

## Loan Insurance Scheme (LIS)

The Loan Insurance Scheme, which is currently in its third tranche (LIS3), helps Singapore-based companies to secure trade financing facilities from Participating Financial Institutions (PFIs) by insuring the loans against borrower's insolvency risks. The insurance premiums are co-shared between the government through SPRING Singapore and IE Singapore, and the borrower.

	Before 1 Dec 08	Enhancements with effect from 1 Dec 08	Enhancements with effect from 1 Jan 09	Adjustments with effect from 1 Feb 10
Source of Funds	Financial Institution	No change	No change	No change
Use of Funds	Trade finance lines comprising of: - Inventory/Stock Financing - Structured Pre-delivery working capital - Factoring/Accounts receivable discounting	No change	No change	No change
Max Loan Quantum	No limit but insurer has veto rights over \$1 million	No change	No change	No change
Eligible Companies	<u>Domestic Facilities</u> <ul style="list-style-type: none"> <li>All companies with at least 30% local shareholding</li> <li>Company's fixed assets must not exceed S\$15mil</li> <li>Companies in the service industry must also have an employment size of not exceeding 200 workers</li> </ul> <u>Export Facilities</u> <ul style="list-style-type: none"> <li>Singapore-based companies with at least 3 strategic business functions in Singapore</li> </ul> <u>Turnover Cap</u> <ul style="list-style-type: none"> <li>Non-Trading Listed: &lt;\$100m</li> <li>Non-Trading Privately-held: &lt;\$200m</li> <li>Trading Listed: &lt;\$200m</li> <li>Trading Privately-held: &lt;\$500m</li> </ul>	<u>Domestic Facilities</u> All companies with at least 30% local shareholding <u>Export Facilities</u> Singapore-based companies with at least 3 strategic business functions in Singapore	No change	No change
Risk Share	Insurer: 75%, PFI: 25%	No change	No change	No change
Insurance Premium borne by Company	0.75%	0.75%	0.15%	0.45%

## Loan Insurance Scheme Plus (LIS+)

On 1 February 2009, the Government launched a new version of the LIS3 scheme, LIS3+, which complements the existing LIS3, by having Government insure loans which are beyond the capacity of current LIS insurers.

	<b>Scheme with effect from 1 Feb 09</b>	<b>Adjustments with effect from 1 Feb 10</b>
Source of Funds	Financial Institution	No change
Use of Funds	Trade finance lines comprising of: - Inventory/Stock Financing - Structured Pre-delivery working capital - Factoring/Accounts receivable discounting	No change
Maximum Loan Quantum	\$15 million per borrower group	No change
Eligible Companies	<u>Domestic Facilities</u> - All companies with at least 30% local shareholding <u>Export Facilities</u> - Singapore-based companies with at least 3 strategic business functions in Singapore	No change
Risk Share	Government: 75% PFI: 25%	No change
Insurance premium borne by Company	0.5%	1%

PFI: Participating Financial Institution

For more information on LIS+, including a list of partnering financial institutions, please contact:

IE Singapore

Tel: 1800-IESPORE (1800-437-7673)

<http://www.iesingapore.gov.sg/lis>