

## Enterprise Financing Scheme

### 企业融资计划

#### What is it?

The Enterprise Financing Scheme (EFS) streamlines eight financing schemes into one single umbrella<sup>1</sup>. With common eligibility criteria and a single application platform, the EFS aims to help participating financial institutions (PFIs) and enterprises easily navigate between the various financing schemes. The EFS will provide comprehensive support for enterprises' financing requirements across different stages of growth, for both domestic and overseas activities.

The six financing areas are:

- Working capital (for SMEs);
- Fixed assets (for SMEs);
- Trade;
- Venture debt;
- Mergers and acquisitions<sup>2</sup>; and
- Project financing<sup>3</sup>.

The EFS provides enhanced support with higher risk share from the Government in two areas:

- 1) To help young companies<sup>4</sup> overcome the lack of business and financial track record in their early years of growth, Enterprise Singapore will provide government risk sharing of up to 70% to PFIs. This aims to help catalyse PFIs' lending to these companies.
- 2) To support companies in their growth and internationalisation aspirations, a higher risk share will be provided for fixed assets, project, and M&A financing in markets with Standard & Poor's Sovereign ratings below BBB- or unrated. This aims to encourage PFIs' lending to companies expanding to these markets.

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<sup>1</sup> With the introduction of the EFS, ESG will discontinue the eight existing financing schemes, namely the (i) SME Equipment Loan, (ii) SME Factory Loan, (iii) SME Working Capital Loan, (iv) SME Micro Loan, (v) SME Micro Loan for Young Companies, (vi) SME Venture Loan, (vii) Internationalisation Finance Scheme and (viii) Loan Insurance Scheme Plus. These financing schemes were carried over from former-SPRING and IE Singapore and will be relaunched as the EFS, managed by Enterprise Singapore.

<sup>2</sup> EFS – M&A will support M&A for internationalisation.

<sup>3</sup> EFS - Project financing will cover overseas projects.

<sup>4</sup> Companies with more than 50% equity owned by individuals, at least 1 employee, and incorporated within the last 5 years from date of scheme application.

SME Working Capital Loan

中小型企业流动资金贷款计划

The SME Working Capital Loan component, which was introduced in 2016, will be extended for another two years till 31 March 2021. This will help Singapore SMEs' address near-term cash flow concerns and growth financing needs through unsecured working capital loans, while encouraging business growth and restructuring activities.

**When will EFS be implemented?**

The EFS will be launched in October 2019. More details will be released by Enterprise Singapore. In the interim, companies can continue to apply for the existing financing schemes.

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