



GPI

Global Partnership
for Financial Inclusion

COUNTRY MEASURES & EXPERIENCES IN MITIGATING THE IMPACT OF COVID-19

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Introduction

On 24 June 2020, GPF members convened virtually for the Second GPF Plenary Meeting under the Saudi G20 Presidency. The agenda items included COVID-19 Pandemic and the global economic response. Members discussed various activities taken by their countries/organizations to combat the impact of COVID-19 pandemic on the economy and its consequences on people's livelihood. With the conclusion of the Second Plenary Meeting, GPF members issued a Statement on COVID-19 Response, reaffirming the G20 commitment under the G20 Action Plan in response to COVID-19 pandemic. Through the issued statement, GPF Members affirmed their commitment to promote financial inclusion through sharing their country experiences and measures to mitigate the impacts brought by COVID-19. In accordance with the G20 GPF Statement on COVID-19 Response and based on the commitment made from members on knowledge sharing, this document compiles the collective actions of different countries and organizations globally.

Country Measures and Experience



ARGENTINA

Responses to Challenges of Financial Inclusion during the Health Emergency

- Within the framework of the worldwide COVID-19 health emergency, the BCRA issued regulations to mitigate the impact of the resulting economic crisis. These measures are intended to let the financial system provide further support to companies and households, and to keep the payment chain in motion. Below are the most relevant measures in terms of financial inclusion, which are explained in detail in the following [Link: Click Here](#).
 1. Active Credit Policy to Ease Health and Economic Crisis: The measures adopted seek to provide financial aid to households and micro-, small-, and medium-sized enterprises (MSMEs). The BCRA has mainly fostered loans at a maximum subsidized annual interest rate for MSMEs, and at 0% annual interest rate for self-employed workers.
 - a. Credit to MSMEs:
 - i. The BCRA has introduced changes to encourage financial institutions to expand credit lines for MSMEs at a maximum annual fixed interest rate to be applied to working capital (e.g. to pay wages). Also, financial institutions could lend money to companies with these conditions to purchase capital goods, equipment or machinery made by MSMEs in Argentina.
 - ii. The BCRA has launched a special credit line at a maximum annual fixed interest rate for MSMEs which haven't got a credit product. Financial institutions can't refuse to give these credits to those MSMEs with FOGAR loan guarantee (Argentine Guarantee Fund).
 - iii. The BCRA has implemented a credit line for MSMEs at maximum annual fixed interest rates in accordance with the provisions of Executive Order N° 332/2020, which established the Emergency Assistance for Work and Production Program. The funds must be directly applied to paying wages and the interest rate is determined by the company's turnover year-on-year change. This credit line is guaranteed by the Argentine Guarantee Fund (FOGAR).
 - b. Credit to Self-employed workers: A zero-interest rate credit line was established to help self-employed workers whose income has significantly been reduced as a result of the pandemic. These loans were implemented through credit card advances.
 - c. Credit to individuals: The BCRA has introduced changes to encourage financial institutions to channel financing to household consumption through the "AHORA 12" Program. In turn, some measures were taken regarding credit cards: (1) unpaid balances on credit cards issued by financial institutions would accrue no late payment charges, and (2) they may be paid once the compulsory lockdown is over, free of late fees, and at a maximum interest rate. On the other side, financial institutions were required to automatically refinance unpaid balances on credit cards to one year, with a 3-month grace period, and 9 consecutive, monthly and equal installments at that same maximum interest rate.
 - d. Parameters for classifying debtors. The parameters for classifying debtors (individuals and companies) were temporarily relaxed. The debtors' rating system is based on the number of days in arrears, among other information. Up to December 2020, 60 days will be added to each

debtor's category in view of the difficulties caused by the crisis in different sectors of the economy.

2. Operation of the Financial System:

- a. At the beginning of the compulsory lockdown, bank branches were closed to the public. As an exception, branches were opened for the collection of retirement and pensions payments and social security benefits. Later on, branches were opened to the general public subject to certain limits in transactions and prior appointment to avoid crowds.
- b. Financial institutions could not charge fees or commissions for transactions (deposits, withdrawals, consultations, etc.) made through ATMs. Financial institutions must provide the means for all persons to withdraw ARS 15.000, which is a higher amount than the usual withdrawal, regardless of their status as customers and the ATM network.

Other relevant policies taken by the Government:

- The **Emergency Household Income (IFE)** represents a direct cash transfer targeted to informal workers; self-employed in the lowest tax brackets. It was also targeted to domestic workers.

The amount of the IFE is ARS 10,000 and is charged only by one member of the family group, giving priority to women. It is aimed at workers between the ages of 18 and 65 who do not receive pensions or subsidies of any kind and who have no other income (it includes informal workers, workers in private homes, single-income earners, and single-income earners in the lowest category). So far 3 payments have been confirmed (April and May. The next one will be paid in August). The beneficiaries of the Universal Child Allowance (AUH in Spanish) and the Universal Pregnancy Allowance (AUE in Spanish) will also receive this benefit without the need for any kind of procedure.

This is very important, since is a sector particularly affected by the confinement measures, has the highest degree of feminization in comparison to the rest of the economic activities (96,5 per cent of workers in domestic work are women), and has high levels of informality (less than 30 per cent of domestic workers contribute to social security, and 25 per cent of Argentina's informality is explained by domestic work).

[Link: Click Here](#)

- **To ensure the provision of basic service to all individuals**, companies providing this type of services –of electric energy, gas by networks and running water, fixed or mobile telephony and Internet and cable TV, by radioelectric or satellite link- may not provide for the suspension or cut of the respective services to the users indicated in article 3, in case of delay or lack of payment of up to 3 consecutive or alternate bills, with due date from March 1, 2020 (Decree 311/2020). Decree 543/2020 (18/6/2020) extends to 6 consecutive or alternate invoices due as of March 1, 2020.

[Link: Click Here](#)

- **To ensure the continuity of work for individuals**, President Alberto Fernandez signed Decree 329/2020, by which, dismissals without just cause and for lack or reduction of work and force majeure are prohibited for a period of 60 days. By Decree 487/2020 (18/05/2020) it is extended for a further 60 days.

