**Press Release**

# SME Financing Guarantee Scheme Enhancements to Take Effect

HKMC Insurance Limited announced that enhancements to the SME Financing Guarantee Scheme (SFGS) will take effect from 1 April 2022 (Friday).

To further alleviate the cash flow pressure of small and medium-sized enterprises in the time of the pandemic, the Financial Secretary announced in the 2022-23 Budget that the maximum loan amount per enterprise under the Special 100% Loan Guarantee will be raised from the total amount of employee wages and rents (Note 1) 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 eight years to 10 years. Eligible enterprises should have been operating for at least three months as at 31 March 2022, and have suffered at least a 30% decline in sales turnover in any month since February 2020 compared with the monthly average of any preceding quarter from January 2019 to March 2022. (Note 2)

In addition, the principal moratorium arrangement for the 80% Guarantee Product, the 90% Guarantee Product and the Special 100% Loan Guarantee of the SFGS will be extended by six months to a maximum of 30 months in total. 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.

The application period of the SFGS has been extended to 30 June 2023. Details are available on the SFGS webpage: https://www.hkmc.com.hk/sfgs. For enquiries, please call the SFGS Hotline at 2536 0392.

HKMC Insurance Limited

30 March 2022

Notes:

1. If an enterprise does not have employees as well as business premises, the calculation can be replaced by half of the maximum monthly net income during the period from January 2019 to March 2022.

2. Previously, 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 January 2019 to June 2020.