

SME Financing Guarantee Scheme

Further Enhancement Measures

With the rapid deterioration of the business environment following the outbreak and spread of the COVID-19, the Government has announced on 8 April 2020 to further enhance the various loan guarantee products under the SME Financing Guarantee Scheme to provide enterprises with the much needed financial support to ease their cash flow problems, in the following ways –

- (a) for the 80% Guarantee Products, to:
 - (i) increase the maximum loan amount per enterprise from \$15 million to \$18 million;
 - (ii) provide interest subsidy for the loans. The amount of subsidy is the loan interest rate minus 2.75%, subject to a cap of 3%, for one-year period; and
 - (iii) extend, for a one-year period, the eligibility criteria to cover publicly listed companies in Hong Kong subject to personal guarantee by individual shareholder(s) directly or indirectly holding more than 50% of the equity interest of the enterprise;

- (b) for the 90% Guarantee Products, to:
 - (j) increase the maximum loan amount per enterprise from \$6 million to \$8 million;
 - (ii) provide interest subsidy for the loans. The amount of subsidy is the loan interest rate minus 2.75%, subject to a cap of 3%, for a one-year period; and
 - (iii) extend, for a one-year period, the eligibility criteria to cover publicly listed companies in Hong Kong subject to personal guarantee by individual shareholder(s) directly or indirectly holding more than 50% of the equity interest of the enterprise;

- (c) for the Special 100% Loan Guarantee, to:
 - (i) increase the total guarantee commitment from \$20 billion to \$50 billion;
 - (ii) increase the maximum loan amount per enterprise from \$2 million to \$4 million;
 - (iii) extend the application period from 6 months to 12 months;
 - (iv) provide the option for principal moratorium for the first 12 months instead of first 6 months.

The effective date for the enhancement measures will be announced later.