

Email dated 14 April 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 20 October 2021 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 30 months of principal moratorium), has been extended for a further six months to **end October 2022**. Besides, the scheme will offer a partial principal repayment option to corporate customers currently participating in the Scheme to resume repaying 20% of the original principal repayment amount over a period of one year on a voluntary basis (“partial principal repayment option”). Please refer to the press release of the Hong Kong Monetary Authority on 23 February 2022 –

<https://www.hkma.gov.hk/eng/news-and-media/press-releases/2022/02/20220223-6/>

- (2) The application period for PM under SGS is extended from 30 June 2022 to **31 December 2022**. The maximum duration of principal moratorium is increased from 24 months to **30 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 20 October 2021) would be revised as below –

**Information Sheet of September 2019 for PM and Emails dated 15 July 2020, 3 September 2020, 30 March 2021 and 20 October 2021 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 30 months principal moratorium 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 principal moratorium and partial principal repayment option.**”

Part (II) (5) : would be replaced by “**The new relief measure is effective from 4 September 2019 up to 31 December 2022.**”

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 30 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 and 20 October 2021 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 30 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 option.”**

For borrowers opt for partial principal repayment option, Lenders shall provide information to TID on a monthly basis together with the current summary for SGS loans granted with PPH/PM. In accordance with the information, TID will issue revised Guarantee to the Lenders.

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