[Link: Click Here](#)



BRAZIL

Country Experiences & Measures Implemented to Mitigate the Impact of COVID-19 in Brazil

The Brazilian government is taking actions against the economic impact of the coronavirus, with a stimulus package of R\$ 1.169 trillion (US\$ 233.8 billion). This includes up to US\$ 104.9 billion in cash flow measures and a program for employment in companies; US\$ 54.8 billion in credit measures; and up to US\$ 45.4 billion for workers and the most vulnerable population. The solution to mitigate the impact of this crisis implies intense coordination between different stakeholders, both from public and private sector, and the role of the Special Secretariat of Productivity, Labour and Competitiveness (SEPEC) of the Ministry of Economy is to foster the synergy needed to build a business environment conducive to strengthening SMEs, and enhancing actions and resources. On its side, the role of the Central Bank of Brazil (BCB) is to maintain the functionality of the markets and thereby support the functioning of the real economy. The BCB also put efforts in keeping the population well informed about the alternatives to overcome the financial challenges brought by these difficult times. Some of these measures are mostly related to the financial inclusion of citizens and SMEs, as described below:

- One of the most important stimulus measures implemented by the Brazilian Federal Government was the granting of emergency monthly aid of the equivalent in Reals to US\$ 100 (R\$ 600) to informal workers, microentrepreneurs and unemployed citizens. The impact of the aid is expected to reach US\$ 9 billion (R\$ 45 billion) during the period in which the measure is in force. So far, around 64 million citizens have been approved to receive the benefit, as informed by Caixa, the state-owned bank responsible for welfare payments in Brazil. In order to proceed with the payments, Caixa has opened digital saving accounts for beneficiaries who didn't have an account yet, which might have an impact on digital financial inclusion. The digital saving accounts are free of maintenance tariffs and allow beneficiaries to use the Bank App to make payments, transfer money to other bank accounts and withdraw cash. So far, it was accounted that around 25 million new bank accounts have been created, and a share of these accounts were created to citizens who have no prior relationship with the formal financial system (the exact number still not available). The Central Bank of Brazil will monitor the impact of this program to financial inclusion and ensure appropriate financial consumer protection to the recently-financially-included vulnerable population.
- In order to support micro and small enterprises and self-employed citizens, measures were taken regarding the deferral of tax, social security payments and debt payments; the provision of loan guarantees; the introduction of working time shortening, temporary lay-off and sick leave amendments.
- In terms of liquidity constraints, the Brazilian government have introduced measures towards the 3 months deferral of tax payment under the "Simples Nacional" Program. This program is the main tax and regulatory federal policy for micro and small enterprises, to the extent that 65% of Brazilian companies operate under its umbrella.

- With the Emergency Employment Maintenance Program, the government authorized the reduction of working hours and wages, in return for the maintenance of jobs. The government will pay aid to offset the cut while keeping the workload short. Additionally, the government will pay for the first 15 days of leave for workers with COVID-19.
- In order to support the distribution of credit to micro and small firms, the federal government created the “Pronampe” (National Program to Support Micro and Small Enterprises), an extraordinary credit line in the form of guarantees. Due to the high demand, the program will be expanded. The total budget for this program is R\$ 28 billion (US\$5 billion).
- The National Development Bank (BNDES) announced measures such as:
 - i. opening of a working capital loan line for micro and small firms;
 - ii. 6-month interruption of outstanding loan payments, with no late interest payment;
 - iii. suspension of amortizations for direct operations and for indirect operations; and
 - iv. scope expansion of the “BNDES Credit Small Business” line.

The companies will have a 24-month grace period and five years of total term to pay for these new loans. Brazil has also opened a working capital loan line for small and medium-sized firms of tourism and service sectors.

- Credit contracting requirements were simplified and a waiver documentation for credit renegotiation (CND) was introduced. Lending and credit will be supported through capital charge relief to loans secured by commercial real estate. Flexibilization of provisioning rules were introduced for a period of 6 months to stimulate loans renegotiation.
- The Central Bank of Brazil has launched a dedicated hotspot called Educação Financeira em tempos de Covid-19 (Financial Education in times of Covid-19) to inform the population about changes in the financial system functioning due to the crisis: (<https://www.bcb.gov.br/cidadaniafinanceira/emtemposdecoronavirus>). The webpage contains a few prompts on financial education, considering the challenges brought by the pandemic. It addresses viable alternatives for families who have lost income during the crisis. It also has information on measures taken by financial institutions that are of interest for citizens to better manage their finances. These measures include flexibility on loan repayment due dates, and insurance issues regarding the pandemic. In addition, the webpage contains warnings against scams and financial fraud.
- The BCB have also prepared several posts to be distributed through its channels in social media, mostly through Twitter and Instagram. Likewise, it has used WhatsApp messages to spread the content through its network of financial education facilitators.



CANADA

Canadian financial measures to mitigate the impact of COVID–19

Through Canada’s COVID-19 Economic Response Plan, the Government of Canada is providing immediate assistance to help Canadians and businesses get through these challenging times. Details of the Plan can be found attached and online on the Government of Canada’s website ([click here](#)).

To support Canadians financially, banks have committed to work with customers on a case-by-case basis to provide flexible solutions to help Canadians manage the challenges with COVID-19.

For individuals, these payment deferrals supports include:

- Up to a six-month payment deferral for mortgages;
- Payment deferrals for loans, including lines of credit and auto loans; and
- Relief on credit cards, including reduced interest rates, by as much as 50 per cent.

Some financial institutions are also offering refinancing options, or waiving certain fees, including for Interac e-transfers.

According to the Canadian Bankers Association, as of June 30, 2020, more than 760,000 Canadians have been provided mortgage deferrals or skip-a-payment relief, and over 445,000 approvals or requests to defer credit card minimum payments have been processed.

Canadian financial institutions are also providing small businesses with access to the Canada Emergency Business Account (CEBA) and the Business Credit Availability Program (BCAP), and direct deposit enrolment for emergency response benefits, including the Canada Emergency Response Benefit (CERB) and the Canada Emergency Wage Subsidy (CEWS), to enable timely availability of these benefits to Canadians.

The Financial Consumer Agency of Canada is monitoring the commitments that banks and other regulated entities are making to consumers to provide accommodations for financial hardship as a result of the COVID-19 pandemic.



CHINA

The People's Bank of China issued the Guiding Opinions on Further Strengthening Financial Services for MSMEs to accelerate the restoration of economy

To better accommodate financial support policies to the needs of market entities, further smooth internal and external transmission mechanisms, promote the rapid growth of funding scale and the optimization of the financing structure of MSMEs, achieve the goal of “greater volume, lower costs, higher quality and wider coverage,” accelerate the restoration of the normal order of life and production, and bolster the high-quality development of the real economy, the People's Bank of China (PBC) jointly with 7 ministries issued the *Guiding Opinions on Further Strengthening Financial Services for Micro, Small and Medium Enterprises* (including self-employed businesses and owners of micro and small businesses [MSBs]) on May 26th, 2020 as a new step in response to the impact of the COVID-19 pandemic on MSMEs. In this policy document, 30 guiding opinions are integrated in 7 sections. The details of each guiding opinion can be found on the official website of PBC (English version available).

I. Thoroughly implement credit support policies for MSMEs' resumption of work and production

1. Make sound arrangements for the deferment of loan principal and interest repayments for MSMEs.
2. Bring into full play the leading role of banks operating nationwide.
3. Make good use of the policies of central bank lending and central bank discounts.
4. Put the special credit lines for development banks and policy banks in place.
5. Reinforce the coverage and support of insurance.

