## **SME Financing Guarantee Scheme (SFGS)**

## **Application Procedures**

#### **Step 1 – Application**

The participating Lender ("PL") assesses the application of the Borrower and, if the PL supports the application, it completes the application forms with the Borrower. The PL submits the duly signed application forms, a copy of the proposed facility letter<sup>Note 1</sup> and all necessary supporting documents to HKMC Insurance Limited ("HKMCI").

Normal Approval Route

Straight-Through Approval Route

#### Step 2 – Approval-in-Principle

The HKMCI issues a *Notification of Result* to the PL by around 3 business days in general. If the application is approved by the HKMCI, the PL prepares necessary documents for the borrower to sign and accept.

# <u>Step 3 – Confirmation and issuance of</u> <u>Guarantee</u>

The PL submits the signed documents and necessary supporting documents to the HKMCI for the issuance of the *Guarantee* by around 2 business days in general.

### Step 2 – Approval and issuance of Guarantee

If the application is approved, all the application form(s) are duly completed and signed and supporting documents are provided to the satisfaction of the HKMCI, the HKMCI issues a *Guarantee* to the PL by around 3 business days in general.

# <u>Last Step – Guarantee Fee Payment and Effective of Guarantee Note 2</u>

The PL collects the guarantee fee and remits to the HKMC. In the event that the Single Upfront guarantee fee is financed by the PL, the PL deducts the guarantee fee from the loan proceeds for remitting to the HKMC.

The relevant *Guarantee* in favour of the PL will take effect only until the guarantee fee is received by the HKMC.

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#### **Notes**

- 1. Submission of facility letter is not required for the Special 100% Loan Guarantee.
- 2. Last Step is not applicable to the Special 100% Loan Guarantee.

#### Remarks

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