Significant Infrastructure Government Loan Act

Qualifying criteria for "Nationally Significant Infrastructure"

Ownership

- The infrastructure should be owned by the government, and controlled by or on behalf of the government

Major

- The expected total project cost should be at least **S$4 billion**. To be part of one project, components must be physically contiguous or operationally dependent

Long-term

- The infrastructure should be available for use for at least **50 years**, because the qualifying infrastructure should generate benefits that are enjoyed by more than one generation

Important to national Interests

- The infrastructure should support national productivity or Singapore's economic, environmental or social sustainability
- Existing evaluation rigour and technical review of development projects to ensure project worthiness will continue to apply

There will be safeguards to ensure financial prudence

SAFEGUARDS	RATIONALE
Overall gross* borrowing limit of **S$90b**	■ Maintain discipline in use of debt instruments ■ S$90b is not a rolling limit. If government wishes to borrow more for infrastructure in future, legislative amendments will have to be passed by Parliament ■ Borrowing limit under SINGA will be separate from limits under existing Government Securities Act and Local Treasury Bills Act
Annual interest threshold of **S$5b**	■ Government may not raise any more loans under the SINGA if the total interest costs for existing loans under the SINGA crossed S$5 billion in the previous financial year ■ Avoids imposing overly onerous financing costs on future generations
SINGA can only be used to finance **nationally significant infrastructure**	■ Sets high bar for projects to qualify for borrowing ■ Ensures infrastructure benefits current and future generations ■ Recurrent spending to be paid through recurrent revenues such as taxes

**The total sums borrowed under SINGA (before deductions such as issuance cost and principal repayment) as at any point in time. This borrowing limit does not apply to borrowings for the purposes of refinancing or the enhanced repo facility.*

Source: MOF