II. Carry out the project for enhancing commercial banks' capability to offer financial services to MSMEs

6. Understand policy stance and Shift business philosophy.
7. Improve internal resource allocation and policy arrangements.
8. Optimize the internal performance evaluation system.
9. Substantially increase credit loans, first-time loans and loan extension for MSBs.
10. Apply Fintech tools to empower financial services for MSBs.

III. Reform and improve the external policy environment and the incentive and restraint mechanisms

11. Strengthen countercyclical and structural adjustment of monetary policy.
12. Bring the loan prime rate (LPR) reform into full play.
13. Optimize external incentives in regulatory policies.
14. Explore the ways to improve the performance appraisal system of financial enterprises.

15. Implement preferential fiscal and taxation policies more effectively.
16. Bring into play the role of local government-backed financing guarantors.
17. Speed up the operation of the state financing guarantee fund.
18. Check up and regulate unreasonable and illicit financing charges.

IV. Leverage the role of multi-tiered capital market in supporting financing

19. Increase the financing support of the bond market.
20. Enhance the efficiency of commercial bill financing by MSMEs.
21. Support high-quality MSMEs to get listed or quoted for financing.
22. Guide private equity and venture capital to invest in start-ups and small enterprises.
23. Advance pilot projects of regional private equity market innovation.

V. Further develop the MSME credit system

24. Provide stronger guidance on the construction of local credit reporting platforms and comprehensive credit service platforms for MSME financing.
25. Establish a unified registration and disclosure system for movable property and warranties of title.

VI. Optimize the local financing environment

26. Set up a sound loan risk incentive and compensation mechanism.
27. Support MSMEs to provide supply chain financial services.
28. Facilitate local governments to deepen the reform of delegating power, streamlining administration and optimizing government services.

VII. Step up organization and implementation

29. Strengthen organization and promotion.
30. Improve monitoring and assessment.



INDIA

Measures implemented to mitigate the impact of COVID-19 on financial inclusion and customer protection by India

The Government of India has announced INR 20 trillion (~\$267 billion) stimulus package to deal with fallouts from the coronavirus pandemic. The packages announced under 'Pradhan Mantri Garib Kalyan Package' and 'Atma Nirbhar Bharat Abhiyan' targets those who have been disproportionately affected including poor, women, elderly, migrant laborers, farmers, street vendors, and SMEs. India successfully undertaken technology-based financial inclusion measures to make contactless transfers of USD 10 billion to 420 million bank accounts.

The Pradhan Mantri Garib Kalyan Package is a INR 1.7 trillion (~\$22.6 billion) economic stimulus plan that provided direct cash transfers and food security measures, offering relief to millions of poor people. This included free cooking-gas cylinders to 8.3 crore poor families, a one-time cash transfer of INR 1,000 (\$13.31) to 30 million senior citizens, disabled and widowed, and INR 500 (\$6.65) each month to about 200 million poor women for three months.

The implementation of the scheme was fast, targeted and within 2 weeks more than \$4 billion were moved to the accounts of beneficiaries in the form of cash transfers, thanks to the massive digital financial inclusion reforms undertaken in the last few years.

Further, the daily wage under national rural employment program, MNREGA, was increased that would provide an additional INR 2,000 (~\$26.6) benefit annually to a worker, benefiting 136.2 million families. Government also extended support to Women organised through Self Help Groups (SHGs) by increasing the limit of collateral free lending from INR 1 million (~\$13,333) to INR 2 million (~\$26,666). A payment of INR 2,000 (~\$26.6) was frontloaded to nearly 90 million farmers.

The Government is contributing twenty four per cent of monthly wages towards the provident fund (PF) accounts of eligible wage-earners in the organised sector for six months which will benefit almost 8 million employees. A special facility for withdrawal of non-refundable advance from EPF accounts of upto 75% of amount or three months of wages whichever is lower, benefitting 50 million employees is also implemented. Medical insurance worth INR 5 million (\$66,000) for every front-line health worker, from doctors, nurses and paramedics to those involved in sanitary services for COVID19 has also been provided.

Subsequently, further measures focused on supporting the poor, migrants, and street vendors, enabling businesses including MSMEs to get back to work, and reforms for certain sectors were undertaken.

These measures were complemented by regulatory measures undertaken by the Reserve Bank of India (RBI). Apart from the monetary policy measures undertaken, RBI has also provided refinance facilities for financing agencies (NABARD, SIDBI and NHB), moratorium of 3 months on instalments and interest payments on terms loans, debt restructuring, financial literacy and customer awareness, among others.

Various measures undertaken to mitigate the impact of COVID- 19 on Financial Inclusion by the Central Government are –

1. MSME financing:

- i. Emergency working capital finance to the tune of INR 3,000 billion from Banks and Non-Banking Financial Companies (NBFCs) up to 20% of entire outstanding credit as on 29.2.2020. A total of 5.5 million account holders are eligible to avail this finance, and almost 4 million account holders have already taken the emergency working capital facility.
- ii. Subordinate debt to stressed MSME worth INR 200 billion. The government will provide a support of INR 40 billion to the Credit Guarantee Fund Trust for SMEs (CGTMSE).which in turn will provide partial Credit Guarantee support to Banks. Promoters of the MSME will be given debt by banks, which will then be infused by promoter as equity in the Unit.
- iii. Fund of Funds of INR 500 billion for equity investment in MSMEs to provide equity funding for MSMEs with growth potential and viability. FoF will be operated through a Mother Fund and few daughter funds. Fund structure will help leverage INR 500 billion of funds at daughter funds level. Further, MSMEs will be encouraged to get listed on stock exchange.
- iv. Small businesses under Micro Units Development and Refinance Agency Bank (MUDRA) have been disrupted the most impacting their capacity to pay EMIs. Loan moratorium has already been provided by the Reserve Bank of India. The government has provided an interest subvention of 2 per cent for MUDRA Shishu loans for a period of twelve months providing a relief of INR 15 billion to MUDRASHishu loanees.
- v. Special credit facility of INR 50 billion to street vendors to facilitate easy access to credit supporting nearly 5 million vendors, incentivising digital payments through monetary rewards.

2. Credit:

- i. INR 450 billion partial credit guarantee scheme for NBFCs to cover borrowings of lower rated NBFCs, HFC and other Micro-finance institutions. Government of India to provide 20% first loss sovereign guarantee to public sector banks. Banks approved purchase of portfolio of INR 140 billion and another INR 60 billion is in process.
- ii. Limit of collateral free debt increased from INR 1 million to INR 2 million for women SHGs supporting 6.85 crore households.
- iii. Refinance facility of INR 300 billion sanctioned to Regional Rural Banks and Cooperative banks for additional emergency working capital for crop loan requirement. This will benefit close to 30 million farmers and INR 249 billion have already been disbursed.

