

SUMMARY OF REVISIONS TO BUSINESS AND TRADE FINANCING ENHANCEMENTS

If you are a...	... and need...	...you can tap on...	Enhancements with effect from 1 Feb 2010	Changes with effect from 1 Feb 2011
Small business with no more than 10 employees	Working capital	Micro Loan Programme	<ul style="list-style-type: none"> Default risk shared between Government and Participating Financial Institutions at 70:30 ratio Minimum interest rate of 5.5% 	<ul style="list-style-type: none"> Default risk shared between Government and Participating Financial Institutions at 50:50 ratio Minimum interest rate of 5.5%
SME <ul style="list-style-type: none"> Group has no more than <u>200 employees</u> for services and construction sectors Group <u>fixed assets</u> are below <u>S\$15 million</u> for manufacturing sectors Registered or incorporated in Singapore, with at least 30% local shareholding 	Working Capital	Bridging Loan Programme¹	<u>New BLP*</u> <ul style="list-style-type: none"> Maximum loan quantum of \$2 million Maximum loan tenure of 2 years Minimum interest rate of 5.5% Default risk shared between Government and Participating Financial Institutions at 50:50 ratio 	<ul style="list-style-type: none"> To be retracted
	Asset-based loans for factory, machinery, equipment purchase or lease/hire purchase	Local Enterprise Finance Scheme (LEFS)	<ul style="list-style-type: none"> Default risk shared between Government and Participating Financial Institutions at 70:30 ratio Minimum interest rate of 5.5% for loan tenure less than 4 years. Minimum interest rate of 6% for loan tenure more than 4 years 	<ul style="list-style-type: none"> Default risk shared between Government and Participating Financial Institutions at 50:50 ratio Minimum interest rate of 5.5% for loan tenure less than 4 years. Minimum interest rate of 6% for loan tenure more than 4 years
	Working Capital	Loan Insurance Scheme (LIS) (Domestic Loans)	<u>LIS</u> <ul style="list-style-type: none"> Insurance premium borne by company at 0.45% (wef 1 Feb 2010) 	<ul style="list-style-type: none"> Insurance premium borne by company at 1.125%
			<u>LIS+</u> <ul style="list-style-type: none"> Maximum loan quantum of \$15 million per Borrower Group Default risk shared between Government and Participating Financial Institutions at 75:25 ratio Insurance premium borne by company at 1% 	<ul style="list-style-type: none"> Maximum loan quantum of \$5million per Borrower Group Insurance premium borne by company at 1.5%
Larger enterprise (Non-SME) <ul style="list-style-type: none"> Group has more than <u>200 employees</u> for services and construction sectors Group fixed assets are above <u>S\$15 million</u> for manufacturing sectors Registered or incorporated in Singapore, with at least 30% local shareholding 	Working Capital	Bridging Loan Programme	<u>New BLP*</u> <ul style="list-style-type: none"> Maximum loan quantum of \$2 million Maximum loan tenure of 2 years Minimum interest rate of 5.5% Default risk shared between Government and Participating Financial Institutions at 50:50 ratio 	<ul style="list-style-type: none"> To be retracted
	Working Capital	Loan Insurance Scheme (LIS) (Domestic Loans)	<u>LIS</u> <ul style="list-style-type: none"> Insurance premium borne by company at 0.45% (wef 1 Feb 2010) 	Support for Non SMEs withdrawn
				<u>LIS+</u> <ul style="list-style-type: none"> Maximum loan quantum of \$15 million per Borrower Group Default risk shared between Government and Participating Financial Institutions at 75:25 ratio Insurance premium borne by company at 1%

¹ Companies with more than 10 employees are eligible for Bridging Loan Programme

If you are a...	... and need...	...you can tap on...	Enhancements with effect from 1 Feb 2010	Changes with effect from 1 Feb 2011
	Asset-based loans for factory, machinery, equipment purchase or lease/hire purchase	Local Enterprise Finance Scheme (LEFS)	<ul style="list-style-type: none"> ▪ Default risk shared between Government and Participating Financial Institutions at 70:30 ratio ▪ Minimum interest rate of 5.5% for loan tenure less than 4 years. Minimum interest rate of 6.0% for loan tenure more than 4 years 	<ul style="list-style-type: none"> ▪ Support for Non SMEs withdrawn
Internationalising Firm <ul style="list-style-type: none"> • Singapore-based company with at least 3 strategic business functions² in Singapore • Group Turnover Cap <ul style="list-style-type: none"> ➢ Non-Trading companies: =<\$300m ➢ Trading companies: =<\$500m 	Funding for overseas fixed assets, structured project financing	Internationalisation Finance Scheme (IF Scheme)	<ul style="list-style-type: none"> ▪ Maximum loan quantum increased to \$50m per borrower group ▪ Default risk shared between Government and Participating Financial Institutions at 80:20 ratio 	<ul style="list-style-type: none"> ▪ Maximum loan quantum of \$15m per borrower group ▪ Default risk shared between Government and Participating Financial Institutions at 70:30 ratio
Exporter/ Trading Firm (both SMEs and larger enterprises) <ul style="list-style-type: none"> • Singapore-based company with at least 3 strategic business functions in Singapore • Group Turnover Cap <ul style="list-style-type: none"> ➢ Non-Trading companies: =<\$300m ➢ Trading companies: =<\$500m 	Funding for overseas trade	Loan Insurance Scheme (LIS) (Overseas Trade)	<p>LIS</p> <ul style="list-style-type: none"> ▪ Insurance premium borne by company at 0.45% <p>LIS+</p> <ul style="list-style-type: none"> ▪ Maximum loan quantum of \$15 million per Borrower Group ▪ Default risk shared between Government and Participating Financial Institutions at 75:25 ratio ▪ Insurance premium borne by company at 1% 	<ul style="list-style-type: none"> ▪ Insurance premium borne by company at 1.125% ▪ Maximum loan quantum of \$5million per Borrower Group ▪ Insurance premium borne by company at 1.5%
Exporter/ Trading Firm (SMEs) <ul style="list-style-type: none"> • Singapore-based company with at least 3 strategic business functions in Singapore • Group turnover not exceeding S\$80m 	Insurance against buyers' default risks	Trade Credit Insurance Scheme (TCIS) - formerly known as Export Coverage Scheme	<ul style="list-style-type: none"> ▪ 50% premium subsidy support ▪ Top up arrangement 	<ul style="list-style-type: none"> ▪ Top-up arrangement removed

² Strategic business functions refer to activities such as banking and finance, marketing and business planning, procurement/logistics, training and personnel management, investment planning/coordination, research and development, technical support and manufacturing.