

Enhanced Enterprise Financing Scheme Project Loans (EFS-PL)

Frequently Asked Questions

1. What is the objective of the Enhanced EFS-PL? What are the enhancements?

The EFS-PL aims to support enterprises in their internationalisation efforts by assisting them in financing the fulfilment of their overseas projects.

In view of the challenges faced by the construction sector, as announced on 12 Oct 2020, the EFS-PL was enhanced to extend support to construction companies to finance the fulfilment of secured domestic projects, from 1 Jan 2021 to 31 Mar 2022. The Government provides risk-share for loans made by Participating Financial Institutions (PFIs) to finance the fulfilment of secured domestic projects. The risk-share support extended to PFIs is at 50%, with the risk-share increasing to 70% for young companies. The maximum loan quantum is S\$30 million for domestic projects.

As announced in B2022, the enhancement to EFS-PL will be extended for another year, from 1 April 2022 to 31 March 2023, with the same parameters, to support construction enterprises in fulfilling domestic projects amidst rising costs and tightened cashflow.

2. Who is eligible to apply for Enhanced EFS-PL?

Enhanced EFS-PL will be available to enterprises from the construction industry subject to:

- i) Be a business entity that is registered and physically present in Singapore, and
- ii) At least 30% local equity held directly or indirectly by Singaporean(s) and/or Singapore PR(s), determined by the ultimate individual ownership, and
- iii) Have Group Annual Sales Turnover of not more than S\$500 million
- iv) Enterprises registered with SSIC codes beginning with 41,42 or 43 may apply for the enhanced EFS-PL to support domestic projects

For the loan to be supported under Enhanced EFS-PL, these additional criteria are required:

- v) Fixed assets acquired are to discharge a contractual obligation under the project.
- vi) It must be for secured sales order and/or projects. It cannot be used solely for general working capital/operating expenses.

3. When is the Enhanced EFS-PL open for application?

The Enhanced EFS-PL has been available since 1 January 2021. Eligible enterprises can approach PFIs to apply.

4. Can enterprises apply for the Enhanced EFS-PL multiple times with different PFIs?

Yes, enterprises can approach different PFIs to apply. However, the total aggregate amount borrowed under the Enhanced EFS-PL to support domestic projects from different PFIs is capped at the maximum quantum of S\$30 million per borrower / borrower group¹.

5. Besides the Enhanced EFS-PL, can enterprises apply for the Temporary Bridging Loan Programme (TBLP) Loan, Enhanced Enterprise Financing Scheme Trade Loan (Enhanced EFS-TL) and other EFS loans at the same time?

Enterprises can apply for all the schemes if they meet the criteria for each scheme, subject to assessment by PFIs.

6. PFIs are not willing to approve my company's loan application even though it is eligible for the Enhanced EFS-PL. What can I do?

All eligible enterprises applying for the Enhanced EFS-PL are subject to assessment by PFIs.

Enterprises which require further support may approach Enterprise Singapore at (65) 6898 1800 or submit an enquiry through <https://go.gov.sg/askenterprisesg>.

7. Since Enterprise Singapore provides 50%/70% risk shares on the loan, does it mean that the borrower/guarantors are only responsible for the remaining percentage of the loan?

No. The borrower and guarantors are responsible to repay 100% of the loan amount. When defaults occur, PFIs are obligated to follow their standard commercial recovery procedure, including the realisation of security, before they can make a claim against Enterprise Singapore for the unrecovered amount in proportion to risk-share.

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; and
- d. Subsidiaries where the Applicant's Ultimate Parent Company holds more than 50% shareholdings and their subsidiaries at all levels down.