

Extension of Venture Debt Programme (VDP)

创投债务计划

What is it?

The pilot run of the Venture Debt Programme (VDP) will be extended for another three years from 1 April 2018 to 31 March 2021, to facilitate continued access to alternative financing for high-growth enterprises. There will be no changes to the existing scheme parameters.

How does it work?

SPRING Singapore (SPRING)'s pilot VDP was first launched in October 2015, and will run to March 2018. VDP aims to bridge the gap for high-growth enterprises in securing post-seed financing, in exchange for equity options.

While the provision of venture debt is increasingly common in developed markets around the world, it is a relatively new financial product in Singapore. The extension of the pilot programme will give a longer runway for venture debt to gain traction amongst the lenders and borrowers.

Local SMEs can continue to apply for venture loans of up to S\$5 million for working capital, asset or project financing, and mergers & acquisitions needs from Participating Financial Institutions (PFIs). SPRING (to be merged with IE Singapore to form Enterprise Singapore from April 2018) will continue to co-share 50% of the loan default risk of the loan capital with PFIs, to incentivise PFIs to lend to enterprises under the VDP.

The PFIs that currently offer the VDP are:

- DBS Bank Ltd
- OCBC Bank Ltd
- UOB Bank Ltd
- Innoven Capital

When will it be implemented?

From April 2018 onwards.

Contact Information

More information on the VDP can be found on <http://www.spring.gov.sg/Growing-Business/Loan/Pages/SME-Venture-Loan.aspx>.

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