

Enterprise Financing Scheme – Venture Debt
企业融资计划 (创投债务)**What is it?**

Introduced as a pilot programme in October 2015, the Enterprise Financing Scheme – Venture Debt (EFS-VD) aims to support the adoption of venture debt in Singapore. Venture debt and warrants can help to finance and improve the growth of innovative, high-growth enterprises that may not have significant assets to be used as collateral under traditional bank lending. Enterprises may use the loan to grow and expand existing capacity, diversify into other product lines, augment working capital needs, undertake new projects, and to undergo mergers and acquisitions.

The EFS-VD provides Participating Financial Institutions (PFIs) with 50% risk-share for eligible loans, with the option of 70% risk-share for young companies¹.

What is being enhanced?

To better support the financing of high-growth enterprises, the supported maximum loan quantum will be increased from \$5 million to \$8 million per borrower group.

When will it be implemented?

The EFS-VD will be enhanced from 1 April 2021.

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For media enquiries, please contact:

Ms Jessie Ng
Senior Business Partner
Corporate Communications
Enterprise Singapore
M : +65 8318 2578
E : jessie_ng@enterprisesg.gov.sg

¹ Companies with more than 50% equity owned by individuals, at least 1 employee, and incorporated within the last 5 years from date of application