

ENHANCED BUSINESS FINANCING SCHEMES

The Singapore Government has introduced enhancements to its business financing schemes to support more loans to help local firms gain access to credit in this current economic slowdown. These include increased loan quantum, raised government risk sharing of loan defaults, extension of business financing schemes to all local enterprises as well as lowered interest rates.

Special Risk-Sharing Initiative

DESCRIPTION		LATEST ENHANCEMENTS (Valid for one year with effect from 1 February 2009)
NEW BRIDGING LOAN PROGRAMME (Maximum loan quantum of S\$5 million)	<ul style="list-style-type: none"> For local companies and foreign SMEs Minimum 5% interest rate for loan tenure of 4 years and below 	<ul style="list-style-type: none"> Maximum loan quantum increased from S\$500,000 to S\$5 million Government default risk sharing increased from 50% to 80% Extended to foreign SMEs
LOAN INSURANCE SCHEME (LIS) & LIS+ (Maximum loan quantum of S\$15 million per borrower group)	Domestic Facilities <ul style="list-style-type: none"> Companies with at least 30% local shareholding Export Facilities <ul style="list-style-type: none"> Companies with at least 3 strategic business functions in Singapore Incorporated in Singapore 	<ul style="list-style-type: none"> LIS+ is a complementary programme to LIS where the Government co-shares 75% of the default risk Maximum loan quantum of up to S\$15 million per borrower group for LIS+

Other Enhancements

DESCRIPTION		LATEST ENHANCEMENTS (Valid for one year with effect from 1 February 2009)
MICRO LOAN PROGRAMME (Maximum loan quantum of S\$100,000)	<ul style="list-style-type: none"> For SMEs with no more than 10 employees At least 30% of local shareholding Group fixed assets are below S\$15 million Group has no more than 200 employees (for services sector) Minimum 5% interest rate for loan tenure of 4 years and below Minimum 5.5% interest rate for loan tenure of more than 4 years 	<ul style="list-style-type: none"> Government default risk sharing increased from 80% to 90%
LOCAL ENTERPRISE FINANCE SCHEME (LEFS) (Maximum loan quantum of S\$15 million)	<ul style="list-style-type: none"> For locally owned companies (at least 30% local equity) Minimum 5% interest rate for loan tenure of 4 years and below Minimum 5.5% interest rate for loan tenure of more than 4 years 	<ul style="list-style-type: none"> Government default risk sharing increased to 80% Widened to include financing for more types of construction equipment and heavy vehicles
INTERNATIONALISATION FINANCE (IF) SCHEME (Maximum loan quantum of \$50 million)	<ul style="list-style-type: none"> For Singapore-based companies with at least 3 strategic business functions in Singapore On a group basis, turnover shall not exceed the following: Non-Trading Companies: <ul style="list-style-type: none"> S\$300 million for publicly listed companies S\$300 million for privately listed companies Trading Companies: <ul style="list-style-type: none"> S\$300 million for publicly listed companies S\$500 million for privately listed companies 	<ul style="list-style-type: none"> Maximum loan quantum increased from S\$15 million to S\$50 million per borrower group Refinancing of loans for overseas asset acquisition and working capital for secured overseas projects is allowed

For enquiries, call EnterpriseOne at 6898 1800 or visit www.business.gov.sg