

Email dated 28 September 2022 to PLIs

Subject : Extension of Principal Moratorium (PM) and Pre-approved Principal Payment Holiday Scheme (PPPHS) under SME Loan Guarantee Scheme (SGS)

Dear All,

I refer to our email dated 14 April 2022 regarding the arrangement of Principal Moratorium (PM) and Pre-approved Principal Payment Holiday Scheme (PPPHS) under the SME Loan Guarantee Scheme (SGS). Please be informed that, with immediate effect, -

(1) The PPPHS, which covers SGS loans (except those loans which have approved with a total of 36 months of principal moratorium), has been extended to the **end of January 2023**. Principal repayments on loans falling due between November 2022 and January 2023 can be deferred by six months. Please refer to the press releases of the Hong Kong Monetary Authority on 16 September 2022 and 23 February 2022–

- Press release on 16 September 2022 regarding the extension of PPPHS:
<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2022/09/20220916-6>
- Press release on 23 February 2022 regarding other operational details of PPPHS:
<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2022/02/20220223-6/>

(2) The maximum duration of principal moratorium is increased from 30 months to **36 months**. The loan guarantee period can be extended correspondingly.

In accordance with the above, the Information Sheet of September 2019 for PM and the Information Sheet of April 2020 for PPPHS (with last revision for both on 14 April 2022) would be revised as below –

Information Sheet of September 2019 for PM and Emails dated 15 July 2020, 3 September 2020, 30 March 2021, 20 October 2021 and 14 April 2022 to PLIs on New Arrangement of PM

Part (II) (3) : would be replaced by “**Under the new relief measure, a Lender may offer a Borrower: (a) not more than 12 months principal moratorium period for each request of the Borrower; and (b) in aggregate, not more than 36 months principal moratorium period during the term of the Facility.**”

Part (IV) (10) : would be replaced by “**The SGS facility shall be repaid by instalments and be fully amortised by the end of the Guarantee Period. The Lender may allow the Borrower to pay interest only for a total period of not more than 36 months during the term of the SGS facility, and to repay the principal and pay interest over the remaining tenor of the SGS facility thereafter.**”

Information Sheet of April 2020 for PPPHS and Emails dated 3 September 2020, 20 October 2021 and 14 April 2022 to PLIs

Part (II) (4) : would be replaced by “**PPPHS is applicable to all eligible Borrowers with SGS loans, except Borrowers that have approved with a total of 36 months’ principal moratorium (“PM”) launched by the Trade and Industry Department (“TID”) on 4 September 2019.**”

Except the above changes and changes in our emails of 15 July 2020, 3 September 2020, 30 March 2021, 20 October 2021 and 14 April 2022, other parts of the Information Sheets remain valid.

Should you have any questions, please contact Ivy TAM at 2398 5622 or Tammy WONG at 3403 6404.

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