Microfinance in the COVID-19 Crisis:
Examples of Regulatory Responses Affecting Microfinance Providers

(updated June-July 2020)[1]

Measures	Country examples
1. Enable Microfinance Providers (MFPs) to operate during lockdowns	
Classification as "essential service" or similar Measures that allow or require MFPs and ancillary services (including agents) to continue to operate during lockdowns	**India** – Banks and ancillary services (ATMs, cash management and agents) were declared essential services at the outset of the lockdown. The Ministry of Home Affairs later clarified that NBFC MFPs were included, but rules set by local administrations made it difficult for NBFC MFPs to resume operations.
	Jordan – The CBJ allowed financial services providers to relax business hours and required them to follow safety measures. At first, MFIs were not allowed to operate but were later included in the exemption to the lockdown.
	Mexico – All financial services were declared essential, including third parties such as agents.
	Morocco – MFPs continued to operate with reduced hours during the lockdown, but no official guidance was issued.
	Nigeria – Banks, MFBs, mobile money operators and payment service providers were declared essential services at the outset of the lockdown.
	Pakistan – Banks and MFBs were designated essential services, while advised to reduce business hours and staff number at premises. NBMFCs, under the SECP, were not included, and the decision to allow their operation was left to provincial authorities. NBMFCs remained closed until lockdown measures were eased later on.
	Peru – All financial institutions were declared essential services and allowed to modify business hours.
	Rwanda – All financial institutions were declared essential services and allowed to operate from 8am to 3pm.
	Uganda – All financial institutions were allowed to continue operating during lockdowns, with modified business hours.
	Zambia – All financial institutions were declared essential services, allowed to modify business hours and temporarily close high-risk branches. BOZ imposed additional measures such as requiring institutions to keep a register of all customers who visit branches, and provide hand sanitizer and masks for all front line staff.
Facilitation of digital payments and transactions Measures that reduce obstacles for MFPs to increase use of or migrate to digital transactions, account opening or loan underwriting, as well as public encouragement by	**Egypt –** FRA required nonbank MFPs to provide fee-free services, including electronic transactions. The CBE waived, for 6 months, fees for point of sales transactions including ATMs and e-wallets; waived fees on domestic remittances until Sep 15th, 2020; increased limits to e-wallets and prepaid cards; required banks to process domestic remittances on the same day; required banks to use digital customer onboarding procedures and issue e-wallets and prepaid cards for free for 6 months; established temporary maximum value limits for deposits at branch and ATMs. The CBE also launched a program to increase the number of merchants who can accept payment using QR Codes and to add over 6,000 ATMs to the existing network.
	India – NPCI and RBI issued statements encouraging the use of digital payments.
	Kenya – The CBK directed PSPs and banks to waive fees for digital payments (including transfers between bank accounts and mobile money accounts) and banks to waive fees for balance enquiries. CBK increased the transaction limit, daily limit, and wallet limit for mobile money accounts, and eliminated the monthly transaction limit. CBK measures were originally valid until 30 June 2020, but later extended for another 6 months until the end of 2020. Fees were waived for 3 months for mobile money transactions up to KES 1000 (US$ 9.29), extended until 31 December 2020.
	Nigeria – CBN had suspended all cheque clearing on 30 March 2020 (indefinitely) but temporarily lifted the suspension on April 28th,

[1] Listed measures are indicative only, updated based on available information as of June 5, 2020, with select updates through July 2020.

CGAP

Microfinance in the COVID-19 Crisis:
Examples of Regulatory Responses affecting Microfinance Providers
(updated June-July 2020)[1]

