

Email dated 28 October 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 28 September 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 42 months of principal moratorium), has been extended for a further six months to the **end of July 2023**. Besides, on top of the existing one-year 20% partial principal repayment option, a two-year 50% partial principal repayment option will be offered (collectively “partial principal repayment options” or “PPRs”). Please refer to the press release of the Hong Kong Monetary Authority on 20 October 2022 –

<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2022/10/20221020-3/>

- (2) The application period for PM under SGS is extended from 31 December 2022 to **30 June 2023**. The maximum duration of principal moratorium is increased from 36 months to **42 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 28 September 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, 14 April 2022 and 28 September 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 (“PM”) period for each request of the Borrower; and (b) in aggregate, not more than 42 months PM period during the term of the Facility.”**

Part (II) (4) : would be replaced by **“The guarantee period of loans, including those which have reached the maximum loan period of 5 years, can be extended correspondingly to cover the period granted for PM and partial principal repayment options (“PPRs”).”**

Part (II) (5) : would be replaced by **“The new relief measure is effective from 4 September 2019 up to 30 June 2023.”**

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 42 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.”**

Part (V) : would be replaced by **“Lenders shall submit the following data to the Trade and Industry Department in MS Excel file format via email (email address: ivytam@tid.gov.hk) on a monthly basis for SGS loans granted with PM and/or PPRs in the preceding calendar month by the 15th Business Day of the month –**

- (a) Guarantee No., SGS Application No. and Name of the Borrower;**
- (b) Effective date of the first instalment of the PM and/or PPRs;**
- (c) Length of PM and/or PPRs;**
- (d) The percentage of PPRs opted by the Borrower (if any);**
- (e) Extension of tenor extended (“Yes”/“No”);**

- (f) New maturity date of the Facility;
- (g) Total period of PM + PPPHS applied including the current application; and
- (h) Others (please specify, if any).”

Information Sheet of April 2020 for PPPHS and Emails dated 3 September 2020, 20 October 2021, 14 April 2022 and 28 September 2022 to PLIs

Part (II) (4) : would be replaced by “**PPHS is applicable to all eligible Borrowers with SGS loans, except Borrowers that have approved with a total of 42 months’ principal moratorium (“PM”) launched by the Trade and Industry Department (“TID”) on 4 September 2019.**”

Part (III) (6) : would be replaced by “**The guarantee period which have reached the maximum loan period of 5 years can be extended to also cover the period granted for Principal Payment Holiday (“PPH”) and partial principal repayment options (“PPRs”).**”

Part (III) (7) : would be replaced by “**Lenders shall submit the following data to TID in MS Excel file format via email (email address: ivytam@tid.gov.hk) on a monthly basis for SGS loans granted with PPH and/or PPRs in the preceding calendar month by the 15th Business Day of the month –**

- (a) **Guarantee No., SGS Application No. and Name of the Borrower;**
- (b) **Effective date of the first instalment of the PPH and/or PPRs;**
- (c) **Length of PPH and/or PPRs;**
- (d) **The percentage of PPRs opted by the Borrower (if any);**
- (e) **Extension of tenor extended (“Yes”/“No”);**
- (f) **New maturity date of the Facility;**
- (g) **Total period of PM + PPPHS applied including the current application; and**
- (h) **Others (please specify, if any).”**

Except the above changes and changes in our emails of 15 July 2020, 3 September 2020, 30 March 2021, 20 October 2021, 14 April 2022 and 28 September 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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