Explorer 6.0 and above. Best viewed at 1024x768 resolution.

[Privacy Statement](#) | [Terms of Use](#)

Copyright © 2008 SPRING Singapore.