Measures	Country examples
authorities, for people to use digital payments.	2020. CBN recommended that Nigerians use alternative payment platforms and be wary of cash and ATMs. From 20 April 2020, CBN extended the Nigeria Uniform Bank Account Number (NUBAN) to nonbank institutions.
	Pakistan – SBP waived inter-bank charges on funds transfers; temporarily allowed MFBs to use NADRA's online verification system for account opening and transaction authentication; encouraged MFBs to introduce electronic account opening; and increased the transaction limit and maximum balance for non-biometrically verified merchant accounts. These changes were initially valid until 30 September 2020, but later extended to 31 December 2020 in the case of banks. In the case of MFBs, biometric verification will resume on 31 January 2021 for medium priority customers, and on 31 March 2021 for normal priority customers. SBP also allowed digital onboarding of agents. Banks and MFBs were advised to provide uninterrupted availability of ATM services.
	Peru – SBS increased transaction (threefold) and account balance limits (fivefold) of basic accounts. It exempted, until 31 December 2020, e-money issuers from setting up a *fideicomiso* (civil law alternative to a trust) to safeguard client funds. Instead, the funds must be placed in a current account at an institution classified as at least A+ by a rating agency. The transaction and balance limits for e-money accounts were also increased. From mid-May until 31 December 2020, institutions can open accounts for beneficiaries of G2P transfers without requiring clients to sign a contract and following simplified customer due diligence procedures.
	Russia – CBR recommended all MFIs, pawnshops, cooperatives and credit bureaus to use remote transactions and communications.
	Rwanda – BNR imposed, for 3 months starting on 19 March 2020, zero charges on mobile money transfers and transfers between bank and mobile money accounts, and zero merchant fees for transactions on contactless POS. Fees were reinstated by BNR on 22 June 2020. BNR increased transaction limits and encouraged citizens and merchants to use digital payments. Third party cheques are no longer allowed to be cashed out at bank counters. Personal cheques can only be checked out for up to RWF 1 M (US$ 1,056) daily. This limit was later increased to RWF 5 M (US$ 5,281).
	Uganda – BOU allowed mobile money providers to temporarily eliminate fees. BOU allowed borrowers who are unable to be present at a branch to request debt relief through a recorded phone call, email, or other digital or electronic format (physical signature to be collected later on).
	Zambia – BOZ reduced interbank payment and settlement processing fees, increased transaction and balance limits for e-money accounts (eliminated limits for agents and corporates), waived charges on e-money transactions up to ZMW 150 (US$ 8.21), urged commercial banks to wave fees for transfers between bank and e-money accounts for 3 months, and capped merchant discount rates at 2%. The suspension of mobile money transaction fees was extended until 31 August 2020.
2. Debt relief measures	
Optional or mandated debt relief covering MFP borrowers Measures that allow or require MFPs to	**Egypt –** FRA required nonbank MFPs to provide, on a case by case basis, reduction or deferral of 50% of loan installments for a minimum of two months (total grace period to be determined individually) for loans current as of 29 March 2020. Deferred installments are to be paid after the "basic installments" are paid, at the end of the loan term. The CBE required banks to apply moratoria of 6 months (from June 2020) for all loans without imposing additional interest or fines.
	India – RBI permitted institutions (including NBFC MFPs, SFBs, and cooperative banks) to offer a moratorium of 3 months from 1 March 2020 (later extended until 31 August 2020), on principal and interest payments for all pre-existing term loans, with equivalent shifting of the loan tenor. Institutions were also permitted to restructure working capital facilities by deferring interest payments for 3

Microfinance in the COVID-19 Crisis:
Examples of Regulatory Responses affecting Microfinance Providers
(updated June-July 2020)[1]

