

Enhanced Enterprise Financing Scheme Trade Loans (EFS-TL)

Frequently Asked Questions

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

The Enhanced EFS-TL aims to provide enterprises with better access to trade financing amidst the current environment of slower business activities and longer payment cycles.

As announced in the Solidarity Budget on 6 Apr 2020, the Government will enhance the EFS-TL further with 90% risk share. The enhancement will apply to new applications initiated from 8 April 2020 until 31 March 2021. For applications that are pending approval from PFIs, enterprises are advised to speak to their PFIs on their eligibility.

As announced on 12 Oct 2020, EFS-TL will be extended from 1 Apr 2021 to 30 Sep 2021. Under this extension, the Government's risk-share on the loan will be lowered to 70% (90% currently). The maximum loan quantum will remain at S\$10 million.

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

Enhanced EFS-TL will be available to enterprises from all industries subject to

- i) Being a business entity that is registered and physically present in Singapore;
- ii) At least 30% local equity held directly or indirectly by Singaporean (s) and/or Singaporean PR; and
- iii) A maximum borrower group revenue cap of S\$500mil

3. *Can enterprises take out another loan under the extended programme if they had previously taken a EFS-TL loan or other EFS loans?*

Yes, enterprises that had previously taken an EFS-TL loan, can still apply for a new loan under the extended programme, provided its total exposure to the programme is capped at the maximum amount of S\$10 million

If the enterprise had previously taken an EFS loan, it can still apply for a new loan under the extended programme, provided its total exposure under all EFS programmes is less than S\$50 million.

4. *Can enterprises apply for Enhanced EFS-TL multiple times with different PFIs?*

Yes, enterprises can approach different PFIs to apply. However, the total aggregate amount borrowed under the scheme from different PFIs is capped at the maximum amount of S\$10 million.

5. *My company is eligible for EFS-TL but the PFI has rejected my loan application. What can I do?*

All eligible enterprises applying for loans are subject to assessment by PFIs.

Enterprises which require further support may approach Enterprise Singapore at (65) 6898 1800 or enquiry@enterprisesg.gov.sg for assistance.

6. Since Enterprise Singapore provides 70%/90% risk share 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 the risk share.

7. Why do banks require a 100% Personal Guarantee (PG) when the Government covers 90% of the loan amount?

A PG is not only a means of security but signals a commitment by the guarantor(s) that they are committed to the loan obligation.

8. How can enterprises obtain moratorium on their loans?

Enterprises facing cash flow difficulties should actively engage their lenders to understand the relief options available to them.