

ANNEX C-1: SUPPORT FOR BUSINESSES

(I) Enhanced Financing Support

I-1. Temporary Bridging Loan Programme

The Temporary Bridging Loan Programme (TBLP) was introduced in March 2020 to provide enterprises with access to working capital during the COVID-19 crisis.

The TBLP will be extended for another six months to 30 September 2022, with revised parameters, in view of the continued impact of COVID-19 and recent increase in business costs.

This will be complemented by the concurrent extension of the MAS SGD Facility for Enterprise Singapore (ESG) Loans.¹ More details of the Facility can be found on MAS' website.

Scheme Parameters

The revised parameters of the TBLP are as follows:

Parameters	Details
Maximum loan quantum [Revised]	<ul style="list-style-type: none">• S\$1,000,000 per Borrower, from S\$3,000,000 previously• S\$20,000,000 per Borrower Group²
Maximum repayment period	<ul style="list-style-type: none">• 5 years
Government's Risk-share	<ul style="list-style-type: none">• 70%
Interest rate [Revised]	<ul style="list-style-type: none">• Capped at 5.5%, from 5% previously

I-2. Enterprise Financing Scheme – Trade Loan

The Enterprise Financing Scheme – Trade Loan (EFS-TL) supports Singapore-based enterprises' trade financing needs, which include the financing of short-term import, export, and guarantee needs.

The EFS-TL was first enhanced in April 2020 to provide enterprises with better access to trade financing amidst slower business activities and longer payment cycles due to COVID-19. The enhancement to EFS-TL will be extended for a further six months to 30 September 2022, with revised parameters given continued uncertainties in the global trade ecosystem.

¹ The Facility will provide Singapore Dollar (SGD) funding at an interest rate of 0.5% per annum for a two-year tenor to eligible financial institutions, to support loans made under the TBLP and the Enterprise Financing Scheme – SME Working Capital Loan from 1 April 2022 to 30 September 2022.

² Borrower Group consists of the following:

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

Beyond 30 September 2022, the enhanced risk-share of 70% will be maintained for young enterprises³ and enterprises trading in countries with S&P rating BB+ and below, including non-rated countries. The enhancement to risk-share support aims to encourage enterprises to internationalise and capture opportunities in those countries.

Scheme Parameters

The revised parameters of the enhanced EFS-TL are as follows:

Parameters	Details
Maximum loan quantum [Revised]	<ul style="list-style-type: none"> • S\$5,000,000 per Borrower, from \$10,000,000 previously • S\$20,000,000 per Borrower Group²
Maximum repayment period	<ul style="list-style-type: none"> • 1 year
Government's Risk-share [Revised]	<ul style="list-style-type: none"> • From 1 Apr 2022 - 30 Sep 2022: 70% • From 1 Oct 2022: <ul style="list-style-type: none"> ○ Standard: 50% ○ Young Enterprises³ and Enterprises trading in countries with S&P rating BB+ and below, including non-rated countries: 70%
Interest rate	<ul style="list-style-type: none"> • Subject to assessment by Participating Financial Institutions

I-3. Enterprise Financing Scheme – Project Loan

The Enterprise Financing Scheme – Project Loan (EFS-PL) supports Singapore-based enterprises' overseas project financing needs, which include the financing of working capital, guarantee, and fixed assets.

The EFS-PL was enhanced in January 2021 to support domestic construction projects amidst the challenges of COVID-19.

The enhancement to EFS-PL will be extended for another year to 31 March 2023, to support construction enterprises in fulfilling domestic projects amidst rising costs and tightened cashflow.

³ Young enterprises refer to firms formed within the past five years with at least one employee, and more than 50% equity owned by individuals.

Scheme Parameters

The parameters of the enhanced EFS-PL are as follows:

Parameters	Details
Eligibility	<ul style="list-style-type: none">• Singapore enterprises in the Construction Sector, as defined by SSIC codes starting with 41, 42, or 43
Maximum loan quantum	<ul style="list-style-type: none">• S\$30,000,000 per Borrower or per Borrower Group² for Domestic Projects
Maximum repayment period	<ul style="list-style-type: none">• 15 years
Government's Risk-share	<ul style="list-style-type: none">• Standard: 50%• Young Enterprises³: 70%
Interest rate	<ul style="list-style-type: none">• Subject to assessment by Participating Financial Institutions

I-4. Enterprise Financing Scheme – Merger & Acquisition Loan

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

The EFS-M&A will be enhanced for four years, from 1 April 2022 to 31 March 2026, to include domestic M&A activities. This is to support enterprises to scale and expand through M&A, including venturing into complementary businesses and emerging sectors.