3. Direct Benefit Transfers of COVID-19 related relief (Digital G2C payments):

- i. 200 million women Jan Dhan account holders received INR 500 per month for 3 months
- ii. Free gas cylinders to 80 million poor families for 3 months.
- iii. Ex-gratia of INR 1,000 to 30 million poor senior citizens, poor widows and 'Divyang'.
- iv. INR 2,000 paid to farmers upfront benefitting close to 90 million farmers under PMKISAN scheme.
- v. 35 million construction workers to be provided relief from Construction Workers Welfare fund
- vi. Twenty four per cent employee PF contribution by the Government to benefit nearly 7.9 million employees in the organised sector

4. Health Workers: Insurance cover of INR 5 million per worker for all frontline health workers, from doctors, nurses and paramedics to those involved in sanitary services for COVID-19.

Various measures undertaken to mitigate the impact of COVID- 19 on Financial Inclusion and Consumer Protection by the Reserve Bank of India are -

1. Moratorium on Payments – Term Loans and Working Capital Facilities

- i. In respect of all term loans (including agricultural term loans, retail and crop loans) outstanding as on March 1, 2020, all lending institutions regulated by the Reserve Bank are permitted to grant a moratorium of six months on payment of all instalments falling due between March 1, 2020 and August 31, 2020. The repayment schedule for such loans as also the residual tenor, will be shifted across the board. Interest shall continue to accrue during the moratorium period.
- ii. Further, in respect of working capital facilities sanctioned in the form of cash credit/overdraft (“CC/OD”), the RBI permitted lending institutions to defer the recovery of interest applied in respect of all such facilities during the period from March 1, 2020 upto August 31, 2020 (“deferment”).
- iii. Lending institutions are also permitted to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan (FITL) repayable not later than March 31, 2021.

2. Asset Classification and Provisioning – For accounts under Moratorium

- iv. In respect of all accounts classified as standard as on February 29, 2020, even if overdue, the moratorium period (between March 1, 2020 and August 31, 2020), wherever granted are required to be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under the IRAC norms, in line with the clarification provided by the BCBS.
- v. Further, in respect of working capital facilities sanctioned in the form of cash credit/overdraft, deferment of recovery of interest applied during the period from March 1, 2020 up to August 31, 2020 under the Regulatory Package, wherever granted to facilities classified as standard, including SMA, as on February 29, 2020, are required to be excluded for the determination of out of order status.
- vi. In accounts where asset classification benefit is extended, lending institutions are required to make general provisions of not less than 10 per cent of total outstanding of such accounts.

3. Easing of Working Capital Financing

- vii. In respect of working capital facilities sanctioned in form of CC/OD, lending institutions may, as a one-time measure, through their Board approved policy, recalculate the ‘drawing power’ by reducing the margins till August 31, 2020 which shall be restored to original levels by March 31, 2021 and review the sanctioned limits upto March 31, 2021, based on a reassessment of the working capital cycle for borrowers facing stress due to economic fallout of pandemic. Accounts provided relief under these instructions shall be subject to subsequent supervisory review with regard to their justifiability on account of the economic fallout from COVID-19.

4. Extension of Period of Advance for Export Credit

- viii. To alleviate genuine difficulties being faced by exporters in their production and realisation cycles due to economic disruption caused by Covid-19 pandemic, it has been decided to increase the maximum permissible period of pre-shipment and postshipment export credit sanctioned by banks from one year to 15 months, for disbursements made upto July 31, 2020.

5. **Restructuring of MSME debt** - A restructuring framework for MSMEs that were in default but ‘standard’ as on January 1, 2020 is already in place. It has been decided that stressed MSME borrowers will be made eligible for restructuring their debt under the existing framework, provided their accounts with the concerned lender were classified as standard as on March 1, 2020. This restructuring will have to be implemented by March 31, 2021.

6. Other measures

- ix. On SIDBI's (Small Industries Development Bank of India) request for financing MSMEs engaged in manufacture/providing of services for combating pandemic COVID19, approval was granted for utilising an aggregate sum of INR 2 billion out of the unutilised priority sector shortfall funds for the purpose at an affordable lending rate (5%). Term loans at affordable rate will help MSME to undertake manufacturing of medical products (PPEs, Infrared thermometers) and provide medical services to combat COVID19.
- x. Interest subvention of 2% and Prompt Repayment Incentive (PRI) of 3% for short term loans to the extended period of moratorium has been provided, so as to safeguard the interest of farmers.

7. RBI Operated Centralised Payment Systems

- xi. The day-to-day operations of the Real Time Gross Settlement (RTGS) system have been shifted to be carried out from the Primary Data Centre (PDC). Staff performing critical functions pertaining to centralised payment systems (RTGS and National Electronic Funds Transfer (NEFT)) are isolated in a quarantined environment. Two teams of staff, with an additional team on permanent standby, are ensuring seamless operations. Rotation of staff every fortnight after thorough screening by RBI in-house doctors, has facilitated unhindered operations for over 2 months. The operations of the payment systems are being closely monitored by the department.

8. Operations of Retail Payment Systems

- xii. The Reserve Bank engaged in constant discussion with National Payments Corporation of India (NPCI) and other authorised Payment System Operators (PSOs) to ensure uninterrupted operations of all payment systems. Sustained efforts were undertaken to ensure that PSOs and their services were declared as 'essential services'.
- xiii. The Government Direct Benefit Transfer (DBT) payments to help the poor and marginalised was smoothly facilitated by the National Automated Clearing House (NACH) – Aadhaar Payment Bridge System (APBS) wherein bulk transfers are made to individuals based on the beneficiary Aadhaar number. RBI issued an advisory to all the Money Transfer Service Scheme (MTSS) operators to ensure seamless functioning so that remittances are paid out to the intended beneficiaries without any delay. Though only limited agents / sub agents were functional initially, MTSS operators have ensured inbound remittances are paid to the beneficiaries. The MTSS operators and their agents have also been encouraging their customers to receive remittances to their bank accounts to avoid issues / difficulties in cash pay-out. As payment systems are designed for straight through processing of transactions with minimum manual intervention, they continued to operate seamlessly round the clock with limited staff and no settlement delays.

9. Financial Market Infrastructure – Clearing Corporation of India Limited

- xiv. The Clearing Corporation of India Limited, which acts as the Central Counterparty operating systemically important financial market infrastructures for money market, government security and foreign exchange settlements has implemented business continuity measures by making quarantining arrangement exclusively for its key staff personnel. Similar arrangements are also in place at a secondary site and the remote disaster recovery site with minimum staff essential to take over in case of any disruption in the activities at the primary site. The staff and participants are provided remote access to the systems through Virtual Private Network (VPN) facility to facilitate operations with skeletal staff working from office. Further, to minimise risks and to ensure that market participants maintain adequate checks and supervisory controls while optimising the thin resources and ensuring safety of personnel, trading hours for various markets were reduced / revised in April 2020.