Measures	Country examples
provide moratoria or otherwise restructure loans, which will benefit from special prudential rules	months from 1 March 2020 (extended to 31 August); reducing margins until 31 August 2020; and/or reassessing the working capital cycle until 31 March 2021. Only facilities classified as Standard as of 29 February 2020 (current loans, past due loans and NPLs) can be included in the relief package. The granting of relief must be based on policies approved by the lender's Board.
	Kenya – CBK directed banks to reschedule pre-existing personal loans for up to a year, upon the borrower's request, based on individual circumstances arising from the pandemic. SMEs and corporates may also contact their banks for assessment and restructuring of their loans.
	Kyrgyzstan – NBKR required banks and NBFIs to review the terms of loans (corporates and individuals) impacted by the crisis and provide payment deferral for at least 3 months upon the borrower's application. The decision is up to the lender, on a case by case basis. This rule is valid until further determination by NBKR.
	Mexico – CNBV permitted all institutions, including many MFP types, to renew or restructure commercial, consumer and housing loans for up to 6 months from 28 February 2020 (or 18 months for rural loans). The relief only covers loans that were current as of 28 February 2020 (31 March 2020 for other institutions) and must be given within 120 days from this date. Loans to related parties were excluded from the special regulatory treatment. Lenders were encouraged to provide additional relief, such as pardoning or reducing interest.
	Nigeria – CBN loan facilities to institutions, including MFBs, received an automatic moratorium of one year with interest rate reduction in exchange for mandated relief to clients in the form of "new amortization schedules." In addition, CBN granted all Deposit Money Banks permission to consider temporary and time-limited restructuring of the tenor and the terms for businesses and households. CBN to work with banks to ensure the relief is targeted, transparent and temporary.
	Pakistan – SBP allowed banks/DFIs to grant moratoria of up to one year on principal payments, upon requests made by borrowers by June 30th, 2020 (this deadline was later extended to 30 September 30 2020, except for corporates and commercial loans). Banks/DFIs must justify any refusal of the borrower's request for deferment by reporting to SBP. Borrowers may also apply for deferment of interest payments. If borrowers need more than a one-year deferment, restructuring can be done under special prudential rules valid only for rescheduling done within 180 days from the date on which the loan became past due. Rules do not apply to loans past due by 31 December 2019. The loans rescheduled or restructured within 180 days from the due date of payment will not be treated as defaults or reported as such. Banks would also not be required to suspend the unrealized mark-up against such loans. SECP has allowed NBMFCs to defer repayment of principal for up to one year provided that the mark-up will continue to be serviced. The deferments will not be reported to the credit bureaus, and the credit history of the borrower will remain unaffected. For borrowers whose financial condition requires relief beyond one-year deferment of the principal amount, SECP may reschedule/restructure if request is received within 90 days of loan being overdue.
	Peru – The SBS allowed regulated institutions to provide relief to borrowers who had been current (or up to 15 days past due), at 29 February 2020, but were affected by the crisis. Initially, loan tenors could be extended for up to 6 months, and this was later extended to 12 months and to loans past due for up to 30 days, for relief granted on or after 29 May 2020. Regulated institutions can provide this relief by modifying the contractual terms for borrowers (individuals and companies) upon their request or in bulk (without contacting/notifying each borrower). In the latter case, a borrower not interested in this special rescheduling must contact the lender.