Scheme Parameters

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
Maximum loan quantum	<ul style="list-style-type: none">• S\$50,000,000 per Borrower or per Borrower Group²
Maximum repayment period	<ul style="list-style-type: none">• 5 years
Government's Risk-share	<ul style="list-style-type: none">• Standard: 50%• Young Enterprises³ and Enterprises operating in countries with S&P rating BB+ and below, including non-rated countries: 70%
Interest rate	<ul style="list-style-type: none">• Subject to assessment by Participating Financial Institutions

MORE INFORMATION

For more information on the above sections (I-1 to I-4), please contact Enterprise Singapore at <https://www.go.gov.sg/helloesg>.

(II) Investing in Digital Capabilities

II-1. Advanced Digital Solutions (ADS)

To increase our firms' competitive advantage and drive business growth, the Government will be extending our support for adoption of cutting-edge digital solutions through the Infocomm Media Development Authority (IMDA)'s Advanced Digital Solutions (ADS) initiative.

ADS was launched in 2020 to promote and amplify the adoption of advanced integrated solutions (such as in robotics, Internet of Things, and other technologies).

From 1 April 2022, the scheme will be expanded to include solutions that leverage Artificial Intelligence (AI) and Cloud technologies, to help enterprises improve operational efficiency and business decisions. Participating enterprises will receive up to 70% funding support for these solutions.

II-2. Grow Digital

The Government will also be expanding the Grow Digital scheme, to help businesses better leverage digital platforms to reach international markets.

Launched in June 2020, the Grow Digital scheme helps Small and Medium Enterprises (SMEs) access overseas markets digitally, through Business-to-Business (B2B) and Business-to-Consumer (B2C) e-commerce platforms and their ecosystem partners pre-approved by IMDA. Since then, the scheme has helped more than 2,500 firms expand their reach to as many as 10 countries.

From 1 April 2022, Grow Digital will be expanded to include more pre-approved digital platforms, so that more businesses can internationalise without requiring an in-market presence. Through these platforms, SMEs can also build capabilities to reach new markets more effectively, such as through AI-powered business matching to connect SME suppliers with potential overseas clients, cross-border e-payment facilities, and training to build competitive, globally-oriented businesses.

Participating enterprises will receive up to 70% funding support to onboard the B2B and B2C platforms.

II-3. TechSkills Accelerator (TeSA)

The TechSkills Accelerator (TeSA) initiative aims to develop a skilled Information and Communication Technology (ICT) workforce for Singapore's digital economy, in collaboration with industry partners and the National Trades Union Congress (NTUC). Since 2016, TeSA has trained over 120,000 individuals across different tech skill areas such as cybersecurity and artificial intelligence. Through the programme, approximately 12,000 individuals have also been placed in ICT jobs.

In the coming year, TeSA will expand on several fronts to build a strong Singaporean core of ICT talent. These include: (i) partnering with industry leaders to grow product development teams in Singapore; (ii) expanding TeSA to SMEs and startups to provide more job

opportunities for mid-career workers; and (iii) upskilling our current digital workforce to keep their skills relevant.

The Government will also continue to grow the national pipeline of tech talent through targeted initiatives for students at our Institutes of Higher Learning (IHLs). More details will be announced at MCI's Committee of Supply (COS).

MORE INFORMATION

For more information on these initiatives, please contact info@imda.gov.sg.

(III) Encouraging Enterprise and Workforce Transformation

III-1. SkillsFuture Enterprise Credit (SFEC)

The SkillsFuture Enterprise Credit (SFEC) encourages employers to undertake enterprise and workforce transformation initiatives. Eligible employers receive a one-off credit of up to \$10,000 to cover up to 90% of out-of-pocket expenses for supportable enterprise transformation programmes (e.g. Enterprise Development Grant, Productivity Solutions Grant) and workforce transformation programmes (e.g. training courses aligned to the various industry Skills Frameworks by SkillsFuture Singapore, Job Redesign Initiatives and Career Conversion Programmes). Of the \$10,000 credit for an eligible employer, \$3,000 is ringfenced for workforce transformation initiatives.

The SFEC eligibility criteria have been adjusted in Budget 2022 to expand the coverage of SFEC for the qualifying period from 1 January 2021 to 31 December 2021:

- a. **[New]** No minimum Skills Development Levy (SDL) contribution requirement over the qualifying period. However, employers with inactive ACRA status during the qualification process and employers who have defaulted on their SDL payment during the qualifying period will be excluded.
- b. **[No change]** Employment of at least three Singapore Citizens or Permanent Residents every month over the qualifying period.
- c. **[No change]** Did not qualify in any of the earlier periods.⁴

Newly eligible employers will be notified in April 2022. The deadline to claim the credit for all employers (including those that previously qualified) will be extended by one year to 30 June 2024, to give employers more time to plan for and embark on transformation initiatives.

MORE INFORMATION

For more information, please contact Enterprise Singapore at <https://www.go.gov.sg/helloesg>.

⁴ Previous qualifying periods were: (a) 1 April 2019 – 31 March 2020, (b) 1 July 2019 – 30 June 2020, (c) 1 October 2019 – 30 September 2020, and (d) 1 January 2020 – 31 December 2020.