

Financial Institutions

FinTech Solidarity Grant & MAS Support Package to Aid FinTech Firms/FIs Financially

Introduction

On 13 May 2020, the Monetary Authority of Singapore ("**MAS**"), Singapore FinTech Association ("**SFA**"), AMTD Group and AMTD Foundation launched a [S\\$6 million MAS-SFA-AMTD FinTech Solidarity Grant](#) ("**Grant**") to help Singapore-based FinTech firms weather the storm caused by the COVID-19 pandemic. Eligible FinTech firms may apply for the Grant from 18 May 2020 to 31 December 2021.

The Grant complements the [S\\$125 million support package](#) announced by MAS on 8 April 2020 ("**Support Package**") to sustain and strengthen capabilities in the financial services and FinTech sectors amid the current economic slump. The Support Package took effect from 8 April 2020.

This Update highlights the key features of the Grant and the Support Package for FinTech firms in Singapore.

MAS-SFA-AMTD FinTech Solidarity Grant

Two Components of the Grant

The Grant consists of the following two components:

1. **Business Sustenance Grant ("BSG"):** The S\$1.5 million BSG aims to help FinTech firms sustain their operations and save jobs. Each eligible Singapore-based FinTech firm can receive a one-time grant for up to S\$20,000 to cover the wages of their local workers (including founders and directors) and local interns as well as office rental costs.
2. **Business Growth Grant ("BGG"):** The S\$4.5 million BGG enables the continued growth of FinTech firms by helping them offset their Proof of Concept ("**POC**") costs and providing funding for salaries of interns:
 - **POC costs:** Eligible Singapore-based FinTech firms may apply for BGG if they have registered and completed their profile on API Exchange ("**APIX**") (see below for more information on APIX) and are carrying out their POCs with an ASEAN based financial institution ("**FI**") on APIX. For their first application, they can receive 70% of qualifying expenses, capped at S\$40,000. For their second to fifth applications, they can receive 70%

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of qualifying expenses, capped at S\$10,000 for each application, subject to a total cap of S\$80,000 per firm for the entire duration of BGG.

- **Interns' salaries:** To encourage FinTech firms to continue to offer internships and develop the local FinTech talent pipeline, eligible Singapore-based FinTech firms will receive 100% of internship funding for salaries of Singapore citizens and permanent residents ("PRs") undergraduate interns, up to a cap of S\$1,000 per month per intern.

Please refer to the [SFA website > MAS-SFA-AMTD FinTech Solidarity Grant](#) for details of the conditions and process for applying for the Grant.

Eligible FinTech Firms

Eligible FinTech Firms must:

- Be registered and in operation in Singapore for at least three months before the application for the Grant;
- Have at least two or more core activities in Singapore; and
- Be an SFA member with a valid SFA FinTech Certification.

Only one application is allowed per company or Group of related companies. FinTech firms can apply for both BSG and BGG if they fulfil the eligibility criteria for both grants. Eligible Singapore-based FinTech Firms should apply to SFA which administers and reviews the applications for the Grant.

MAS Support Package

Three Components of the Support Package

Funded by the Financial Sector Development Fund, the Support Package has three components:

1. Supporting workforce training and manpower costs;
2. Strengthening digitalisation and operational resilience; and
3. Enhancing FinTech firms' access to digital platforms and tools.

The Support Package took effect from 8 April 2020.

Supporting Workforce Training and Manpower Costs

S\$90 million is allocated to support the following measures:

- **Launch of a new Training Allowance Grant ("TAG"):** TAG supplements the Jobs Support Scheme announced in the Resilience and Solidarity Budgets, by providing training allowances for

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self-sponsored individuals and employees of eligible financial institutions ("**FIs**") and FinTech firms for completing training in courses accredited by the Institute of Banking and Finance ("**IBF**"). For example, FIs regulated by MAS and FinTech firms certified by SFA can receive training allowance of S\$15 per training hour for eligible employees who undergo training through IBF-accredited or recognised courses commencing between 8 April 2020 and 31 December 2020. The courses must be completed by 31 March 2021. Eligible employees are Singapore citizens or PRs. TAG encourages FIs and FinTech firms to train and deepen the capabilities of their employees during downtime in business.