Measures	Country examples
	In addition, the SBS allowed suspension of the counting of days past due for loans more than 15 days late as of 29 February--initially the suspension could last until the end of the state of emergency, but a sunset date of 31 July was later adopted.
	Russia – Borrowers whose income decreased by over 30% can request a credit holiday until October 2020. This can be done remotely, if the borrower is able to provide documents proving the reduction of income within 90 days (can be extended to 120 days). CBR recommends banks, MFIs, and credit coops to satisfy the requests in a timely manner, and to not accrue interest or charge late fees/ penalties.
	Rwanda – BNR allowed banks to restructure existing loans of borrowers facing temporary cash flow challenges.
	Tunisia – MFPs under the Ministry of Finance were required to approve requests for loan rescheduling.
	Uganda – BOU permitted Tier 1- 3 institutions to restructure loans of corporates and individuals impacted by the pandemic, on a case by case basis, for up to 12 months from 1 April 2020, including moratoria. Borrowers were encouraged to request relief. UMRA issued guidelines, in force for up to 12 months from 1 April 2020, requiring Tier 4 institution to grant relief, including moratoria, but this is to be done on a case by case basis. Past due loans are included in both cases, since the two authorities mention that liquidation of arrears will not be a pre-condition for the granting of deferment or restructuring.
	Uzbekistan – CBU allowed institutions to grant moratoria with tenor extension for loans to individuals and individual entrepreneurs, for six months (until 1 October 2020). CBU recommended that institutions provide moratoria to natural persons and legal entities affected by the lockdowns, based on requests by borrowers, and not to apply late penalties or enforce collateral.
	Vietnam – CBV required banks to eliminate, cut or delay interest payments.
	Zambia – BOZ allowed all institutions to grant moratoria on principal and interest payments, from 1 April 2020 up to one year on existing credit facilities, without risk downgrading or reporting the event as a default to the credit reference bureau. Past due loans and NPLs can be included in the relief. If under specific liquidity support facilities provided by BOZ, the loan extension can be for more than one year. Relief is granted based on the lender's evaluation of a borrower's request. The decision to grant relief rests with the lender, but those institutions that benefited from the suspension of their obligations towards BOZ under the liquidity facility (Targeted Medium Refinancing Facility), are strongly encouraged to grant relief to their clients. Institutions may charge fees for granting the relief.
Special prudential and accounting rules for loans benefiting from relief Measures setting the special prudential rules for the above moratoria or restructuring	**Brazil –** Provisioning: Banks exempt from making additional provisions for performing loans of corporates and households that are refinanced by September 2020.
	Kyrgyzstan – Risk classification: The classification of restructured loans cannot change until further determination by the NBKR. Relief granted is not a trigger for reclassification. Credit reporting: The relief granted must not be reported to the credit bureau as arrears. The credit bureau should provide a column in the format of the report by the lenders on overdue loans of borrowers to indicate the status of violation of the terms of the loan agreement in connection with the spread of coronavirus infection. When transferring information to credit bureaus about past due loans, institutions must indicate that the reason for the payment delay is due to the spread of coronavirus infection. NBKR further clarified that bureaus will not include negative information related to this situation.
	India – Risk classification: The relief granted shall not automatically result in classification downgrade and will not qualify as default for the purpose of supervisory reporting. Risk classification shall be determined on the basis of the revised due dates. NPLs: The

Measures	Country examples
(classification, provisioning, credit reporting, accounting)	moratorium period is excluded from the counting of days past due for purposes of asset classification and NPA recognition, for loans that were Standard by 29 February 2020, even if past due. NBFCs, which follow the Indian Accounting Standards, shall be guided by policies approved by their Boards and ICAI Advisories for recognition of impairment. This means NBFCs have flexibility under the prescribed accounting standards. The moratorium period extends the deadline (originally of 210 days from the date a loan became overdue) for institutions to implement a resolution plan for large defaulted exposures, in order to avoid additional provision of 20%. For other NPLs, the timeline of 180 days for implementing a resolution plan was extended as per the moratorium period, if the review/resolution period had not expired by 1 March 2020. The normal rules would resume in 31 August 2020. Credit reporting: The relief granted will not qualify as default for purposes of reporting to Credit Information Companies. Provisioning: All past due loans under moratorium attract higher general provision of 10% spread over two quarters (March 2020 and June 2020), which can be adjusted later on against the actual provisioning requirements. The residual provisions at the end of the year can be written back or adjusted against the provisions required for all other accounts. The above provisions must be shown separately in the balance sheet. Interest accrual: Interest shall continue to accrue during the moratorium and the accrued interest shall be deferred or capitalized for term loans. Differently, the accumulated accrued interest initially had to be recovered immediately after the end of the moratorium. However, RBI later on permitted institutions to convert the accumulated interest into a funded interest term loan which shall be repayable no later than the end of the current financial year (31 March 2021). Public disclosure: Institutions shall disclose in the "Notes to Accounts" the amount in SME/overdue categories granted relief; the amounts benefiting from special asset classification; the special provisioning made, as above; and adjustments of provisions.
	Mexico – Risk classification: CNBV determined that loan classification as of 28 February 2020 (for banks) or 31 March (for other institutions), is to remain unchanged for the duration of the relief granted, for up to 6 months. Provisioning: Provisions for expected loss (IFRS 9) can be delayed. Credit reporting: Restructured loans are not considered in default and are not reported as such. Interest accrual: Interest accrued during the relief period cannot be capitalized. Public disclosure: Institutions are required to disclose the loans benefiting from relief, the accounting criteria used, the regular accounting criteria that would otherwise be used, and the financial impact of applying the special criteria.
	Pakistan – Risk classification: Past due loans restructured within 180 days of the due date will not be treated as past due for purposes of classification. Adverse classification can only be done if loans are past due for 180 days or more. If the deferment or the rescheduling / restructuring is not executed successfully within the specified period of 180 days past due, such financing facilities will be classified as "Doubtful. Credit reporting: Deferment of principal must not negatively affect a borrower's credit history. Other regulatory exemptions apply for Consumer Financing restructured before 31 March 2021. Interest accrual: Interest continues to be accrued during the relief period.
	Peru – Risk classification: The relief granted through the special rescheduling will not be considered restructuring for purposes of classification. The granting of relief is not a trigger for downgrading. Credit reporting: Credit register must include details on loans that have benefited from the special rescheduling, but this shall not impact the credit rating of the borrower. NPLs: The relief period is excluded from the counting of days past due. Interest accrual: Interest may continue to be accrued, or accrual may be suspended as part of the special loan rescheduling and contract modification that an MFP can do. Instructions were issued on accounting treatment

