



HONG KONG MONETARY AUTHORITY  
香港金融管理局

Press Releases

16 Sep 2022

## Extension of Pre-approved Principal Payment Holiday Scheme for 3 months

The Hong Kong Monetary Authority (HKMA), together with the Banking Sector SME Lending Coordination Mechanism (Mechanism), today (16 September) announced that the Pre-approved Principal Payment Holiday Scheme (Scheme) will be extended for another three months to the end of January 2023, to allow time to review the Scheme and further study the way forward. Further announcement will be made at a suitable juncture.

Although the local economy has started to recover from the impact of the COVID-19 pandemic, the external environment and the economic outlook remain complicated and uncertain. As the Scheme will soon expire at the end of October, and some corporates are facing pressing cash-flow pressure, the HKMA and the Mechanism will extend the Scheme for another three months in the interim to the end of January 2023. In the meantime, the HKMA and the Mechanism will work with relevant Government departments to review the Scheme and further study the way forward. Further announcement will be made at a suitable juncture.

Corporate customers who want to participate in principal repayment holiday can have principal repayments on loans falling due between November 2022 and January 2023 deferred by six months except for repayments of trade loans, which will be deferred by 90 days. For trade facilities which are self-liquidating in nature, banks may require the loan to be settled when the customer has received the underlying payment. Corporate customers in need of principal repayment deferment may contact their banks. Requests will be handled on a "pre-approved" basis. For loans which have been extended for 540 days or more successively since the first drawdown (or trade loans which have been extended for 270 days or more successively since the first drawdown), banks have the flexibility to offer different forms of suitable credit relief to help the customers ride out the current difficulties, subject to prudent risk management principles. Other operational details of the Scheme remain unchanged. For details, please refer to the press release published by the HKMA on 23 February 2022.

If corporate customers have enquiries about the Scheme, please contact the HKMA via the dedicated email account ([ppphs@hkma.gov.hk](mailto:ppphs@hkma.gov.hk)) or enquiry hotline (2878 1199).

### Background

The Banking Sector SME Lending Coordination Mechanism was established by the HKMA in October 2019. Participants include 11 banks that are most active in SME lending. The Hong Kong Association of Banks and the HKMC Insurance Limited are also represented in the

Mechanism. Since its establishment, the Mechanism has rolled out several rounds of relief measures for corporate customers, including the Scheme, loan tenor extensions, and the conversion of trade financing lines into temporary overdraft facilities. At the end of August 2022, banks had granted over 99,000 applications for loan tenor extension and other forms of relief, involving an aggregate amount of HK\$1 trillion.

The Scheme covers all corporate customers that have an annual sales turnover below HK\$800 million and that have no seriously overdue loan payments. The Scheme took effect in May 2020 with around 100 participating banks and covers around 120,000 eligible corporate customers. The Scheme has been extended in November 2020, May 2021, November 2021 and May 2022, for six months each time, to end-October 2022. Between November 2021 and April 2022, the number of participating corporate customers dropped to 2,600 (participation rate of 2.3%), significantly lower as compared to 19,000 (participation rate of 16%) when the Scheme was first launched.

Hong Kong Monetary Authority  
16 September 2022

Last revision date : 16 September 2022