

GOVERNMENT TO SUPPORT FINANCING OF SMEs AND SMALL MERCHANTS HIT BY CORONAVIRUS

The government announced on February 7, 2020 plans to make new financing reliefs available for SMEs and small merchants that have suffered losses due to the spread of the new coronavirus. The reliefs include new loans as well as maturity extensions of existing loans and guarantees by policy banks for SMEs and small merchants hit by the spread of the new coronavirus.

FOR SMALL & MEDIUM-SIZED ENTERPRISES

I. NEW LOANS

In order to help SMEs with their business financing challenges, the government will provide about KRW1.9 trillion in new funds through policy banks.

II. LOAN EXTENSION

SMEs and small merchants with existing loans or guarantees from policy banks that are facing a maturity date within six months may apply for a one-year extension of maturity date as well as a postponement of principal repayment for one year.

III. EXPORT-IMPORT FINANCING SUPPORT

The new financing support is also available to SMEs having problems with purchase order payment or delivery of goods due to a lockdown in China's Hubei province.

IV. FRONTLOADING FUNDS FOR SMEs

KRW 230 trillion in new loans and guarantees allocated for SMEs this year will be frontloaded to help relieve challenges caused by the new coronavirus outbreak.

FOR SMALL MERCHANTS & SELF-EMPLOYED

Small merchants and self-employed business owners who experience an abrupt decline in sales due to the spread of the new coronavirus may be eligible for new loans at low and/or fixed interest rates, or special guarantees.

STRENGTHENING MARKET OVERSIGHT

The government will strengthen its efforts to monitor and prevent market abusive activities in the capital markets.

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