

Budget Measures for Food Manufacturing Companies



Budget 2020 for Businesses

DEALING WITH CHALLENGES



Managing Cash Flow

- Helping Our Promising Enterprises (HOPE) Fund
- SME Help Fund
- Digital Business Loan supported by Resilience Budget 2020
- Enterprise Financing Scheme - SME Working Capital Loan, **ESG**
- Temporary Bridging Loan Programme, **ESG**



Supporting our Workforce

- Enhanced Jobs Support Scheme, **IRAS**
- Enhanced Wage Credit Scheme, **IRAS**
- Enhanced Absentee Payroll, **WSG**



Helping Sectors Cope with COVID-19

- Enhanced Rental Waiver for Tenants
- No increase in Government Fees and Charges
- Waivers and Rebates for Foreign Worker Levy
- Enhanced Property Tax Rebate for 2020, **IRAS**
- Corporate Income Tax Rebate, **IRAS**
- Deferment of Income Tax Payments, **IRAS**
- COVID-19 Bill (Temporary Measures), **Ministry of Law**

PREPARING FOR GROWTH



Developing People

- SkillsFuture Enterprise Credit, **WSG**
- SGUnited Traineeship Programme, **WSG**



Deepening Enterprise Capabilities

- Product Innovation via Enterprise Development Grant, **ESG**
- IT tools via Productivity Solutions Grant, **ESG**



Going Global

- Enhanced Market Readiness Assistance Grant, **ESG**
- Global Ready Talent Programme, **ESG**

Financial Support (1/3)

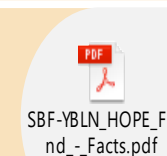
Financing options for companies from all sectors facing liquidity issues due to COVID-19

Helping Our Promising Enterprises (HOPE) Fund

Approval
in 48
hours

- Offers a fixed loan of S\$50,000 per company
- 0.5% - 0.75% interest rate per month, with processing fee of S\$80
- Company must be locally incorporated, >1 year of operations, >30% Singaporean shareholding and minimum paid-up capital of \$25,000

Please apply via email at
YBLNHOPEfund@gbfs.com.sg
or call +65 6827 0858

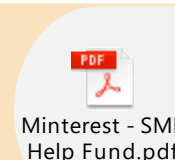


SME Help Fund

Approval
in less
than a
month

- Offers a fixed loan of S\$50,000 per company
- 0.5% interest rate per month, up to 6 months with 2% administration fee
- Company must be locally incorporated, >1 year of operations, >50% shareholding, have experienced temporary liquid crunch due to COVID-19

Please apply online at
www.bit.ly/smehelpfund
or email
helpsme@minterest.sg



Digital Business Loan supported by Resilience Budget 2020

Approval
in less
than a
month

- Offers loans up to S\$100,000 per company
- Interest rate cap at 8% per annum, with max repayment period of 5 years
- Service only interest in first 12 months, thereafter principal and interest for remaining loan tenor with no impact on individuals' records or late payment charges
- Company must be registered and operating in Singapore, >30% shareholding

Please apply online at
<https://www.dbs.com.sg/sme/financing/government-assisted-schemes/digital-business-loan> or
call 1800 222 2200

Financial Support (2/3)

Financing options for companies from all sectors facing liquidity issues

Temporary Bridging Loan		ESG
Approval in more than a month	<ul style="list-style-type: none"> Expanded to cover <u>all sectors</u> and maximum supported loan raised from <u>\$1m to \$5m, with interest rates capped at 5% per annum</u> Maximum repayment period of 5 years Principal Payment Deferment: Enterprises may request for deferment of principal repayment for 1 year, subject to assessment by PFIs 	<i>Interested enterprises can apply directly to the Participating Financial Institutions (PFI)*</i>
Working Capital Loan		ESG
Approval in more than a month	<ul style="list-style-type: none"> Maximum loan quantum has increased from \$600,000 to \$1m, with a maximum loan tenure of 5 years Applicable to SMEs only (i.e. companies with group revenue of \$100m or less, or company size of up to 200 employees), with at least 30% local shareholding. Loans' Interest Rate are subject to Participating FIs' assessments of risks involved 	<i>Interested enterprises can apply directly to the Participating Financial Institutions (PFI)*</i>

**Participating Financial Institutions are DBS, CIMB, OCBC, UOB, Standard Chartered Bank, Maybank Singapore, RHB, HSBC, Hong Leong Finance, Sing Investment & Finance, Singapura Finance, ORIX Leasing, Ethoz Capital Ltd, IFS Capital Ltd, Resona Merchant Bank Asia Ltd.*

Financial Support (3/3)

Financing options for companies from all sectors facing liquidity issues

Enhanced Enterprise Development Grant

ESG

Companies can engage financial advisory services to assist with loan applications of larger quantum with financial institutions, e.g. preparing financial documentation. This process would also help to optimize company's financial performance and support corporate strategy through better management of company's resources.

