

## ENHANCED LOAN INSURANCE SCHEME (LIS)

### Frequently Asked Questions

**1. What is the objective of the Enhanced LIS? What are the enhancements?**

The Enhanced LIS helps SMEs secure short-term trade loans by having commercial insurers to co-share loan default with Participating Financial Institutions (PFIs). A portion of the insurance premium paid by SMEs to Insurers is currently supported by the Government.

As announced in the Resilience Budget on 26 Mar 2020, the Government will increase insurance premium subsidy support for LIS from 50% to 80%. This enhancement is to help SMEs across all industries reduce trade financing costs, and will apply to applications initiated from 1 April 2020 until 31 March 2021.

**2. Who is eligible to apply for Enhanced LIS?**

The Enhanced LIS 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) Group revenue of up to S\$100mil or maximum employment of 200 employees

**3. Are there any other changes to LIS parameters beside premium subsidy increase from 50% to 80%?**

There are no other changes to existing LIS parameters. Premium subsidy only applies if LIS is being used to support the loan.

**4. Can enterprises apply for Enhanced LIS multiple times with different PFIs?**

Yes, enterprises can approach multiple PFIs to apply, subject to PFI's assessment and approval.

**5. My company already had our LIS trade loan approved/renewed in Feb 2020. Does ESG reimburse the premium subsidy balance of 30% to us?**

No, Enhanced LIS is only applicable to applications received from 1 April 2020.

**6. If I have queries on LIS, who can I contact?**

Enterprises may approach Enterprise Singapore at (65) 6898 1800 or [enquiry@enterprisesg.gov.sg](mailto:enquiry@enterprisesg.gov.sg) for assistance.