UPDATES ON THE MARKET READINESS ASSISTANCE (“MRA”) GRANT 2020 (ENTERPRISE SINGAPORE)

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What is the MRA Grant?

Market Readiness Assistance is a government grant that aims to support Singapore's small and medium enterprises ("SMEs") to expand their business profile into the international market. It can be said that the MRA grant helps companies who are trying to tap into overseas markets by providing information, learning opportunities and financial assistance.

Recent key changes and enhancements made to the MRA grant as of 1 April 2020

In the recent Singapore Budget 2020 announcement, the Ministry of Finance said that under the new MRA companies can consult the Government on how to better leverage Free Trade Agreements ("FTAs") that Singapore has signed with other countries.

The grant cap for the MRA was increased from $20,000 annually to $100,000 per new market per company, in the enhancement period of FY2020-2022. The existing 70% support level for the MRA, which companies can use to pay for activities like promoting their products and services overseas and identifying business partners, will also be extended for another three years, until March 31, 2023.

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	Before 1 April 2020	With effect from April 2020
Eligibility: **Financial Assistance**	Up to 70% eligible costs, capped at S$20,000 per company per fiscal year starting from 1 April to 31 March the following year that covers: • Maximum of two applications per fiscal year • Limited to one activity (eg; market entry, or participation in a trade fair) per application	Up to 70% of eligible costs, capped at S$100,000 per company per **new market*** from 1 April 2020 to 31 March 2023 that covers: • There is no limit to the number of MRA applications that a company can apply for. This is to allow companies the flexibility to determine their pace of entry into the overseas market. • Each application is limited to one activity in a single overseas market (e.g. market entry, or participation in a trade fair) Sub-caps activities • Overseas market promotion (capped at S$20,000) • Overseas business development (capped at S$50,000) • Overseas market setup (capped at S$30,000) * A *new market* refers to a target overseas country whereby the applicant company has not exceeded S$100,000 in overseas sales in each of the last three preceding years

MRA Grant eligible activities

The tables below show the various types of eligible activities which a company can claim under the MRA grant:-

Overseas marketing promotion

	Supportable Activities
Overseas marketing and PR activities	Third-party costs incurred for: • Marketing and PR activities including launch of in-store promotions, road shows, pop-up stores • Pitching fees at overseas business/trade conferences
Participation in overseas trade fairs NOT supported under Local Enterprise and Association Development ("LEAD") International Fairs & Missions	Third-party costs incurred for: • Space rental (capped at 36 square metres) • Booth design and construction (capped at 36 square metres)

Overseas business development

	Supportable Activities
Business matching Market Entry	Third-party costs incurred to identify potential partners and/or customers (B2B) including the following: • Licensees/franchisees • Agents and distributors • Joint venture partners

Overseas market setup

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	Supportable Activities
Market Entry	Advisory, legal and documentation expenses relating to: • Name search • Intellectual Property search and application • Filing and registration for sales/representative offices or equity entity • Implementation of recommended tax structures • Import and export licences • Drafting of franchising, licensing, agency, distributorship and joint venture agreements (limited to only the first set of such agreements)
In-depth FTA Consultancy*	Consultancy, advisory and legal services such as: • In-depth assessment to identify opportunities available in FTAs • Analysis of company's supply chain • Application procedures for Customs rulings with issuing authority • Consultancy for FTA compliance, including internal guidelines/checklist

Eligible companies may apply for support under both Enterprise Development Grant ("EDG") and MRA grant as long as it is not for the same scope of work/services/activities supported. The EDG funds qualifying project costs namely third-party consultancy fees, software and equipment, and internal manpower cost. As announced at Supplementary Budget 2020, the maximum support level will be raised to 80% from 1 April 2020 to 31 December 2020. For enterprises that are most severely impacted by COVID-19, the maximum support level may be raised to 90% on a case-by-case basis.

As can be seen, the expenses incurred for protecting a company's intellectual property overseas continue to be eligible for the MRA Grant and the cap has been raised from 70% of $20,000 to $30,000 for each new market. It is timely for companies to make optimum use of the MRA grant in a challenging environment such as the present to break into new markets and to ensure that the intellectual property rights are protected.

Eligibility

To be eligible to apply for the MRA Grant, companies should be registered or incorporated in Singapore and have at least 30% local shareholding. Companies applying to enter the new market overseas must not have exceeded S$100,000 in overseas sales in each of the last three preceding years. Companies must also not have a Group Annual Sales Turnover of more than S$100 million or Company's Group Employment Size of more than 200 employees.
Companies that have previously benefited from MRA, but whose overseas sales for that market have not exceeded S$100,000, can continue to be supported during the enhancement period of 1 April 2020 to 31 March 2023.
Companies that have used up the maximum S$100,000 support for a particular market between 1 April 2020 and 31 March 2023 will not be eligible for any more MRA grants for that market.
If both parent company and its subsidiary apply for the MRA Grant, the grant cap of S$100,000 is applicable to each unique entity/company over the enhancement period. Enterprise Singapore will review the applications based on the applicant company's internationalisation plans. Different applicant

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companies with similar business registration details (including nature of business, address, shareholder/directorship, etc.) will be treated as connected enterprises and subjected to the cumulative grant ceiling of S$100,000 over the enhancement period.

Non-eligibility

The following list is non-exhaustive:

- A company which does not meet the eligibility criteria (as mentioned above)
- A company holding a shell business registration or having its main business operations outside Singapore
- A non-profit organisation
- A company seeking support for the purpose of fundraising or increasing domestic sales

Application

Companies can make their application through the Business Grants Portal website at https://www.businessgrants.gov.sg/.
There is no limit to the number of MRA applications that a company can apply for. This is to allow companies the flexibility to determine their pace of entry into the overseas market.
A company is allowed to apply to multiple new markets concurrently as long as the new market criteria is met and projects are within each activity grant sub-cap.
For information and advice concerning protection of intellectual property rights, please contact CNPLaw's Intellectual Property Lawyer, Ms See Tow Soo Ling.

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