立法會
Legislative Council

Ref : CB(3)/M/MM

Tel : 3919 3300

Date : 17 December 2012

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 19 December 2012

**Amendment to amendment to motion on
"Small and Medium Enterprises Financing Guarantee Scheme"**

Further to LC Paper No. CB(3) 237/12-13 issued on 13 December 2012, Members are invited to note that the President has given permission for Hon Dennis KWOK to move an amendment to Hon Jeffrey LAM's amendment (i.e. the first amendment to the motion). The terms of the motion as amended by the two Members are set out in the **Appendix**.

2. As directed by the President, Hon Dennis KWOK's amendment will be printed in the terms in which it was handed in on the Agenda of the Council.

(Odelia LEUNG)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
"Small and Medium Enterprises Financing Guarantee Scheme"
to be held at the Council meeting of 19 December 2012**

Motion as amended by Hon Jeffrey LAM and Hon Dennis KWOK

That~~, with~~ *it is widely known that* the uncertain external economy ~~and,~~ the slowdown in the Mainland's economic growth~~, the Hong Kong economy may have downside risks in the future, making the prospects for the~~ *and the tightening of credit probably resulting from economic downturn have made the financing and* operation of small and medium enterprises ('SMEs') difficult; the Hong Kong Mortgage Corporation Limited, with the support of the SAR Government, introduced the Special Concessionary Measures under the Small and Medium Enterprises Financing Guarantee Scheme ('the Scheme') in late May this year to provide 80% guarantee coverage to SMEs at a concessionary level of guarantee fee~~, with the application period of nine months~~ *to* ~~satisfy~~ *respond to their financing needs and enhance enterprises' productivity and competitiveness*; under the Scheme, banks only need to bear 20% of the risks~~, but the interest rates levied are on a par with the interest rates of ordinary commercial loans, being as high as 5% to 6%; under the quantitative easing policy of the United States, the Hong Kong Interbank Offered Rate for a period of one year is as low as 0.86%, and banks' property mortgage rates are also as low as some 2%, reflecting that the interest rates under the Scheme are unreasonable, and the Scheme is unable to really help SMEs~~*; the Scheme enables,* ~~which enables~~ *banks to grant loans at ease and is also conducive to stabilizing the banking system;* ~~as at late November this year, 4 672 applications had already been approved under the Scheme, with the guarantee coverage amount reaching $16.9 billion, thus helping many~~ *yet, the persistently high interest rates of loans are unable to really help* SMEs *to* tide over financing difficulties; ~~in this connection~~ *to further support SMEs*, this Council urges the Government to:

(1)   negotiate with banks to lower the interest rates *and extend the loan tenor* under the Scheme, so as to alleviate the loan burden on SMEs;

(2)   extend the application period of *the 'Special Concessionary Measures' under* the Scheme, relax the application restrictions and lower the approval threshold; ~~and~~

(3)　　　***strengthen the communication between banks and SMEs, and assist enterprises in understanding banks' criteria for loan vetting and approval; and at the same time,*** make assessments having regard to the future economic development, ~~and~~ regularly review the needs of implementing the Scheme and its adequacy, ***~~and introduce more measures or accept the proposal long advocated by the industrial and commercial sector to re-launch the Special Loan Guarantee Scheme~~*** ***in a timely manner,*** so as to assist SMEs in resolving capital flow problems***; and***

*(4)　　　**to allow enterprises' subsidiaries or related entities, after providing proofs to the Hong Kong Mortgage Corporation Limited, to make independent applications and be able to obtain the maximum loan amount**.*

Note:　Hon Jeffrey LAM's amendment is marked in ***bold and italic type*** or with deletion line.

Hon Dennis KWOK's amendment is marked in ***bold and italic type with dotted line***.