Eligibility criteria:

- Be a business entity that is registered/ incorporated in Singapore; and
- Be locally owned; and
- Be financially able to see the project through completion; and
- Have a minimum annual revenue of S\$20 million

Eligible companies may tap on **Enterprise Development Grant** for funding support to assist with the applications for bank loans. The enhanced support allows companies to be supported up to 80% from 1 April 2020 to 31 March 2021.

Supported areas include but are not limited to:

- Expenses for financial advisory services per company

For more information, visit www.enterprisesg.gov.sg/financial-assistance/grants/for-local-companies/enterprise-development-grant/overview or contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.

Wage Support (1/4)

Support available for companies to defray manpower costs

Enhanced Job Support Scheme (no application required, wef 6 April 2020)

IRAS

The government would **co-fund 75% of the first \$4,600 of gross monthly wages paid to each local employee for 9 months**, so long as employers make CPF contributions for their (Singapore Citizen and PR) employee. The payouts are released in April, July and October 2020. This is available till end 2020.

Please refer to table below on how JSS payout can be calculated.

Local Employee	Gross monthly wages ¹ paid in Month X	Qualifying wage in Month X (first \$4,600)	JSS payout to employer for Month X, if employer is in...		
			Tier 1 (75%) Aviation & Tourism	Tier 2 (50%) Food Services	Tier 3 (25%) All other sectors
Employee #1	\$4,000	\$4,000	\$3,000	\$2,000	\$1,000
Employee #2	\$4,500	\$4,500	\$3,375	\$2,250	\$1,125
Employee #3	\$5,000	\$4,600	\$3,450	\$2,300	\$1,150
Total			\$9,825	\$6,550	\$3,275

For more information, visit www.iras.gov.sg/irashome/Schemes/Businesses/Jobs-Support-Scheme--JSS-/

Wage Support (2/4)

Support available for companies to defray manpower costs

Enhanced Wage Credit Scheme (no application required)

IRAS

The government **co-funds a portion of wage increases for your employees, up to a gross monthly wage of \$5,000**, as long as employers make CPF contributions for their (Singapore Citizen and PR) employee. The payout would be available in end March of the payout year automatically to the employers' GIRO account for Income Tax.

The government co-funding ratios are as such:

	2019	2020
Level of co-funding	20%	15%
Gross monthly wage ceiling	\$5,000	
Qualifying wage increases	Increase in gross monthly wage of at least \$50 given to Singaporean employees in the qualifying year, up to a gross monthly wage level of \$5,000, will be co-funded. In addition, increases in gross monthly wage of at least \$50 given in 2017, 2018 and 2019 up to gross monthly wage of \$5,000, and sustained in subsequent years of the scheme, will be co-funded.	

[More illustrations can be found here](#)

The wage credits can be calculated as follows:

Co-funding % x Qualifying Wage Increase x No. of months of CPF contributions made by employer.

For more information, visit www.iras.gov.sg/irashome/Schemes/Businesses/Wage-Credit-Scheme--WCS-/

Wage Support (3/4)

Support available for companies to defray manpower costs

SGUnited Traineeship Programme

WSG

The government would **co-fund two-thirds of the training allowance for internship programmes for fresh graduates, up till 9 months. It is applicable to all types of jobs and open to Singapore Citizens and PRs**, who have just graduated from Institute of Technical Education, Polytechnics, Universities and other educational institutions in 2020. This includes graduates from private universities as well as overseas institutions; Individuals who have graduated in 2018 but just finished serving their National Service from institutions mentioned above and are not intending to upgrade; and Fresh graduates who have difficulty securing full-time employment after graduation.

The proposed training allowance for individuals with different qualification are as follows:

Qualifications	Training allowance per month
University degree or above	\$1,800 to \$2,500
Polytechnic diploma or professional qualifications	\$1,300 to \$1,800
Post-secondary (non-tertiary)	\$1,100 to \$1,500

The payout can be calculated as follows: **$\frac{2}{3} \times \text{Training Allowance}$**

An #SGUnited Jobs Virtual Career Fair (VCF) will be held on SGUnitedJobs.gov.sg from 30 March to 12 April 2020 for employers in need of temporary manpower. Interested parties should post jobs on MyCareersFuture website.

