Press Release

Extension of Principal Moratorium for the SME Financing Guarantee Scheme

As entrusted by the Government, HKMC Insurance Limited announced that the application period for the principal moratorium arrangement under the SME Financing Guarantee Scheme (SFGS) will be further extended by three months to end in end-September 2023. The maximum principal moratorium period will remain at 42 months (Note).

The principal moratorium arrangement is a time-limited special relief measure first introduced in September 2019 for the 80% Guarantee Product of the SFGS. Since then, it has been extended several times, having regard to the COVID-19 epidemic, and made applicable to the 90% Guarantee Product and the Special 100% Loan Guarantee, to help small and medium enterprises manage their cash flow amidst economic uncertainties.

With the Hong Kong economy recovering steadily as the epidemic subsides, this special relief measure has fulfilled its purpose, and its application period will expire in end-September this year.

Borrowing enterprises in need may apply for principal moratorium before the end of the application period, or thereafter apply for a partial repayment option so that normal repayment could be resumed gradually. Enterprises should approach their lending institutions in due course to discuss the arrangements.

HKMC Insurance Limited
23 June 2023

Note: Currently, for term loan facilities, borrowing enterprises may apply for principal moratorium of no more than 12 months each time. If the principal moratorium period is about to expire, borrowing enterprises 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 SFGS. To be eligible for the principal moratorium arrangement, borrowing enterprises 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 mentioned above (i.e. until end-September 2023).