

## Startup SG Founder FAQ

### A. Eligibility

#### 1. What is the eligibility criteria under Startup SG Founder?

The grant is open for application from all Singaporeans / Permanent Residents who are first-time entrepreneurs. In addition, the applicant would need to adhere to the following conditions at the time of application:

a) Main applicant(s) must:

- i. Be a Singapore Citizen / Permanent Resident who is a first-time entrepreneur holding or proposing to hold a minimum of 30% equity in the applicant company;
- ii. Dedicate a reasonable amount of their time on the business, not be employed full time by another employer and must be a key decision maker in the company;
- iii. Not have received any funding for the proposed business idea from another government organisation;
- iv. Register / have registered a private limited company in Singapore upon approval.

b) In addition, the startup company would need to meet the following conditions:

- i. Applicant companies should not be incorporated for more than six (6) months at the point of application;
- ii. The applicant company must also have a minimum Singapore Citizen / Permanent Resident shareholding of 51%;
- iii. Business activities run by the startup company should be conducted wholly or mainly in Singapore;
- iv. Proposed business idea must not be in the following list: cafes, restaurants, night clubs, lounges, bars, foot reflexology, massage parlours, gambling, prostitution, social escort services, employment agencies (including recruiting foreign work permit holders and workers/ support staff, relocation services, and manpower services), and geomancy.

Approved applicant(s) must dedicate a reasonable amount of their time on the business and must be a key decision maker in the company. The applicant(s) must also commit full-time to the company and not be in any other employment from the time they accept the terms and conditions of the Letter of Offer.

#### 2. My team comprises of non-Singaporeans or PRs. Will we still qualify?

Your team will still qualify if the main applicant(s) holding at least 30% equity in the underlying company is a Singaporean/ Singapore PR, and fulfils all other eligibility requirements. The company should have minimum Singapore Citizen/PR shareholding of 51%. The company should have its business activities conducted wholly or mainly in Singapore. Other business

partners/shareholders/investors who are non-main applicants are not subjected to the eligibility criteria or conditions of the grant.

### **3. What are my obligations as the main applicant?**

The main applicant(s) is expected to commit full-time to the company and not be in any other employment from the time you accept the terms and conditions of the Letter of Offer. In addition, the applicant has to be the key driver of the company, who hold or propose to hold at least 30% equity in the underlying company.

### **4. I have previously registered a company with ACRA. Do I qualify?**

The applicant's business entity should not have been registered or incorporated for more than 6 months at the point of application to SPRING.

If your business entity has been registered for more than 6 months or you have more than one business entities registered under your name, you will not be eligible as the grant is only available for those who are first-time entrepreneurs.

### **5. What if I have already registered a sole proprietorship/partnership or LLP?**

You will still be eligible if the Sole Proprietorship/Partnerships or LLP had been registered for not more than 6 months at the point of application to SPRING.

Upon approval and confirmation of a successful application, you will be required to shut down the existing sole proprietorship/partnership or LLP and incorporate a Private Limited prior to the grant disbursement. The funds from grant is intended for the sole purpose of the main applicant to subscribe for shares in the proposed company, and for the company to utilise the subscription amount as working capital.

If you had previously incorporated a sole proprietorship/partnership or LLP, and subsequently shut it down to incorporate a Private Limited bearing the same company name, the 6-months buffer starts at the point where you had first incorporated the sole proprietorship/partnership or LLP.

### **6. If I do not qualify for the grant, what other support is available to entrepreneurs like me?**

There are many forms of support and assistance programmes available for startups. You may refer to [www.startupsg.net](http://www.startupsg.net) for more information.

### **7. What qualifies as a 'differentiated' business?**

By differentiation, we refer to:

- Whether the company differentiates itself from its competition?
- How different or novel the idea/product/service/business model/process is compared to what is available in the market?

In a differentiated business, the applicant company identifies a specific need and seeks to address it. In doing so, it is able to carve out a niche for its products or services. The "differentiated business" criterion is important to ensure that businesses have a unique selling proposition to gain a competitive advantage over their competitors.

Along with the other criteria, we hope to encourage entrepreneurs to create a foundation for stronger and lasting businesses that can provide valued jobs for fellow Singaporeans, rather than launch 'me too' businesses that rise and fall with passing trends.