10. Financial Literacy and Customer Awareness Measures

- xv. NGOs associated with the Centre for Financial Literacy (CFL), a hub and spoke model initiated in 2017 by RBI to strengthen the financial capabilities of communities, have adopted tele-calling and use of digital and social media for dissemination of important financial awareness and COVID related messages. Further, Regional Offices of the Bank have been advised to explore new avenues of outreach through digital means, local television channels and community radio in coordination with relevant stakeholders.
- xvi. As a part of customer awareness initiatives, RBI issued a press release to enhance public awareness about the availability of various digital payments that could be used from home maintaining social distancing. Further, all stakeholders in the payment ecosystem have been issuing Audio-Video advertisements promoting the use of digital payments.

11. Customer Grievance Redressal Measures

- xvii. The grievance redressal function of Reserve Bank of India administered through its Offices of the Ombudsman Schemes of the Reserve Bank and the Consumer Education and Protection Cells was carried out uninterrupted amidst the COVID-19 pandemic the Reserve Bank's Complaint Management System (CMS), which brings all stakeholders viz the Reserve Bank, the entities regulated by the Reserve Bank and customers on a single platform, and has a system-driven workflow process, ensured continued and effective grievance redressal even during the lockdown. During the period March 01, 2020 to July 31, 2020 the offices of Reserve Bank received 163,612 complaints, of which 127,007 (77.63%) were disposed.
- xviii. In line with advisory issued by Government of India on April 03, 2020 to redress complaints relating to COVID-19 on priority, the entities regulated by the Reserve Bank were also advised to address the COVID-19 related grievances expeditiously.
- xix. Consumer Education and Protection Department is the Nodal Department for complaints received against the private, cooperative and foreign banks, and payment System Participants regulated by the Reserve Bank on the GoI's Centralized Public Grievance Redress and Monitoring System (CPGRAMS) portal. Out of 5,004 number of COVID related complaints received on the portal, 95.30% have been redressed as on August 01, 2020. The total complaints received on CPGRAMS during the period stood at 19,914 of which 18,486 (92.83%) stands disposed. These complaints pertained mainly to implementation of regulatory support measures initiated by the Reserve Bank to mitigate the impact of the crisis viz. moratorium for borrowers for a period of 6 months.

12. **Resolution Framework for COVID-19-related Stress** - RBI has decided to provide a window under the Prudential Framework to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as Standard, subject to specified conditions. Lending institutions will be required to ensure that resolution facility will be extended only to Covid19 related stress and assess viability of such resolution plan under Board approved policies detailing the manner in which evaluation may be done and objective criteria that may be applied in considering the resolution plan within the prudential boundaries laid out by Resolution Framework. The Resolution Framework inter alia envisages constitution of an Expert Committee by the Reserve Bank to make recommendations on the required financial parameters to be factored in the resolution plans, with sector specific benchmark ranges for such parameters.

13. **Online Dispute Resolution (ODR) System for Digital Payments** – RBI has introduced Online Dispute Resolution (ODR) system for resolving customer disputes and grievances pertaining to digital payments, using a system-driven and rule-based mechanism with zero or minimal manual intervention. To begin with, authorised Payment System Operators shall be required to implement an ODR system for disputes and grievances related to failed transactions in their respective payment systems by January 1, 2021.

14. **A scheme of retail payments in offline mode using cards and mobile devices** - Under RBI's pilot scheme, authorised Payment System Operators (PSOs) – banks and non-banks – will be able to provide offline pay



JAPAN

Japan's Experiences and Measures Implemented in Response to COVID-19

1. Prime Minister of Japan and His Cabinet

Information Related to COVID-19

[COVID-19] Government Responses on the Coronavirus Disease 2019

Link: [Click Here](#)

2. Cabinet Secretariat

COVID-19 Information and Resources

Information on Support Measures Related to COVID-19

Link: [Click Here](#)

3. Financial Services Agency

- “Information on COVID-19 (Novel Coronavirus)”

- Notice on Establishment of FSA Consultation Hotline Related to COVID-19
- For those facing difficulties with cash flow as impact of the ongoing COVID-19 epidemic spreads
- Statement by Minister for Financial Services, Requests to Financial Institutions (related to cash flow support)
- Concrete Measures Taken by Financial Institutions in Response to the COVID-19 Infection
- Corporate disclosure, financial reporting and audit, etc.

Link: [Click Here](#)

- “FSA urges vigilance on Crime Taking Advantage of the COVID-19 Pandemic!”

Link: [Click Here](#)



SAUDI ARABIA

LENDING & CREDIT SUPPORT

- **Initiative:** Government has prepared urgent initiatives to support the private sector, especially small and medium enterprises and economic activities most affected by the virus. The financial stimulus package of these initiatives reaches more than SAR 70 bn, which consists of exemptions and postponement of some government dues to provide liquidity to the private sector thereby enabling them to manage continuity of their economic activities. In addition, Saudi Arabian Monetary Authority (SAMA) has announced a package of SAR 50 bn, to support the banking sector, financial institutions and SMEs. These vital initiatives are as follows:
 - 1) Exemption from expat levy for those whose Iqama has expired from now until 30 June 2020, by extending their Iqama for a period of three months without charge.
 - 2) Enabling employers to refund the fees of issued work visas that were not used during the ban on entry and exit, even if they were stamped in the passport, or extend them for a period of three months without charge.
 - 3) Enabling employers to extend exit and re-entry visas that were not used during the ban on entry and exit from the Kingdom for a period of three months without charge.
 - 4) Enabling business owners, for a period of three months, to postpone the payment of value-added tax, excise tax, income tax, and the submission of Zakat declarations and the payment of obligations due therefrom. The decision allows also to grant zakat certificates without restrictions for the period of fiscal year 2019, and to accept instalment requests to the General Authority of Zakat and Income Tax without applying the condition of advance payment. In addition, postponing the execution of services suspension procedures and financial seizure by the General Authority of Zakat and Income, and setting the necessary criteria to extend the postponement period for the most affected activities as needed.
 - 5) Postponing the collection of customs duties on imports for a period of thirty days against the submission of a bank guarantee, for the next three months and setting the necessary criteria for extending the postponement period for the most affected activities as needed.
 - 6) Postponing the payment of some government services fees and municipal fees due on private sector, for a period of three months, and setting the necessary criteria to extend the postponement period for the most affected activities as needed.
 - 7) Authorizing the Minister of Finance to approve lending and other forms of financing as well as exemption from payment of fees and returns on loans granted until the end of 2020, under the Corporate Sustainability Program initiative.
 - 8) Forming a committee headed by the Minister of Finance and the membership of each of Minister of Economy and Planning, the Minister of Commerce, the Minister of Industry and Mineral Resources, the Vice Chairman of the

