

POLITICAL RISK INSURANCE SCHEME

Safeguarding your overseas investments
and projects



International
Enterprise
Singapore

Go
Global

POLITICAL RISK INSURANCE SCHEME

You are ready to take your business to the emerging markets. With rapid urbanisation, these frontier markets present a host of opportunities. But with this also comes higher risks which need to be mitigated.



WHAT IS POLITICAL RISK INSURANCE SCHEME (PRIS)?

While emerging markets present prime opportunities for your business, they can also be riskier. There might be uncertainties in the political climates which could in turn affect your business.

The **Political Risk Insurance Scheme (PRIS)** will enable qualifying Singapore companies to receive premium support for Political Risk Insurance (PRI) policies. This would in turn protect their investments and projects in overseas markets against political risk elements.



HOW CAN PRI HELP MY COMPANY?

PRI is a tool for investors to mitigate and manage risks arising from the adverse actions, or inactions of host governments. Unpredictable political events can occur suddenly in emerging countries which can adversely impact your foreign operations or erode the value of your investment. PRI typically covers risks such as:

- Expropriation
- Currency inconvertibility and transfer restrictions
- Political violence
- Breach of contract by host government
- Non-honouring of sovereign financial obligations.





DO YOU QUALIFY?

To qualify for PRIS¹, you must be a Singapore-based company with clear growth strategies and internationalisation plans. You will also need to fulfill all of the following:

- ✓ Global HQ anchored in Singapore²
- ✓ An annual turnover not exceeding S\$500 million
- ✓ An annual total business spending³ of at least S\$250,000 in Singapore for each of the past three years
- ✓ A minimum paid-up capital of \$50,000
- ✓ At least three managerial staff who are Singaporeans or PRs



WHAT ARE THE KEY SUPPORT AREAS?

- International Enterprise (IE) Singapore supports 50% of the premium, up to the first three years of each PRI policy
- Subject to maximum support of S\$500,000 per qualifying Singapore-based company

¹ Support under PRIS will be up to the qualifying Singapore-based Company's interest in the investment or project

² Refers to global (not only regional) management control and decision making functions (e.g. strategic global planning and management, HR, sales and marketing, finance and treasury) are based in Singapore.

³ Total Business Spending refers to expenses incurred by the applicant company e.g.

- Staff costs (salary, training)
- Finance costs (bank loans/ overdrafts/ interest)
- Other operating expenses e.g. advertising and promotion, audit fee, depreciation, director's remuneration, freight charges, insurance cost, office rental, professional/ consultant's fees, telecommunications, utilities, distribution and selling expenses. For examples of the exclusion list, please refer below:
- Total Business Spending excludes: costs of goods sold/ cost of sales, exchange rate losses, allowance for doubtful debts, income tax expense, property tax expense.



TO APPLY

You can approach any Singapore-registered PRI credit insurer for a PRI policy cover. Should your company qualify for premium support under PRIS, the PRI credit insurer/intermediary will assist you in the submission of your application for PRIS premium support to IE Singapore.

IE Singapore will reimburse the premium support directly to your company upon approval.



FOR MORE INFORMATION

Please email us at enquiry@iesingapore.gov.sg

INTERNATIONAL ENTERPRISE SINGAPORE

IE Singapore is the government agency that promotes international trade and partners Singapore companies to go global.

IE Singapore attracts and anchors global trading companies in Singapore by promoting Singapore's unique advantages as a global trading hub. Today, Singapore is home to a complete ecosystem for the energy, agri-commodities and metals & minerals trading clusters.

Through the agency's network of over 35 overseas centres and comprehensive assistance programmes, IE Singapore partners Singapore companies to strengthen their global competitiveness.

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