

## **Press Release**

### **Enhancements to the SME Financing Guarantee Scheme**

The Financial Secretary announced in the 2022-23 Budget today (23 February) that the application period for the 80% Guarantee Product, the 90% Guarantee Product and the Special 100% Loan Guarantee of the SME Financing Guarantee Scheme (SFGS) will be extended to 30 June 2023.

In addition, in order to further alleviate the cash flow pressure of small and medium-sized enterprises in the time of the pandemic, the maximum loan amount per enterprise under the Special 100% Loan Guarantee will be raised from the total amount of employee wages and rents for 18 months to that for 27 months, subject to a ceiling of HK\$9 million (originally HK\$6 million), and the maximum repayment period will be extended from 8 years to 10 years.

Having regard to the new arrangement by the Hong Kong Monetary Authority and the banking sector to further extend the Pre-approved Principal Payment Holiday Scheme, HKMC Insurance Limited (HKMCI) will also extend the principal moratorium arrangement under the SFGS by 6 months to a total of 30 months, and the application period for principal moratorium will be extended to end-December 2022. Meanwhile, an option for borrowers to resume making partial principal repayment for one year will be provided, allowing borrowers to resume normal repayment gradually if they are willing and capable. Whether a borrower chooses the principal moratorium arrangement or the partial principal repayment option, the loan tenor and the guarantee period will generally be extended accordingly.

The HKMCI will follow up on the implementation details with the lending institutions and strive to roll out the above measures in around one and a half

months. The effective date and details will be further announced.

HKMC Insurance Limited

23 February 2022