Measures	Country examples
	of interests for retail and non-retail loans.
	Russia – Risk classification: CBR allowed institutions, until 30 September 2020, to not reclassify restructured MSME loans. Credit reporting: CBR will prepare amendments to the law "On credit histories" to protect borrowers' positive credit history for crisis-related restructuring done between 1 March and 30 September 2020. CBR has recommended that credit bureaus not consider the restructuring as an adverse event for the purposes of credit scoring.
	Uganda – Risk classification: For Tiers 1-3 institutions, the status at the time of restructuring remains unchanged for the duration of the relief granted. For Tier 4, the relief does not trigger downgrading. UMRA requires Tier 4 institutions to assess repayment capacity when providing the relief. Interest accrual: For Tiers 1-3, interest accrued during the relief period can be capitalized and amortized during the loan period. NPLs: For institutions regulated by BOU, the standard period for writing off loans classified as loss was extended from 90 to 180 days, if and only if the original write-off date falls due within the 1-year period from 1 April 2020. Credit reporting: moratorium suspends credit reporting and restructuring cannot negatively impact the credit profile. Other: Both UMRA and the BOU suspended the rule of requiring payment of arrears as a precondition for loan restructuring.
	Uzbekistan – Risk classification: CBU allowed institutions to keep the original classification for loans granted moratoria by 1 October 2020. Other: The CBU waived until 1 October 2020, collateral enforcement measures on overdue loans.
	Zambia – Risk classification: The crisis-related moratoria and restructuring are not a trigger for reclassification. Loans (including past due and NPLs) will be considered Current. The special prudential treatment is valid until 31 March 2021. Institutions must continue to assess the borrower's repayment capability following their regular review process, and reclassify loans as needed, even during the relief period. NPLs: The definition of NPLs (90 days past due) is kept unchanged. Credit reporting: Moratoria shall not be reported to the credit bureaus. No flagging/information about the event is allowed by BOZ.
3. Support MFP liquidity by relaxing prudential requirements	
Relaxation of prudential requirements Prudential measures to encourage MFP lending and release liquidity, including reduction or acceptance of non-compliance with minimum standards.	**Brazil –** Minimum capital: CBB reduced the minimum capital for smaller institutions (Segment 5). Funding: Credit, Financing and Investment Companies were authorized to issue Bank Deposit Certificates. Reserve requirements: CBB reduced the minimum reserve requirement ratio on term deposits from 31% to 25% in February 2020 and from 25% to 17% in March 2020. These reductions are valid until December 2020. Repurchase instruments can be used to reduce the issuing institution's reserve requirements up to a limit of 15% of the overall reserve requirement balance (deduction effective until July 2021, when a weekly reduction of 2% of its amount starts to take place until its elimination in mid-2022). Risk-weights: Risk-weight relative to credit risk exposures to SMEs is reduced from 100% to 85% for new or restructured loans carried out from 1 April - 31 December 2020. Capital buffers: Capital Conservation Buffer was reduced from 2.5% to 1.25% of risk-weighted assets through March 2021 with a year to gradually reestablish the original buffer rate by March 2022.
	India – Liquidity requirements: RBI announced temporary reduction of LCR for Banks from 100% to 80%. The ratio shall be gradually restored back as follows: 90% by 1 October 2020 and 100% by 1 April 2021. RBI also deferred the implementation of the Net Stable Funding Ratio, which was originally planned for 1 April 2020. Reserve requirements: On 27 March, RBI reduced the cash reserve ratio from 4% to 3% for banks, until 26 June 2020. Capital buffers: the last tranche of the capital conservation buffer was deferred from 31 March to 30 September 2020. Risk weights: Loans under the Emergency Credit Line Guarantee Scheme receive 0% risk weight. Large