National Development Fund Board of Directors and the Governor of the National Development Fund, and shall have the following duties:

- a) Identifying and reviewing incentives, facilities, and other initiatives led by the National Development Fund or any of its funds and banks, with the aim of mitigating the exceptional and unprecedented economic situation, in light of the implications of the coronavirus, the impact of the precautionary measures taken by the Kingdom's government and the low oil prices.
 - b) Setting the criteria of designing and applying initiatives and their details.
 - c) Identifying the amounts that will be used to support these initiatives from the resources available at the funds and banks under the National Development Fund for this purpose and as needed.
 - d) The committee may conduct transfers between these funds and banks and the Saudi Export-Import Bank as needed.
 - e) The committee may direct both, the Kafala program and the General Authority for Small and Medium Enterprises, to develop the necessary initiatives to support the objectives during this exceptional period, and to support them from the available resources at the funds and banks under the National Development Fund as needed.
 - f) In addition, the government will use the tools available to finance the private sector, especially small and medium enterprises, in addition to strengthening support programs to mitigate the impact on the private sector and economic activities, and to ensure the promotion of financial stability. The government also confirms its determination in paying its obligations in accordance with their due dates will honor its payments, in addition to applying measures that maintain the financial sector soundness.
- **Initiative:** SAMA issued a circular, which contains the following Banking sector role to support households and businesses affected by COVID-19 (excluding entities with Government and Semi Government ownership):
 - 1) General lending support: SAMA expects banks to engage in prudent and proactive actions which are in the best interest of the bank, borrower and the economy
 - 2) Private Sector Job Retention Scheme-PSJRC: SAMA required banks to put in place measures for borrowers to assist in maintaining employment levels for entities affected by COVID 19 and provide concessional bridges loans and other facilities for at least six months so that these employers will be able to access support to continue paying part of their employees' salaries. SAMA requires each bank to immediately come up with the design of such a scheme and notify SAMA.
 - 3) SAMA requires banks to offer immediate support to all their customers who unfortunately lost their jobs because of the direct or indirect impact of the Covid-19 crisis. Such a support should include allowing repayment relief for loans or mortgage repayments at no further costs to these customers for up to six months.
 - 4) SAMA requires banks to waive all fees and other charges arising from the use of digital channels for all customers for up to six months to support preventative measures of spreading Covid-19. SAMA also requires waiving of activation fees and charges of new customers subscribing to these digital channels during this period.
 - 5) SAMA requires all minimum balance charges for all bank accounts to be waived immediately for a period of up to six months.

- 6) SAMA requires banks to cease charging customers any fees for at least six months should they want to refinance their existing facilities or should they want to modify or break an existing contractual agreement (loan or deposit side).
- 7) SAMA requires all banks to review and reassess credit card interest rates and other charges to all current and future customers given the current low interest rates in light of the prevailing economic environment. SAMA expects credit card interest rates to be offered at a reasonable APR rate.
- 8) SAMA requires banks to refund customers who may need to cancel or have cancelled their travel bookings done on their credit, debit, or prepaid cards, the foreign currency transaction fees charged by the bank.

FUNDING & LIQUIDITY SUPPORT

- **Initiative:** SAMA has decided to cut the REPO rate by 50 basis points from 2.25% to 1.75% and the REVERSE REPO rate by 50 basis points from 1.75% to 1.25%.

Objective: For preserving monetary stability given evolving global developments.

- **Initiative:** SAMA has announced the introduction of Private Sector Financing Support Program with a total value of about SAR 50 billion. The program aims at supporting and enabling the private sector through a package of measures that includes supporting SME Finance: Deferred Payments Program, Supporting Fees of POS and E-Commerce: This is accomplished via supporting payment fees of all stores and entities in the private sector for a period of 3 months with an amount exceeding in total SAR 800 million. SAMA will pay these fees to payment service providers participating in the national system.

Objective: Support the efforts of the government in combating COVID-19 and mitigating its expected financial and economic impacts on the private sector, especially on SME sector.

- **Initiative:** Royal Decree approves exceptions for unemployment insurance (SANED) to mitigate COVID-19 effects, on Saudis, working in the private sector.

Objective: With a total value worth SR9 billion through SANED, the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud approved exceptions for unemployment insurance (SANED) to mitigate the effects of COVID-19, on the private sector and Saudi workers, who may lose their jobs because of this crisis.

- **Initiative:** SAMA has decided to cut the Repo rate by 75 basis points from 1.75% to 1.00 % and the Reverse Repo rate by 75 basis points from 1.25% to 0.50%.

Objective: For preserving monetary stability given evolving global developments.

- **Initiative:** Custodian of the Two Holy Mosques approves a package of additional initiatives to mitigate impacts of Coronavirus on economic activities and private sector.

Objective: Allocating an amount of 50 billion riyals to expedite the payment of the dues of the private sector.

MARKET FUNCTIONING

- **Initiative:** Custodian of the Two Holy Mosques approves a package of additional initiatives to mitigate impacts of Coronavirus on economic activities and private sector.

Objective: Supporting individuals working directly, who are not under the umbrella of any company and registered with Public Transport Authority, in the activities of passenger transport and were stopped due to precautionary measures of the Coronavirus, by paying an amount of the minimum amount of salaries to them.

- **Initiative:** After coordination with health authorities, SAMA is conducting awareness about the usage of bank notes, and taking precautionary measures to quarantine and sanitize SAR notes transferred overseas. SAMA provided guidance to banks and money centers about minimum requirements on bank notes sanitization, and staff safety. SAMA formed a team with banks to coordinate efforts in dealing with bank notes.

Objective: Mitigate health risk around bank notes

OTHER INITIATIVES

- **Initiative:** Saudi Arabian Monetary Authority (SAMA) Announces Raising E-Wallet top-up Monthly Ceiling Limit Up to 20,000 SAR.

Objective: The Saudi Arabian Monetary Authority (SAMA) has informed the licensed Payment Services Providers (PSPs) in the kingdom, with its decision to raise the allowed top-up of the monthly ceiling limit for e-wallets up to (20,000) SAR. This is based on SAMA's supervisory and regulatory role and is in line with the goal of boosting the digital payment transactions, in accordance with the prudential procedures taken to prevent the spread of the corona virus (COVID-19). This should contribute to the hygiene of the users of the digital payments, and smoothen their payment transactions via e-wallets applications provided by those PSPs.

