Press Release

Enhancements to the Special 100% Loan Guarantee

The Financial Secretary announced in the 2021-22 Budget today (24 February) that enhancements will be made to the Special 100% Loan Guarantee of the SME Financing Guarantee Scheme (SFGS) and the application period will be extended to 31 December 2021, in order to further alleviate the cash flow pressure of small and medium-sized enterprises.

Under the enhancement measures, eligible enterprises should have been operating for at least three months as at 30 June 2020, and have suffered at least a 30% decline in sales turnover in any month since February 2020 compared with the monthly average of any quarter from early 2019 to mid-2020[1]. The maximum amount of loan per enterprise will be raised from the total amount of employee wages and rents[2] for 12 months to that for 18 months, or HK$6 million (originally HK$5 million), whichever is lower. Meanwhile, the maximum repayment period of the guaranteed loans will be increased from 5 years to 8 years, and the principal moratorium arrangement will be extended from up to 12 months to up to 18 months.

HKMC Insurance Limited is proactively undertaking the preparatory work with the lending institutions, and strives to roll out the above enhancement measures within one month. The implementation date will be further announced. By that time, borrowers with existing loans may apply to their lending institutions for increasing the loan amount, extending the repayment period, and/or extending

[1] Previously, eligible enterprises should have been operating for at least three months as at the end of 2019, and have suffered at least a 30% decline in sales turnover in any month since February 2020 compared with the monthly average of any quarter in 2019.

[2] If an enterprise does not have either employee(s) or rented office(s), the calculation can be replaced by half of the maximum monthly net income during the period from early 2019 to mid-2020.

the principal moratorium period if they deem appropriate. In general, no additional supporting documents will be required. For public enquiries, please call the SFGS Hotline at 2536 0392.

HKMC Insurance Limited
24 February 2021