CGAP

Microfinance in the COVID-19 Crisis:
Examples of Regulatory Responses affecting Microfinance Providers

(updated June-July 2020)[1]

Measures	Country examples
	exposure limit: The maximum exposure of a bank to a group of connected parties was increased from 25% to 30% of the bank's capital base, until 30 June 2021.
	Kenya – Reserve requirement: CBK reduced the cash reserve ratio of banks. Reserve to be released on a case by case basis according to each bank's demonstration of support to borrowers.
	Kyrgyzstan – Reserve requirement: NBKR reduced the minimum threshold for mandatory reserve requirements on a daily basis, for banks, from 80% to 70% of the minimum requirements, which vary from 4% to 14%.
	Morocco – Provisioning: The central bank relaxed the provisioning schedule for microcredits across the board, extended the period for write offs until June 2021, and extended the period for downgrading loans (from 15 to 30 days).
	Nigeria – Minimum capital: CBN extended the deadline by 1 year (from April 2021), for MFBs to increase their capital.
	Pakistan – Capital buffers: The capital conservation buffer was reduced from 2.5% to 1.5% until further instruction. Exposure limit: The exposure limit for loans to SMEs is permanently increased to US$ 1.1 million from US$ 0.8 million. Collateral requirements: The collateral requirement was reduced for larger loans and SBP encouraged banks to offer uncollateralized SME loans of up to Rs 5 million (US$ 30,000). SBP allowed banks to lend based on SME corporate guarantees in value / supply chain relationships and allowed loans against shares issued by the borrower's group companies. Debt Burden Ratio: SBP increased, for a year, the burden ratio from 50% to 60% of individual and corporate borrowers' net disposable income, and allowed excess over limit of up to 15%. Other regulatory relief granted (e.g., reduced margin requirements on exposures to shares of listed companies, extension of classification of loss for defaults of "Trade Bills", phased recognition of loss on listed equity securities). SECP-regulated MFPs: NBMFCs were allowed to raise more tier two capital and SECP raised the ceilings on subordinated debt.
	Peru – Reserve requirements: SBS reduced the reserve requirements for deposit liabilities in and foreign currency. Liquidity requirements: the SBS temporarily waived compliance with the liquidity coverage ratio, both in domestic and foreign currencies. Special provision rule: SBS set zero provisions for loans under the government guarantee programs FAE MYPE and Reactiva Peru. Risk weights: FAE MYPE loans receive a zero-risk weight for capital adequacy requirement purposes. Capital buffers: Financial institutions were allowed to use the additional capital accumulated in recent years. Classification of past due loans: The SBS allowed institutions to suspend the counting of number of days past due for loans more than 15 days past due as of 29 February 2020 (i.e., not included in the moratorium/relief), from the start of the state of emergency until 31 July 2020. Starting on 31 August 2020, financial institutions will report, as the number of past due days, the lower of the actual number of past due days at the end of the month and the number of past due days as of 29 February 2020 plus the number of past due days counting from 1 August 2020.
	Philippines – Reserve requirements: BSP waived fees for banks (including rural banks) that delayed submission of their legal reserve deficiencies, subject to BSP approval. Special provision rule: Provisioning can be staggered over five years, subject to case-by-case approval by BSP.
	Rwanda – Reserve requirements: BNR reduced the reserve ratio for banks from 5% to 4%, starting 1 April 2020.
	Sri Lanka – Liquidity requirements: Until 30 June 2021 banks are allowed to include certain liquid assets for purposes of complying