- **Initiative:** SAMA Approves Precautionary Measures Package to Confront Impacts of COVID-19 Pandemic on Economic Sectors.
- **Initiative:** SAMA issued a decision to suspend the freezing of clients' bank accounts for a period of 30 days with regards to specific cases such as the expiration of the customer's identity, failure to meet the requirements of updating knowing your customer (KYC) and changing the account status to dormant. Also, directed banks to take into consideration the facilitation of procedures for renewing the ATM cards (MADA) and credit cards by all available means.
- **Objective:** To continue to provide banking services.



SPAIN

Spain- Measures Implemented to Mitigate the Impact of COVID-19 in the field of Financial Consumer Protection and Financial Inclusion

This report is based on the answers provided to the G20/OCDE Task Force on Financial Consumer Protection and includes actions taken by Spanish Institutions with a role on regulating and supervising the financial markets and some of the initiatives undertaken by the industry in different sectors, in order to tackle risks related to the pandemic crisis and lockdown:

- General Secretariat of the Treasury and International Finance
- Bank of Spain
- General Directorate of Insurance and Pension Funds (DGSFP)
- National Securities Market Commission (CNMV)

The objectives of the legal measures taken from March 12, on the back of the state of alarm that was declared on March 14, related to financial consumer protection were:

1. Protect workers, the self-employed, families and vulnerable groups;
2. Support the continuity of economic activity and keep jobs, by helping self-employed workers, SMEs and other companies facing the drop in revenues resulting from reduced activity.

Main general risks originated from the pandemic crisis and the lockdown:

- Insolvency (lack of income due to inactivity or unemployment)
- Over-indebtedness

Risks in the application of adopted measures:

- Lack of adequate information
- Cross-selling practises
- Undue delays in the procedures
- Difficulties to provide information to prove compliance with requirements to access facilities.

1. MEASURES ON CREDIT

The most relevant measures are related to **the deferral of repayment of mortgage credit and other loans, including consumer credit**. There are two deferral measures applied in Spain that should be distinguished:

- A. Legal moratorium** (up to 3 months, which could be extended by the Government) for financially vulnerable households, self-employed workers and SMEs. (See arts. 7 to 16 ter of RDL 8/2020 and arts. 16 to 18 and art. 21 to 27 of RDL 11/2020).

Mortgages:

- The legal moratorium allows the debtor to ask for a suspension of the obligations derived from any mortgage credit. In case the creditor verifies that the debtor is in a vulnerable economic situation (as defined in art 16 of RDL 11/2020), the moratorium is automatically granted.
- The legal moratorium can be requested by an individual in a situation of economic vulnerability who is fulfilling periodic mortgage payments for the acquisition of (i) their home (main residence); or (ii) the premises where they develop their business, in the case of the self-employed; or (iii) a house intended for renting whose tenant has stopped paying the rent because of the crisis.
- The legal moratorium involves the suspension of the contract:
 - a) while the moratorium is active (3 months since the vulnerability situation is proven, which could be extended by the Government): (i) the debtor in a situation of economic vulnerability can suspend the payment of fees or periodic settlement; (ii) the lender will not require periodic payment, and (iii) the lender will not require or add additional interest payments other than those provided for in the initially signed contract. No extraordinary interest or interest in arrears can be charged during the suspension period.
 - b) at the end of the moratorium term: (i) the debtor who benefits from it will have to start paying the credit installments (quotas) again; (ii) the credit expiration date will move forward, adding the same number of installments to the maturity calendar as those falling due during the moratorium, without any addition within the interest installments corresponding to the time of suspension.

More information [Click Here](#): RDL 8/2020, (arts. 7 to 16 ter)

Consumer credit and other non-mortgage loans:

- The legal moratorium allows the debtor to ask for a suspension of the obligations derived from any contract that involves obtaining financing without a guarantee (mortgage or movable). If the creditor verifies that the debtor is in an economically vulnerable situation (as defined in art 16 of RDL 11/2020), the moratorium is automatically granted.
- The legal moratorium can be requested by an individual in a situation of economic vulnerability who is fulfilling periodic payments to redeem (i) a loan, credit or consumer finance (including credit associated with a payment card) without mortgage guarantee, or (ii) any contract involving unsecured financing for the business run by a self-employed (loan, credit, leasing, factoring, etc).
- The legal moratorium involves the suspension of the contract:
 - a) while the moratorium is active (3 months since the vulnerable situation is recognized, which could be extended by the Government): (i) the debtor in a situation of economic vulnerability can suspend the payment of fees or periodic settlement; (ii) the lender will not require periodic payment, and (iii) the

lender will not require or add additional interests other than those provided for in the initially signed contract. No extraordinary interest or interest in arrears can be charged during the suspension period.

- b) at the end of the moratorium term: (i) the debtor who benefits from it will have to start paying the credit installments (quotas) again; (ii) the credit expiration date will move forward, adding the same number of installments to the maturity calendar as those falling due over the moratorium period, without being added within the interest installments corresponding to the time of suspension.

More information [Click Here](#): RDL 11/2020, (arts. 21 to 27)

B. Complementary moratorium applied by the banks.

Based on a sectoral agreement promoted by several Spanish credit institution associations, banks have agreed to apply a moratorium which is complementary to the legal one, explained above. This is applied to (i) clients which are not in the situation of vulnerability (as legally defined), but suffered a decrease in their payment capacity and, (ii) clients that remain in the situation of vulnerability, beyond the time limit of the legal moratorium period.

More information [Click Here](#)

C. Other legal measures on credit taken to alleviate the consequences of consumers facing difficulties to repay their mortgage loan or other loans due to the COVID-19 crisis are:

1. Temporary waiving of fees and charges related to the credit.
2. Implementation of fast procedure of COVID-19 related requests.
3. Enhanced monitoring by the competent authorities of any new fees and charges for consumers related to the exceptional measures.
4. Ban on cross-selling of products related to the exceptional measures.
5. Ensuring that the credit scoring of consumers applying for temporary COVID-19 measures is not automatically affected by them,
6. Clear and comprehensive information to consumers about the implications of specific COVID-19 measures for credit, in particular, on any potential charges and costs and on the transparency and clarity of terms and conditions.

D. New lines of guaranteed credits have been open for individuals and SMEs hit by the COVID19:

- i. Direct lending by the public sector. The national development bank (Instituto de Crédito Oficial, ICO) is allowed to increase its funding by EUR 10 billion to extend its existing lines of credit to companies and self-employed workers.
- ii. Government guarantee line. Provided via the national development bank(ICO) of up to EUR 100 billionso that the financial sector provides liquidity to firms(including SMEs) and self-employed workers to fund working capital, payment of bills and other needs to maintain operations and protect economic activity and employment.The first tranche of guarantees (EUR 20 billion) was

made available on April 6. The fifth and last tranche of the EUR 100bn line of public guarantees was approved by the Council of Ministers on the 16th of June.

- iii. A microcredit guarantee scheme for vulnerable tenants was launched: 0% interest loans for an amount up to 6-month rent (repayment period of up to 10 years).

