

New Relief Measure for 80% Guarantee Product

The following is issued on behalf of the Hong Kong Monetary Authority:

HKMC Insurance Limited, a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited (HKMC), announces today (September 4) that a new relief measure will be introduced for the 80% Guarantee Product of the SME Financing Guarantee Scheme (SFGS), to provide immediate support to SMEs which are facing weakening cash flow amidst the current economic uncertainties.

Under the new relief measure, SME borrowers may apply to their lenders under the SFGS for principal moratorium of up to 6 months which is renewable, subject to a maximum of 12 months in total. During such period, only interest payments have to be made. The guarantee period can be extended correspondingly, but should not exceed the maximum guarantee period of 7 years, with guarantee fee payable to cover the extension of the guarantee period. The new measure is applicable to both existing and new SME borrowers under the SFGS.

The Chairman of the HKMC and Financial Secretary, Mr Paul Chan, said, "The global economic outlook is darkened by heightened uncertainties, and the Hong Kong economy is facing significant downward pressure. The Government believes that the new relief measure for the SFGS can timely help SMEs ease their cash flow pressure. We also hope that lenders can make use of the new measure to assist SMEs in getting through difficult times."

The new relief measure takes immediate effect and will last for one year.