Measures	Country examples
	with the Statutory Liquid Assets Ratio. Liquidity Coverage Ratio and the Net Stable Funding Ratio were reduced to 90% subject to enhanced supervision by CBSL and frequent reporting.
	Uganda – No specific measures were issued by BOU or UMRA.
	Zambia- Capital adequacy: Eligible NBFIs are allowed to use capital instruments that would not ordinarily qualify as common equity under Tier 1 and Tier 2 capital for the purpose of computing regulatory capital. BoZ gave a three-year transitional period from 2018 to 2020 for FSPs to implement and comply with capital adequacy requirements. However, in the computation of regulatory capital FSPs are expected to include any increase in the provisions on account of COVID-19. Further, NBFIs can use, once approved, capital instruments that do not qualify as common equity for Tier 1 and Tier 2.
Limitation to discretionary distributions by MFPs Measures that temporarily prohibit or limit discretionary payments such as dividend, share buybacks and bonus payments.	**Brazil –** CBB temporarily prohibited financial institutions from: i) paying interest on their own capital; ii) increasing top managerial compensation; and iii) distributing dividends above the mandatory minimum established by their bylaws. Restrictions hold even if capital is above the Additional Principal Capital. The retained amounts cannot be classified as future liability or dividends.
	India – RBI prohibited scheduled banks and cooperative banks from making dividend payouts from profits pertaining to the financial year ended 31 March 2020 until further instruction by RBI. This restriction shall be reviewed on the basis of the financial position of banks for the quarter ending 30 September 2020.
	Mexico – CNBV required dividend payments to be based on the results that would have been obtained if the standard prudential and accounting rules were applied to moratoria and loan restructuring.
	Pakistan – SBP required banks and DFIs to suspend dividend payment for the quarters ending 31 March and 30 June 2020.
	Peru – SBS exhorted financial institutions to capitalize all their 2019 profits to strengthen their capital.
	Sri Lanka – CBSL restricted discretionary payments such as cash dividends and repatriation of profits, share buy backs, increasing management allowances and payments to the Board of Directors until 31 December 2020.
	Uganda – BOU deferred discretionary distributions (dividend, bonus) for at least 90 days from March 2020.
	Zambia – BOZ suspended distribution of dividends or variations to remuneration for NBFIs that were allowed to use capital instruments that do not qualify as equity under Tier 1 and Tier 2 for the purpose of regulatory capital, while the capital relief is in force.
4. Adjust supervisory burden	
Reduction in supervisory burden Measures that postpone or reduce non-essential supervisory activities and deadlines.	**India –** RBI extended the timelines for submission of regulatory returns by 30 days.
	Indonesia – OJK extended deadlines for submission of 2019 annual financial reporting and other reports for 2 months.
	Pakistan – SECP extended by 30 days the deadline for NBMFCs to hold their 2019 annual general meetings and suggested they be held remotely. Upon receiving a written request, the SECP will extend the filing deadline for first quarter financial statements by 30 days without imposing any penalty. SECP deferred the deadline for implementation of IFRS to 30 June 2021. SBP extended the deadline for implementation of IFRS 9 until 31 August 2020.
	Peru – SBS initially suspended for 15 calendar days the application of administrative deadlines to submit most regulatory reports to the SBS, including by virtual means, except for certain key reports and information explicitly requested by the SBS. The suspension has