**8. Can I apply before incorporation?**

Yes, applicants may apply for Startup SG Founder before incorporation. Should the application eventually get approved, you will have to formally register the company as a private limited entity with ACRA.

**9. Can I apply while holding on to my full-time job?**

Yes, applicant(s) may apply for Startup SG Founder while employed. Should the application eventually get approved, you shall be employed on a full-time basis by the approved company for 12 months.

**10. How can I apply for Startup SG Founder?**

Startup SG Founder applications can only be recommended to SPRING through an Accredited Mentor Partner (AMP).

Applicant(s) need to complete the Startup SG Founder Application Form and submit it directly to his / her selected AMP for consideration and further recommendation. If the AMP assessed that the applicant met the eligibility and evaluation criteria, the AMP can recommend the application to SPRING. The AMP will also recommend appropriate milestones for disbursement of grant amounts before surfacing it to SPRING for approval. SPRING will inform the applicant and AMP on the application status for the grant.

AMPs reserve the right to approve or reject submitted proposals at their discretion.

SPRING will inform the applicant and AMP on the application status for the grant within 5 working days.

**11. Can I apply for Startup SG Founder through more than 1 AMP?**

There is no restriction on the number of grant applications that any applicant may submit to AMP(s). In cases where a similar proposal by the same applicant is recommended to SPRING within the 5-working day processing period, SPRING will only process the first recommendation received. Upon approval of the grant, you must select an AMP. This has to be one of the AMPs that you had applied through.

**12. Can I change my AMP?**

Applicant(s) of the Startup SG Founder who apply via the AMPs will be mentored by your AMP who guide you in your business development. However, we strongly encourage startups (mentees) and AMPs (mentors) to find mentors or mentees with a good fit.

Therefore, either party shall be allowed to initiate an early termination to the mentorship arrangement with valid reasons. This shall be assessed for approval by SPRING. If the request is approved, the startup will have to find another AMP to qualify for subsequent disbursements. The provision shall be allowed only once, after which, the project shall be terminated.

**13. I have submitted an application. Why haven't I received a response?**

Please check that you have submitted the required documents for evaluation. Applications without the supporting documents will not be addressed. Do note that AMPs receive a high volume of applications daily and will require some time to get back to you.

## B. Assistance

### 1. What kind of support can I expect?

The scheme provides up to \$30,000 to entrepreneurs by matching \$3 to every \$1 raised by the entrepreneur for up to \$30,000. To receive maximum of \$30,000 grant, the applicant(s) need to match with at least \$10,000.

Under this scheme, AMPs would be involved in the identification, assessment, and recommendation of suitable startups to SPRING for a \$30,000 grant. You will receive mentoring and resources to catalyse your startup's growth from your AMP over a period of at least 12 months.

### 2. How will the grant be disbursed?

If the AMP wishes to recommend the application, the AMP will decide on appropriate milestones together with the applicant(s). The AMP's recommended application and milestones will then be surfaced to SPRING for vetting and approval. The grant will be disbursed in 2 tranches based on agreed project milestones.

You will have up to 12 months from the date of letter of offer to meet the milestones to draw down on the grant.

### 3. What are some examples of milestones for grant disbursement?

The AMP will work with the startup to develop suitable developmental milestones based on the startup's proposed business. Awarded companies under Startup SG Founder have 12 months to fulfil milestones and draw its disbursement in tranches. Proper expenditure record and invoices are also required during the 12-month incentive period.

### 4. When must I raise the amount required for co-matching?

The co-matching amount should be raised and transferred to the company's corporate bank account upon acceptance of the Letter of Offer. However, the amount to be co-matched is dependent on the agreed tranches and should be transferred to the company's corporate bank account prior to each disbursement.

Example: If a startup has agreed to the following tranches, the subsequent co-matching amount for each tranche should be transferred to the company's corporate bank account prior to disbursement.

	Startup SG Founder	Co-Matching by Startup
1 <sup>st</sup> Tranche	\$15,000	\$5,000
2 <sup>nd</sup> Tranche	\$15,000	\$5,000

Company expenditures incurred prior to acceptance of the Letter of Offer cannot contribute to the co-matching amount required.

