

Enterprise Financing Scheme – Merger and Acquisition Loan (EFS – M&A)
企业融资计划 - 合并与收购 (M&A) 贷款

What is it?

The Enterprise Financing Scheme – Merger and Acquisition Loan (EFS – M&A) supports Singapore enterprises’ acquisition of overseas or local enterprises, with the intent of internationalisation.

What is being enhanced?

The EFS – M&A will be enhanced from 1 April 2022 to include domestic M&A activities. This is to support enterprises to scale and expand through M&A, including venturing into complementary business and emerging sectors.

The parameters of the enhanced EFS – M&A are as follows:

Parameters	Details
Eligibility	<ul style="list-style-type: none"> • Singapore enterprises seeking to acquire local or overseas target enterprises. • Enterprises to be acquired must meet the following EFS eligibility criteria as well: <ul style="list-style-type: none"> ○ Be a business entity that is registered and physically present in Singapore, and ○ At least 30% local equity held directly or indirectly by Singaporean(s) and/or Singapore PR(s), determined by the ultimate individual ownership, and ○ Have Group Annual Sales Turnover of not more than S\$500 million
Maximum loan quantum	<ul style="list-style-type: none"> • S\$50 million per Borrower or per Borrower Group¹
Maximum repayment period	<ul style="list-style-type: none"> • 5 years
Government’s Risk-share	<p><u>Standard</u></p> <ul style="list-style-type: none"> • 50% <p><u>Young enterprises² and enterprises operating in challenged markets³</u></p> <ul style="list-style-type: none"> • 70%
Interest rate	<ul style="list-style-type: none"> • Subject to assessment by Participating Financial Institutions

When will it be implemented?

¹ Borrower Group consists of the following:

- a. Borrower; and
- b. Corporate shareholders holding more than 50% at all levels up; and
- c. Subsidiaries where the Applicant company holds more than 50% shareholdings and subsequent subsidiaries at all levels down
- d. Subsidiaries where the Applicant’s Ultimate Parent Company holds more than 50% shareholdings and their subsidiaries at all levels down

² Young enterprises refer to firms formed within the past 5 years with at least 1 employee, and more than 50% equity owned by individuals.

³ Challenged markets refer to countries with S&P rating BB+ and below, including non-rated countries.

The enhanced support for domestic M&A activities will be available from 1 April 2022 to 31 March 2026.

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