- **Enhanced course fee subsidies:** Singapore citizens or PRs who are sponsored by eligible FIs and FinTech firms to participate in IBF-accredited or recognised courses commencing between 8 April 2020 and 31 December 2021 are subsidised at 90% course fee. Eligible FIs and FinTech firms are FIs regulated by MAS and FinTech firms certified by SFA.
- **Double monthly salary grant under the Finance Associate Management Scheme ("**FAMS**"):** FIs regulated by MAS can receive salary grant of S\$2,000 per month for eligible Singapore citizens hired under a structured talent development programme. Eligible Singapore citizens are fresh graduates or cross-sector convertees. This applies to FAMS applications submitted from 8 April 2020 for hires in 2020 and 2021.

Details about the above measures to support workforce training and manpower costs for FIs and FinTech firms are found in "[Annex A: Enhancements to Schemes for the Financial Sector Workforce](#)" to [MAS press release titled "MAS Launches S\\$125 Million Package for Financial Institutions and FinTech Firms to Strengthen Long-Term Capabilities"](#).

Strengthening Digitalisation and Operational Resilience

MAS has set up a new Digital Acceleration Grant ("**DAG**") to enable Singapore-based FIs regulated by MAS (with fewer than 200 employees) ("**Smaller FIs**") and Singapore-based FinTech firms certified by SFA (with fewer than 200 employees) ("**Smaller FinTech Firms**") to adopt digital solutions as well as upgrade systems to enable business continuity. Examples of such digital solutions and systems include document collaboration solutions and virtual conferencing systems.

The DAG scheme consists of two tracks:

- **Institution Project track:** This is to support 80% co-funding of qualifying expenses for the adoption of digital solutions by Smaller FIs/FinTech Firms, up to a cap of S\$120,000 per entity, over the duration of the scheme. Qualifying expenses include costs for hardware, software and professional services. Eligible entities can claim for qualifying expenses incurred from 1 February 2020 and the funding period is capped at one year. Applications should be submitted to MAS; and

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- **Industry Pilot track:** This is to support collaborations among at least three Smaller FIs to customise digital solutions for implementation within their institutions, by co-funding 80% of qualifying expenses, capped at S\$100,000 per participating FI, per project. Qualifying expenses may include hardware and software, professional services, and manpower costs. The funding period is capped at two years from implementation. Applications should be submitted to MAS at least two months before the commencement of the project.

The DAG will help these entities strengthen operational resilience, process efficiency, risk management and customer service.

Details about the qualifying conditions and the application process of the DAG scheme are found in ["Annex B: Digital Acceleration Grant" to MAS press release titled "MAS Launches S\\$125 Million Package for Financial Institutions and FinTech Firms to Strengthen Long-Term Capabilities"](#).

Enhancing FinTech Firms' Access to Digital Platforms and Tools

Singapore-based FinTech firms are granted six months' free access to APIX, an online global marketplace and sandbox for collaboration and sales. Through APIX, FinTech firms and FIs can integrate and test solutions via a cloud-based architecture.

To ensure the quality of the solutions, MAS will also work with SFA to set up a new digital self-assessment framework for the MAS Guidelines on Outsourcing and MAS Technology Risk Management Guidelines hosted on APIX.

Further Information

To combat the debilitating effects of COVID 19, MAS has significantly enhanced existing initiatives and introduced new schemes to enable FinTech firms and FIs to battle and emerge more resilient after the COVID-19 outbreak. If you need more information about these developments, please feel free to contact our team below who will be happy to assist.

Visit our [COVID-19 Resource Centre](#) for views from our lawyers across the region on common issues and legal implications brought about by COVID-19. For specific inquiries, please reach out to your relationship partner or send an email to our [COVID-19 Legal Team](#).

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