Measures	Country examples
	been extended several times to coincide with the extension of the nationwide state of emergency. The SBS also suspended the deadline for regulated entities to respond to consumer inquiries and complaints, while the state of emergency lasts.
	Philippines – BSP refrained from penalizing banks (including rural banks) that delayed submission of their regulatory reports.
	Russia – CBR suspended inspections of banks and non-banks (except cases requiring immediate action) and face-to-face events of preventative market conduct supervision until July 1st, 2020. The deadlines for fulfilling supervisory orders and requirements are extended by 1 month from their standard deadlines. Deadlines for the submission of information on the organization of internal procedures for capital adequacy assessment as of 1 January 2020, are moved to 30 September 2020.
	Sri Lanka – The Central Bank waived the annual assessment of domestic systemically important banks in 2020.
	Uganda – No specific measure has been publicly announced by BOU or UMRA.
	Zambia – BOZ extended the deadline for implementation of the IFRS 9 from the initial 2020 deadline to 31 December 2022.
Enhanced supervisory monitoring Measures that implement new or enhanced reporting or monitoring of crisis-related issues	**India –** Working capital facilities granted relief shall be subject to supervisory review by RBI with regard to the justifiability of the relief granted. Institutions must implement special monitoring of relief provided to large exposures on a borrower- and facility-wise basis. All exclusions from the standard counting of days past due for loans under moratorium are to be reported to RBI.
	Mexico – CNBV required special reporting of institutions' overall relief program, in addition to granular monthly reporting of each affected loan, within 10 days after the end of each month.
	Pakistan – SBP required weekly reporting by banks and MFBs on all crisis-related loan restructurings.
	Peru – SBS required special reporting on the loans granted relief and created a new off-balance sheet subaccount "Reprogrammed credit – state of sanitary emergency" for that purpose. The SBS is also working on sensitivity scenarios to evaluate possible financial impacts on MFPs. Institutions are required to submit a management plan to assess the risks of their loan portfolio and establish targets for assessing loan deterioration.
	Sri Lanka – The reduced minimum liquidity ratios of banks are subject to enhanced supervision by CBSL and frequent reporting.
	Uganda – BOU is collecting liquidity and key financials weekly, conducting meetings with Tiers 1 and 2 institutions, and receiving enhanced reporting of liquidity position and other key data.
	Zambia – BOZ is collecting monthly granular data on all loans benefiting from the relief.
5. Consumer protection measures related to response measures or other	
Limit fees on restructured loans and prohibition of discrimination, or other consumer focused measures Measures limiting	**Egypt –** Nonbank MFPs are required by the FRA to collect deferred payments only at the end of the loan term. Moreover, MFPs are required to reduce financing costs for borrowers paying their dues regularly, exempt clients from accelerated payment fees, and pay, on behalf of their clients, the value of the compulsory credit life microinsurance premia until the end of the current turbulent and exceptional period. Banks are required to inform customers of the costs of their moratoria.
	India – CICs shall ensure that the actions taken by lending institutions will not adversely impact de credit history of beneficiaries.
	Kenya – Banks are required to meet all costs related to the extension and restructuring of loans, i.e., no fees are permitted.
	Kyrgyzstan – Lenders are prohibited from charging fees, commissions, and/or other payments related to crisis-related loan restructuring. Penalties, including forfeit (fine/penalty) are also prohibited.

Microfinance in the COVID-19 Crisis:
Examples of Regulatory Responses affecting Microfinance Providers
(updated June-July 2020)[1]

Measures	Country examples
fees for loan restructuring and prohibiting denial of service or other discrimination against borrowers	**Mexico** – CNBV prohibited capitalization of the postponed interest payments, fees on crisis-related loan restructuring, requirements of additional collateral, or any service restriction, reduction in credit lines or discrimination against borrowers who benefited from the relief.
	Pakistan – SBP prohibited fees and interest rate increases for crisis-related loan restructurings.
	Peru - Regarding the accounts opened without prior customer consent for G2P transfers, institutions are not allowed to charge fees, commissions, or other expenses for a period of one year after the customer receives the social benefit and must either deliver the contract or make it available to customers within 15 days of the opening of the account.
	Uzbekistan – The CBU waived penalty fees in relation to overdue loans for borrowers adversely affected.
	Uganda – Fees on loan restructuring can be imposed but must be reasonable and justifiable. UMRA clarified that consumer protection guidelines must be observed. BOU required that any relief be in the interest of consumers and have their consent.
	Zambia – While institutions are allowed to charge fees for granting debt relief to their borrowers, they are not allowed to increase the interest rate of the loans if they are under the BOZ's Targeted Medium Term Refinancing Facility.