

Headscratching  
for cash?



## SME Loan Guarantee Scheme can help

## SME Loan Guarantee Scheme (SGS)

### Purpose

The SGS aims to help small and medium enterprises (SMEs) to secure loans from the participating lending institutions (PLIs) for :

- acquiring business installations and equipment; and
- meeting working capital needs,  
with the Government acting as the guarantor.

### Eligibility

SMEs that are registered in Hong Kong under the Business Registration Ordinance (Chapter 310) with substantive business operations in Hong Kong, except lending institutions and their associates.

“SMEs” refer to any manufacturing businesses which employ fewer than 100 persons in Hong Kong; or any non-manufacturing businesses which employ fewer than 50 persons in Hong Kong. “Business” refers to a legal entity which is engaged in any form of business for the purpose of gain.

### Use of loans

- Business installations and equipment loans shall be used for acquiring business installations and equipment relating to the applicants' business operations within or outside Hong Kong. Business installations and equipment may include machinery, tools, computer software and hardware, communication system, office equipment, transport facilities, furniture, and fixtures.
- Working capital loans shall be for general business use in meeting working capital needs of the applicants.

### Guarantee ceiling and period

- The amount of guarantee for an SME is 50% of the approved loan. The guarantee can be used to secure loans for either business installations and equipment or working capital, subject to a maximum amount of \$6 million. The guarantee period is up to 5 years.

- If an SME has fully repaid the business installations and equipment loan(s) or working capital loan(s) backed up by the guarantee under the Scheme, the SME is eligible one more time for the respective guarantee amount, subject to a maximum amount of \$6 million.

### Repayment

Applicants are required to repay the loans to the PLIs by instalments.

### Other requirements

An SME that has been established for 18 months or more is required to submit its latest audited account (for a limited company) or its latest statement of accounts (for an unlimited company) to the PLI at the time of submitting loan application.

### Application procedure

Applications must be lodged through the PLIs. A list of the PLIs can be obtained from the homepage of the SME Funding Schemes at [www.smefund.tid.gov.hk](http://www.smefund.tid.gov.hk).

### For enquiries, please contact:

- the PLIs; or
- the SME Loan Guarantee Scheme Section of the Trade and Industry Department (15/F, Trade and Industry Tower, 3 Concorde Road, Kowloon City, Hong Kong)

 : 2398 5125 / 2398 5129

 : [sgs\\_enquiry@tid.gov.hk](mailto:sgs_enquiry@tid.gov.hk)

 : [www.smefund.tid.gov.hk](http://www.smefund.tid.gov.hk)