### 5. Does SPRING take equity in exchange for the grant support?

No, SPRING does not take equity in the startups supported under Startup SG Founder.

### 6. Can I request for a face-to-face consultation? How do I set up a business? Who can help me?

If you would like to explore the various support available for startups, you may find it helpful to check out the Startup SG website ([www.startupsg.net](http://www.startupsg.net)) or to make an appointment with one of the SME centres (<https://smeportal.sg/content/sme-centre/en/home.html/en.aspx>). The business advisors will advise you more on the appropriate schemes and assistance for your business. SPRING

is unable to vet through or give comments on the business proposal, as SPRING can only evaluate grant applications submitted in accordance to the stated requirements of the programme.

**7. Can I still apply for other grants if I have been approved for this grant?**

Startup SG Founder applicant(s) must not have received any funding for the proposed business idea from another government agency. Supported companies under Startup SG Founder cannot pursue other government funding for the same project. We typically allow exceptions only for ICV and PIC. However, in these cases, applicant(s) would need to ensure that the same qualifying item(s) is not supported under more than 1 scheme.

**8. What can the grant be utilised on?**

The grant can be used for business development expenses such as manpower and operating expenses, purchase of equipment, software, materials and consumables, acquisition of intellectual property (IP) rights, professional services or marketing and promotion activities. However, the grant CANNOT be used to pay off loans taken by the startup and the founder(s).

**9. Do I have to return the grant given to me?**

Disbursement of the grant is done in tranches, subject to meeting certain milestones that are set for the startup. If there is a case where funds are misused or there is a breach in the terms and conditions, SPRING Singapore reserves the right to ask for return of monies from the applicant(s).

**C. Evaluation**

**1. Does the grant favour any sector or industry?**

No. Aside from the areas listed on SPRING's website that cannot be supported under the grant, Startup SG Founder is sector agnostic.

**2. Who evaluates the applications?**

Applications will be evaluated by the AMP and approved SPRING.

**3. How may I appeal on my eligibility?**

In rare circumstances where the applicant(s) has a compelling justification to demonstrate that he/she was not an entrepreneur despite having entities under his/her name on ACRA, he/she could attach an appeal with his/her hardcopy application submission (Application form should indicate "Yes" for started a business". The appeal should detail your situation with supporting proof (e.g. ACRA People Profile, other relevant documents). It would be assessed on a case-by-case basis, and the outcome is subjected to the decision of the AMP and SPRING.

You may conduct a search on ACRA People Profile with your NRIC no., and check the no. of entities under your name:

[https://www.tis.bizfile.gov.sg/ngbtisinternet/faces/oracle/webcenter/portalapp/pages/TransactionMain.jspx?selectedETransId=PP001&\\_afLoop=105365120027786#%40%3FselectedETransId%3DPP001%26\\_afLoop%3D105365120027786%26\\_adf.ctrl-state%3D1372kc3ppf\\_38](https://www.tis.bizfile.gov.sg/ngbtisinternet/faces/oracle/webcenter/portalapp/pages/TransactionMain.jspx?selectedETransId=PP001&_afLoop=105365120027786#%40%3FselectedETransId%3DPP001%26_afLoop%3D105365120027786%26_adf.ctrl-state%3D1372kc3ppf_38)

You can purchase the ACRA People Profile, if you wish to know the details of your entities records.

We are not able to accept an appeal on the outcome for the same application. In the event that an applicant strongly feels that he/she is able to address the issues in the letter – he/she may reapply for the grant, based on the condition that the applicant and company still fulfils all eligibility criteria (e.g. first-time entrepreneur, less than 6 months incorporation of company).

Do note that applications that meet eligibility criteria would still subsequently undergo a rigorous process of evaluation.

**4. Can I appeal if my application is not approved?**

Unsuccessful applicants are welcomed to apply for Startup SG Founder again through AMPs with a revised/new business proposal. Please ensure that there are material and significant changes made from the previous submission before resubmitting.

However, applicant(s) should ensure that your business entity should not have been registered or incorporated for more than 6 months at the point of re-application to SPRING.