For more information, visit www.wsg.gov.sg/SGUnited.html

Wage Support (4/4)

Support available for companies to defray manpower costs

Enhanced Absentee Payroll

WSG

The government would **co-fund 80% of hourly basic salary (capped at \$7.50 per trainee-hour)** for employees sent for certifiable skills training. For training outside of working hours, the funding will be given to employers to defray overtime pay that was paid to their employees. The courses pre-approved with an Absentee Payroll funding component can be found on SkillsConnect website

The payroll funding component can be calculated as follows:

Hourly Basic Salary = (Monthly salary X 12 months) / (Hours worked per week X 52 weeks per year)

Absentee Payroll funding claimable by employer = 0.8 X Hourly Basic Salary

For more information, visit www.skillsconnect.gov.sg/sop/portal/e-Services/For%20Employers/AbsenteePayroll.jsp

Skills Upgrading

Support available for companies to defray training costs for workforce transformation

SkillsFuture Enterprise Credit

SSG

The government provides a **S\$10,000 credit to cover up to 90% eligible out-of-pocket expenses on qualifying costs for supportable initiatives, relating to workforce transformation and enterprise transformation.**

The payroll funding component can be calculated as follows:

Hourly Basic Salary = (Monthly salary X 12 months) / (Hours worked per week X 52 weeks per year)

Absentee Payroll funding claimable by employer = 0.8 X Hourly Basic Salary

For more information, visit www.skillsfuture.sg/sfec

Innovation and Productivity Package (1/2)

Grants available for companies adopting technology critical in response to COVID-19

Enhanced Enterprise Development Grant

ESG

Companies can tap on innovative technology in partnership with Food and Innovate Resource Centre, to explore extension of shelf life of their products. This technology extends the purchasing window for consumers, minimizes losses from expired products taken off shelves and increases export competitiveness.

Eligible companies may tap on **Enterprise Development Grant** for funding support. The enhanced support allows companies to be supported up to 80% from 1 April 2020 to 31 March 2021.

Supported areas include but are not limited to:

- Equipment and land needed for new technology
- Expenses for new headcount for a limited period, i.e. 1 April 2020 to 31 March 2021

Reflect interest early as participation from multiple companies could potentially lead to reduction in project costs.

For more information, visit www.enterprisesg.gov.sg/financial-assistance/grants/for-local-companies/enterprise-development-grant/overview or contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.

Innovation and Productivity Package (2/2)

Grants available for companies adopting technology critical in response to COVID-19

Enhanced Productivity Solutions Grant

ESG

Companies can tap on generic solutions to implement COVID-19 business continuity measures such as online collaboration tools, to meet existing precautionary measures addressing COVID-19. These tools would also help to raise operational efficiency, bringing in further benefits in future.

Supported areas include but are not limited to:

- Online collaboration tools
- Virtual meeting and telephony tools
- Temperature screening solutions

To further increase productivity, companies can also review existing processes or other productivity solutions and equipment to optimize business operations and reduce costs. They include Accounting, Inventory and Sales Management Systems, Customer Relationship Management and machines to improve operational efficiency.

Eligible companies may tap on **Productivity Solutions Grant** for funding support. The enhanced support allows companies to be supported up to 80% from 1 April 2020 to 31 December 2020.

For more information, visit www.smeportal.sg/content/tech-despot/en/psg.html or contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.

Internationalisation Package (1/2)

Support available for companies to enter new markets and increase revenue

Enhanced Market Readiness Assistance

ESG

Companies can embark on offline platforms that offers end-to-end solution from lead generation, digital marketing, ordering to payment collection, to diversity their sales channels to raise profits, expand customer reach and increase brand recognition.

Eligible companies may tap on **Market Readiness Assistance** for funding support. The enhanced support allows companies to be supported up to 80% from 1 April 2020 to 31 March 2021.

Those areas could extend but is not limited to:

- Third-party advisory, legal and documentation costs
- Third-party costs relating to identification or business matching of potential business partners and/or customers
- Costs relating to third party marketing firms, PR firms, event companies, distributors and retailers
- In store promotion conceptualization
- Booth design and construction, Event management, 3rd party manpower (promoters) cost

For more information, visit www.enterprisesg.gov.sg/financial-assistance/grants/for-local-companies/market-readiness-assistance-grant/ or contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.

Internationalisation Package (2/2)

Support available for companies to hire global-ready talent to expand overseas

Global Ready Talent Programme

ESG

Companies can build a pipeline of global-ready talent for Singapore enterprises through exposing more Singaporeans to internships and overseas work opportunities and equip them with in-market knowledge to navigate challenges in overseas markets

Enhanced Global Ready Talent (Internship)

- Local enterprises can provide placements for local and overseas internships to students from ITEs, polytechnics and local universities
- Students receive a fixed monthly allowance of S\$800, funding support of 70% for enterprises

Global Ready Talent (Management Associate)

- Supports the sending of fresh graduates or young employees (< 3 years working experience) for postings in key overseas market like China, India, SEA. Minimum posting of 1 year
- Funding support of up to 70% of qualifying costs, capped at \$50,000 per associate

For more information, visit www.enterprise.gov.sg/non-financial-assistance/for-Singapore-companies/talent-attraction-and-development/internships/global-ready-talent-programme-for-companies/overview.

