

Enhancements to Startup SG Equity 起新¹-投资

What is it?

Under the Startup SG Equity scheme, the Government co-invests with independent, thirdparty investors into eligible startups. Over the next five years, the Government will dedicate an additional \$300 million to Startup SG Equity, with the aim to catalyse more private sector investments into Singapore-based deep-tech startups in key emerging sectors, including Advanced Manufacturing, Pharmbio/Medtech, and Agri-food tech.

The Startup SG Equity scheme will also be enhanced in the following areas:

- **Investment cap for deep-tech startups:** It will be increased from the current \$4 million to \$8 million. Refer to table (below) for the corresponding enhanced coinvestment parameters for deep-tech startups.

	Existing	Enhanced
Investment cap for each startup	\$4 Million	\$8 Million
Co-investment ratio (Government : Private Sector)	First \$500,000 at 7:3 \$500,000 to \$4 Million at 1:1	First \$500,000 at 7:3 \$500,000 to \$4 Million at 1:1 \$4 Million to \$8 Million at 3:7

- **Investment approach:** In addition to partnering qualified third-party investors to coinvest directly in deep-tech startups, the Government will also invest in selected venture capital firms² that will in turn invest in deep-tech startups, through the fund-offunds approach.

Overall, these enhancements will help to expand the pool of independent investors and venture builders with the expertise and risk appetite to invest in Singapore-based deep-tech startups and increase the venture capital funding available to them. In turn, Singapore-based deep-tech startups will enjoy better access to capital, expertise and industry networks, which are vital to their growth.

When will it be implemented?

The enhancements to Startup SG Equity will take effect from Q2 2020 onwards and more details will be released by Enterprise Singapore.

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¹ This is the abbreviation. The full name of Startup SG is 起步新加坡.

² The venture capital firms will be selected based on their expertise and track record in growing global deep-tech startups in the identified emerging sectors.

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