Annex 1

SUMMARY OF BUSINESS AND TRADE FINANCING ENHANCEMENTS

If you are a…	… and need…	…you can tap on…	Before 1 Dec 08	Enhancements (which took effect on 1 Dec 08 unless otherwise stated)	Enhancements (valid for one year with effect from 1 Feb 09 unless otherwise stated)
Start-up	**Start-up capital**	**SPRING Start-up Enterprise Development Scheme (SEEDS)/ Business Angels Scheme (BAS)**	▪ Start-ups with less than 3 years from incorporation ▪ Paid-up Capital less than S$500,000 ▪ Government investment quantum caps: S$300,000 (SEEDS), S$1m (BAS) ▪ 1:1 dollar co-matching	▪ Start-ups with less than 5 years from incorporation (Permanent) ▪ Paid-up Capital between S$50,000 and S$1m (Permanent) ▪ Government investment quantum cap raised to S$1m (SEEDS), S$1.5m (BAS) (Permanent) ▪ 2:1 dollar co-matching ▪	▪ No change
Small business with no more than 10 employees	**Working capital**	**Micro Loan Programme**	▪ Maximum loan quantum of $50,000 ▪ Default risk shared between Government and Participating Financial Institutions at 50:50 ratio	▪ Increased maximum loan quantum to $100,000 ▪ Government default risk sharing increased from 50% to 80%	▪ Government default risk-sharing increased from 80% to 90%
SME • Group has no more than 200 employees for services and construction sectors • Group fixed assets are below S$15 million for manufacturing sectors • Registered or incorporated in Singapore, with at least 30% local shareholding	**Working Capital**	**Bridging Loan Programme**[1]	NA (New Programme)	▪ Maximum loan quantum of $500,000 ▪ Default risk shared between Government and Participating Financial Institutions at 50:50 ratio	New BLP*[2] ▪ Maximum Loan quantum increased from $500,000 to $5 million. ▪ Expanded to include foreign-owned SMEs based in Singapore ▪ Default risk shared between Government and Participating Financial Institutions at 80:20 ratio
	Asset-based loans for factory, machinery, equipment purchase or lease/hire purchase	**Local Enterprise Finance Scheme (LEFS)**	▪ Maximum loan quantum of S$15m ▪ Default risk shared between Government and Participating Financial Institutions at 50:50 ratio	▪ Government default risk sharing increased from 50% to 80% for SMEs	▪ Government default risk sharing increased from 50% to 80% for both SMEs and non-SMEs
	Working Capital	**Loan Insurance Scheme (LIS) (Domestic Loans)**	▪ Working capital loans secured against account receivables ▪ Default risk shared between Insurer and Participating Financial Institutions at 75:25 ratio ▪ Government subsidises 50% of insurance premium on loans ▪ Participating Financial Institutions provide capital	▪ Government increased co-sharing of LIS insurance premiums with companies from 50% to 90%, wef 1 Jan 2009.	LIS+ ▪ To address the limited private insurance capacity and a reduced risk appetite in the industry, Government has created a new scheme, LIS+, to share 75% of the risk with banks for loans which are beyond the capacity of the private insurers under the LIS programme, up to a loan limit of $15m.

[1] Companies with more than 10 employees are eligible for Bridging Loan Programme
[2] New BLP supercedes existing BLP.

If you are a…	… and need…	…you can tap on…	Before 1 Dec 08	Enhancements (which took effect on 1 Dec 08 unless otherwise stated)	Enhancements (valid for one year with effect from 1 Feb 09 unless otherwise stated)
Larger enterprise (Non-SME) • Group has more than 200 employees for services and construction sectors • Group fixed assets are above S$15 million for manufacturing sectors • Registered or incorporated in Singapore, with at least 30% local shareholding	**Working Capital**	**Bridging Loan Programme**	NA (New Programme)	▪ Maximum loan quantum of S$500,000 ▪ Default risk shared between Government and Participating Financial Institutions at 50:50 ratio	New BLP*[3] ▪ Maximum Loan quantum increased from $500,000 to $5 million. ▪ Expanded to include foreign-owned SMEs based in Singapore ▪ Default risk shared between Government and Participating Financial Institutions at 80:20 ratio
	Working Capital	**Loan Insurance Scheme (LIS) (Domestic Loans)**	Currently larger enterprises are not eligible	▪ Extended to larger enterprises ▪ Working capital loans secured against account receivables ▪ Default risk shared between Insurer and Participating Financial Institutions at 75:25 ratio ▪ Government increased co-sharing of LIS insurance premiums with companies from 50% to 90%, wef 1 Jan 2009 ▪ Participating Financial Institutions provide capital	LIS+ ▪ To address the limited private insurance capacity and a reduced risk appetite in the industry, Government has created a new scheme, LIS+, to share 75% of the risk with banks for loans which are beyond the capacity of the private insurers under the LIS programme, up to a loan limit of $15m.
	Asset-based loans for factory, machinery, equipment purchase or lease/hire purchase	**Local Enterprise Finance Scheme (LEFS)**	Currently larger enterprises are not eligible	▪ Extended to larger enterprises ▪ Loan quantum of up to S$15m ▪ Default risk shared between Government and Participating Financial Institutions at 50:50 ratio	▪ Government default risk sharing increased from 50% to 80% for both SMEs and non-SMEs
Internationalising Firm	Funding for overseas fixed assets, structured project financing	**Internationalisation Finance Scheme (IF Scheme)**	▪ Maximum loan quantum of S$15m per borrower group ▪ Default risk shared between Government and Participating Financial Institutions at 70:30 ratio ▪ Eligibility restricted by turnover caps o Non-Trading Listed: <$100m o Non-Trading Privately-held: <$200m o Trading Listed: <$200m o Trading Privately-held <$500m	▪ Government default risk sharing increased from 70% to 80% ▪ Increase of turnover caps o Non-Trading Listed, Privately-held: <$300m o Trading Listed: <$300m Trading Privately-held: No Change	▪ Refinancing of asset-based and project financing loans into the IF Scheme allowed ▪ Maximum loan quantum increased to $50m per borrower group.
Exporter/ Trading Firm (both SMEs and larger enterprises)	Funding for export-oriented trade facilities	**Loan Insurance Scheme (LIS) (Export-Oriented Loans)**	▪ Eligibility restricted by turnover caps o Non-Trading Listed: <$100m o Non-Trading Privately-held: <$200m o Trading Listed: <$200m o Trading Privately-held <$500m	▪ Removal of turnover caps ▪ Government increased co-sharing of LIS insurance premiums with companies from 50% to 90%, wef 1 Jan 2009.	LIS+ ▪ To address the limited private insurance capacity and a reduced risk appetite in the industry, Government has created a new scheme, LIS+, to share 75% of the risk with banks for loans which are beyond the capacity

[3] New BLP supercedes existing BLP.

If you are a…	… and need…	…you can tap on…	Before 1 Dec 08	Enhancements (which took effect on 1 Dec 08 unless otherwise stated)	Enhancements (valid for one year with effect from 1 Feb 09 unless otherwise stated)
			▪ Risk sharing between Insurer and Participating Financial Institutions 75:25 ▪ Government subsidises 50% of insurance premium on loans ▪ Participating Financial Institutions provide capital		of the private insurers under the LIS programme, up to a loan limit of $15m.