

Singapore Budget 2022, How it affects your businesses.

Singapore's FY2022 Budget Statement was announced by the Minister for Finance, Mr Lawrence Wong on Friday, 18 February 2022 in the Parliament.

• Key Business Takaways •



1 Business Capabilities

Strengthen management and enterprise capabilities to grow your businesses with Financial Schemes, Loans Schemes, Grants, Initiatives and Programs to support your businesses.

1(a). Enterprise Financing Scheme – Merger & Acquisitions (M&A)

- To allow enterprises to scale and expand through M&A and venture into complementary businesses and emerging sectors
- Scheme will be enhanced for four years to 31 March 2026 to include domestic M&A activities

To know more, click [here](#).

TLDR: Your Company can borrow money from banks to acquire local or overseas companies.

1(b). Enterprise Financing Scheme – Trade Loan

- To further support enterprises with their trade financing needs amidst slower business activities and longer payment cycles due to COVID-19
- Enhanced EFS – Trade Loan will be extended for a further six months to 30 Sep 2022
- Beyond the six-month extension, the enhanced risk share of 70% will be maintained for young enterprises and enterprises trading in countries with S&P rating of BB+ and below, including non-rated countries, to encourage enterprises to internationalise and capture opportunities in these countries

To know more, click [here](#).

TLDR: Your Company can borrow money from banks for trade financing. The interest rates are lower than pre-Covid.

1(c). Small Business Recovery Grant

- To provide one-off cash support to small businesses in sectors most affected by COVID-19 Safe Management Measures:
 1. Firm such as F&B companies must be in one of the sectors listed in the table in this document
- Eligible firms will receive S\$1,000 for each local employee (Singapore Citizen or Permanent Resident) with mandatory CPF contributions in the period of 1 Nov 2021 – 31 Dec 2021, subject to a cap of S\$10,000 per firm
- IRAS will notify eligible firms starting from Jun 2022

To know more, visit the [IRAS website](#).

TLDR: If you're a company in certain sectors like F&B, you can receive \$1K per local employee hired, subjected to a cap of \$10K.

1(d). Temporary Bridging Loan Programme

- In view of the continued impact of COVID-19 and recent increase in business costs, the programme will be extended for another six months to 30 Sep 2022, with revised parameters
- Under this extension, the Government's risk share on the loan remains at 70% while the maximum loan quantum is lowered to S\$1 million

To know more, click [here](#).

TLDR: Your Company can borrow money from banks. The interest rates are lower than pre-Covid.



• Key Business Takaways •

2 Human Capital

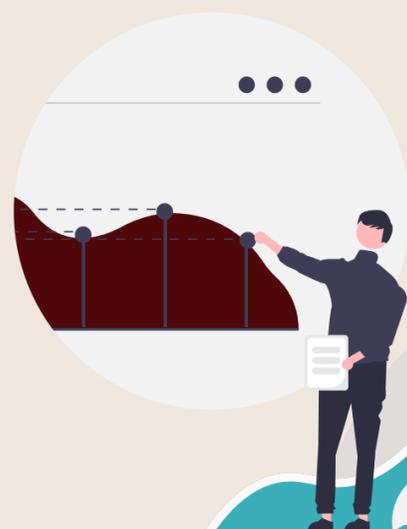
Invest in talent to drive your business forward with Skills Future Enterprise Credit (SFEC).

2(a). Skills Future Enterprise Credit (SFEC)

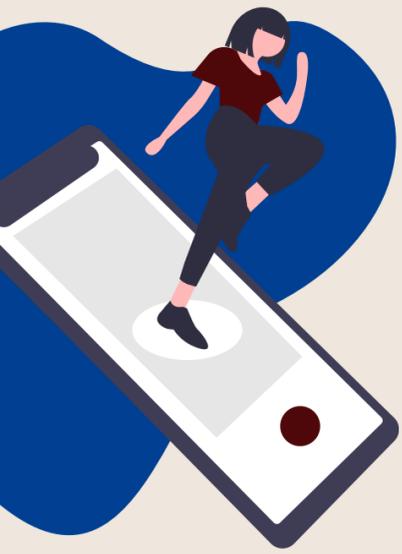
- To encourage employers to undertake enterprise and workforce transformation initiatives in tandem
- Coverage of SFEC will be expanded through an adjustment to the eligibility criteria for the qualifying period of 1 Jan 2021 to 31 Dec 2021
 1. Minimum Skills Development Levy (SDL) contribution requirement will be removed for the qualifying period of 1 Jan 2021 – 31 Dec 2021; employers with inactive ACRA status during the qualification process and/or employers who have defaulted on their SDL payment during the qualifying period will be excluded
 2. Requirement of employing at least three local (Singapore Citizens or Permanent Residents) employees every month over the qualifying period remains
 3. Employers must not have previously qualified for SFEC, in any of the earlier periods
- Newly qualified employers will be notified in Apr 2022
- Deadline to claim credit for employers, (including those that previously qualified) will be extended by one year to 30 Jun 2024

To know more, click [here](#).

TLDR: More companies are now eligible for the \$10K SFEC subsidy.



• Key Business Takaways •



3 Sustainability

Capture new opportunities in the green economy with Enterprise Sustainability Programme (ESP).

3(a). Enterprise Sustainability Programme (ESP)

- To support enterprises on sustainability initiatives, transformation efforts and the capturing of opportunities in the green economy as part of Singapore's Green Economy Strategy – the Government's initiative to green Singapore businesses and industry, tap green growth opportunities, and equip workers to take advantage of green technology and practices
- ESP will support local enterprises in undergoing training workshops and implementing capability and product development projects, as well as foster a vibrant sustainability ecosystem with key enablers in areas such as certification and financing

To know more, click [here](#).

TLDR: Companies will receive assistance to integrate sustainability into your business.

• A short round up,

Singapore Budget 2022 GST Hike

The Minister has announced that the GST rate will increase from 7% to 8% on 1 January 2023 and to 9% on 1 January 2024.

To help businesses with the implementation, a 10-month lead time is provided, unlike the four-month preparation period provided during the last rate hike in 2007. In addition, close to \$40million has been set aside under the **Productivity Solutions Grant** to subsidise the acquisition of accounting and point of sale solutions by eligible businesses.

