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 enhanced the EFS-TL further with 90% risk share. The enhancement applied to new applications initiated from 8 April 2020 until 31 March 2021.

As announced on 12 Oct 2020, Enhanced EFS-TL was extended from 1 Apr 2021 to 30 Sep 2021. Under this extension, the Government's risk-share on the loan was lowered to 70%. The maximum loan quantum remained at S$10 million.

As announced on 5 Jul 2021, Enhanced EFS-TL was further extended for 6 months, from 1 Oct 2021 to 31 Mar 2022, under the same parameters.

As announced in B2022, EFS-TL will be further extended for 6 months, from 1 Apr 2022 to 30 Sep 2022, with revised parameters to further support enterprises with their trade financing needs amidst continued uncertainties in global trade ecosystem. Under this extension, the Government's risk share on the loan remains at 70% while the maximum loan quantum is lowered to S$5 million.

As announced on 21 Jun 2022, to support local enterprises with cashflow concerns, the EFS-TL will be enhanced, with the maximum loan quantum increased from $5 million to $10 million from 1 July 2022 to 31 March 2023. The Government will continue to provide 70% risk-share for the scheme during this period.

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) Have Group Annual Sales Turnover of not more than S$500 million.

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 EFS-TL is capped at the maximum amount of S$5 million per borrower.

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 across all facilities is less than S$50 million per Borrower Group[1].

[1] Borrower Group consists of the following:

a. Borrower; and

b. Corporate shareholders holding more than 50% at all levels up; and

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 EFS-TL scheme from different PFIs is capped at the maximum quantum of S$5 million per borrower.

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 submit an enquiry through https://go.gov.sg/askenterprisesg.

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.

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.