COVID-19 Bill (Temporary Measures)

Temporary relief to businesses and individuals unable to fulfill their contractual obligations due to COVID-19

The Bill will prohibit a contracting party from taking the following legal actions against a non-performing party:

- a) Court and insolvency proceedings;
- b) Enforcement of security over immovable property as well as movable property that is used for the purposes of business or trade;
- c) Call on a performance bond given pursuant to a construction contract; and
- d) Termination of leases of non-residential premises.

Additional temporary relief for individuals and businesses in financial distress are also available, provided the person or business is unable to perform an obligation on or after 1 February 2020 where the inability is materially caused by COVID-19 event and a notification for relief has been served on the other party. This notification does not allow a party to the contract to take prohibited action against the other party during the prescribed period and proceedings relating to a prohibited action that have already commenced must remain.

For businesses, the relief would

- A) Increase the monetary threshold for insolvency from \$10,000 to \$100,000
- B) Increase time period to satisfy a statutory demand from 21 days to 6 months
- C) Increase time period for the setting aside of statutory demands from 21 days to 6 months

This applies to 5 broad categories of contracts: (1) Leases or licenses for non-residential property, (2) Construction contracts or supply contracts, (3) Event contracts, provision of goods and services for events, (4) Provision of goods or services relating to tourism, and (5) Certain secured loan facilities granted by a bank or finance company to SMEs and hire-purchase agreements.

For more details, refer to www.mlaw.gov.sg/news/press-releases/temporary-relief-for-inability-to-perform-contractual-obligations-due-to-coronavirus-disease-2019-covid-19-situation or call 1800 2255 529 for further enquiries.

Waivers and Rebates Package

Waivers and rebates available for companies from all sectors to cope with liquidity issues

Waivers

Enhanced Rental Waivers for Tenants in Government Facilities *(wef 6 April 2020)*

- Eligible tenants of other non-residential premises* who do not pay property tax will automatically receive a **month's worth of rental waiver from public agencies**.

No increase in Government Fees & Charges *(wef April 2020)*

- No increase in government fees and charges for **1 year**, from 1 April 2020 to 31 March 2021

Waiver and rebate for Foreign Worker Levy *(wef 6 April 2020)*

- Waiver of monthly Foreign Worker Levy due in April 2020
- Foreign Worker Levy rebate of \$750 in April 2020 from levies paid this year for each Work Permit and S Pass holder

Tenants should check with their agencies on their eligibility for the rental waivers

Tax Rebates and Deferment

Enhanced Property Tax Rebate for 2020 *(wef 6 April 2020)*

- Eligible companies will automatically enjoy **100% rebate for other non-residential properties***

Corporate Income Tax Rebate *(For Year of Assessment (YA) 2020)*

- Companies will automatically receive a Corporate Income Tax (CIT) Rebate of 25% of tax payable, capped at \$15,000 per company for YA 2020.
- Companies paying their CIT by GIRO can automatically enjoy an **additional 2 months of interest-free instalments**, when they file their Estimated Chargeable Income within 3 months from their FYE, and enjoy other tax treatments.

Deferment of Income Tax Payments *(wef 1 April 2020)*

- Companies will automatically enjoy deferred income tax payments for **3 months due from April to June 2020** and will instead be collected in July, August and September 2020 respectively.

Companies should approach IRAS www.iras.gov.sg if you do not receive any notice for rebate by 31 May 2020.

**Non-residential properties which may include premises used for industrial or agricultural purpose, or as in an office, a business or science park, a petrol station or a warehouse.*

What does Budget 2020 mean to me?

As of 1 April 2020



MANAGE MY CASHFLOW

- **Enhanced access to funds** (Working Capital Loan*, ESG and HOPE Fund)
- **Tax rebates and deferment** (IRAS)

RETAIN AND DEVELOP MY EMPLOYEES

- **\$219,375 cash grant for wage support**
- Assume average wage of \$2,500, and 39 employees are Singapore citizens (Jobs Support Scheme, IRAS)
- **Up to \$10,000 credit to cover supportable expenses** (SkillsFuture Enterprise Credits, WSG)

PREPARE FOR GROWTH

Drive Innovation

- **Access technical expertise to support formulation of new food products and extend product shelf life** (Enterprise Development Grant, ESG)

Go Global

- **Up to 80% co-funding to leverage digital platforms and channels for access to overseas consumers** (Enterprise Development Grant, ESG)
- **Up to 80% co-funding for Singapore enterprises which are looking to internationalise for the first time** (Market Readiness Assistance, ESG)

*Loan amount subject to bank's assessment.

All grant schemes applications are subjected to qualifying period, qualifying costs, and agency's assessment