Press Release

Extension of Principal Moratorium for the SME Financing Guarantee Scheme

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 announced today (Thursday) that the application period for the principal moratorium arrangement under the SME Financing Guarantee Scheme (SFGS) will be extended by six months to end-June 2023. The maximum principal moratorium period will be extended by six months to a total of 42 months [(Note)].

Meanwhile, two options for making partial repayment will be provided, allowing borrowers to resume normal repayment gradually if they are willing and capable. Borrowers may choose to repay 20% of the original principal repayment amount monthly for one year, or repay half of the original principal repayment amount monthly for two years. 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 above arrangements will take effect from 24 October 2022 (Monday). Borrowers wishing to apply may approach lending institutions to discuss the arrangement.

HKMC Insurance Limited

20 October 2022

Note: Currently, for term loan facilities, borrowers may apply for principal moratorium of no more than 12 months each time. If the principal moratorium period is about to expire, the borrowers in need may apply for a renewal of no more than 12 months in the relevant application period, but the total number of months of principal moratorium cannot exceed the limit set under the scheme. To be eligible for the principal moratorium arrangement, the borrowers and/or the related facilities shall not have outstanding default for more than 30 days. These requirements will continue to be applicable during the extended application period for principal moratorium as mentioned above (i.e. until end-June 2023).