2. MEASURES RELATING TO BANKING AND PAYMENT SERVICES

Financial services (banking, insurance and investment companies) were classified as essential services after the declaration of the state of alarm. As a result, measures have been taken to make sure the financial sector keeps functioning smoothly and providing financial services through branches as well as online and that cash is still available at cashpoints.

Following the [recommendations of the EBA](#), industry participants temporarily increased the limit of contactless payments without SCA from 20 to 50 euros.

3. MEASURES RELATING TO INSURANCE

The General Directorate of Insurance and Pension Funds (DGSFP) as insurance supervisor and with the aim of guaranteeing the continuity of services, including for customers, as well as monitoring the impact that the current situation is having on the insurance sector, is holding weekly meetings with the representative associations of the sector (insurance undertakings and insurance intermediaries). An individualized follow-up is also being carried out on the main undertakings in the branches most affected by the situation, such as the entities that operate in the branches of health insurance, travel assistance and funeral expenses.

The industry has taken different actions:

Group Insurance. The sector has designed, through a solidarity fund of 37 million euros provided by a large number of insurance undertakings, a group insurance through co-insurance among the participating entities, which guarantees daily hospitalization compensation for all hospitalized health workers for the disease of COVID-19, as well as an indemnity in case of death from the disease.

A large number of undertakings have adopted different measures related to their products, such as:

- **Actions regarding risk limitation:**
 - Non-application of pandemic exclusion clauses.
 - Suspension of guarantees.
 - Improvement of guarantees.
- **Payment measures:**
 - Deferment of payments.
 - Introduction of subdivisions.
 - Introduction of other payment methods.
- **Price measures:**
 - Discounts on existing contracts.
 - Discounts on future contracts and renewals.

- **Actions regarding customer communication:**
 - Information through corporate websites and apps
 - Sending informational SMS and emails
 - Specialized attention through call centers
- **Remote services:**
 - Teleperitations in cars and home
 - Video consultations.
- **Other actions:**
 - Possibility of declaring claims outside the usual deadlines (presentation of invoices or documents after the period of confinement).
 - Choose non-urgent repairs or services after the pandemic.

4. Measures relating to pension funds and retirement savings

During the period of six months from the declaration of the state of alarm (on March 14), the participants of the pension plans and the insured under pension plans may, exceptionally, make effective their consolidated rights in certain cases and up to a maximum amount.

The objective of this measure is to alleviate the liquidity needs of households in the event of unemployment or cessation of activity derived from the health crisis situation caused by COVID-19.

The Genera Directorate of Insurance and Pension Funds (DGSFP) is the authority responsible for exercising the supervision of the activity of pension plans and funds.

5. Measures relating to retail investment products and services

Continuity of the markets: the National Securities Market Commission (CNMV), the supervisory authority for capital markets, has expanded the ranges of various securities since early March to adapt them to high volatility and ensure liquidity at all times. The CNMV took the following measures:

- Temporarily ban short sales on 69 shares listed on the Spanish stock exchanges (for one day, with effect on 13/03/2020).
- The CNMV agreed to ban for one month the prohibition of trading on securities and financial instruments involving the establishment or increase of net short positions on shares admitted to trading in the Spanish trading venues (Stock Exchanges and Alternative Stock Market, MAB) for which the CNMV is the competent authority (16/03/20). This prohibition was extended for another month (15/04/20).
- Closely monitoring the impact that the situation arising from COVID-19 is having on:
 - **Listed entities and firms subject to supervision** (Collective Investment Schemes (CISs) Venture Capital Vehicles (VCVs) and their management companies (CISMCS and closed-ended CISMCS).
 - **Investors by keeping them informed through the CNMV website.**

6. Online information to help consumers during the lockdown

Regulatory and supervisory institutions provided online information to help consumers manage their finances in view of the COVID-19 outbreak:

Ministry of Economy and Digitalization

On the main page, [click on the COVID19 Here](#) to find information:

- Addressed to specific groups:
 - [Individuals](#)
 - [Self-employed](#)
 - [Businesses](#)
- Or by type of measure:
 - [Mortgages](#)
 - [Non-mortgage loans](#) (consumer loans, leasing, factoring, credit linked to payment cards or any other funding contract with periodic payments)
 - [Public guarantee line](#)

Bank of Spain

Press releases and web page dedicated to COVID 19: Portal del Cliente Bancario – Banking customer website within the Bank of Spain site ([Click Here](#)).

- [Information on the moratorium for mortgages and for non-mortgage loans](#)
- [Information on the second government guarantee line for individuals and SMEs](#)
- Information on other aspects of the impact of COVID-19 in terms of use of electronic payments, credit cards; information about the recourse to credit lines in revolving credit cards; prevention of scams and fraud.

General Directorate of Insurance and Pension Funds(DGSFP)

- [Website reporting on specific measures in response to COVID-19](#)
- [Press release on recommendations on dividend distribution to insurance companies](#)

National Securities Market Commission (CNMV)

- [Specific webpage devoted to explain measures taken by the CNMV in response to COVID-19](#)
- Communication activities oriented to help consumers to manage their finances in view of the COVID-19 outbreak: social networks (in response to the risk of online scams and frauds) and videos for investors to be informed before making investment decisions.
- [A specific web portal \(Investor Website\), with links to information for retail investors](#), which can also be applied to the impact of COVID-19



TURKEY

TURKEY'S POLICY RESPONSES TO THE COVID-19 ON FINANCIAL INCLUSION

INTRODUCTION

As in the entire world economy, coronavirus pandemic has also affected Turkish economy since mid-March when the first coronavirus case detected in the country and the effect became evident in April. The coronavirus outbreak has revealed a situation that was never been faced before, and the measures taken against the outbreak have significantly suppressed economic activity. In this period, services sector, especially such as tourism, accommodation and transportation, stand out as the most affected sectors. Precautions taken such as quarantine measures around the world and temporary closure of borders have also adversely affected tourism sector and exports.

While combatting the adverse effects of the pandemic, our government's policy response is mainly shaped by taking into account ensuring the physical distance between people, uninterrupted functioning of the health system, continuity of the production, supply and retail chain in basic services, and well-functioning of public order.

The Scientific Advisory Board was established on January 10th, soon after the emergence of the coronavirus outbreak in the world and has been playing a major role in the measures taken by the government to fight against the pandemic. Thanks to the measures taken, from the beginning of the pandemic until today, a remarkable performance has been shown in health indicators.

On the economy side, comprehensive works have been launched and measures have been taken simultaneously and coherently with relevant government bodies to manage the process effectively.

Soon after the emergence of the first coronavirus case and succeeding containment measures, **Economic Stability Shield Package** was announced to the public in mid-March. Additional measures have been taken continuously in the areas needed, both through the course of the economic situation and regarding consultations with non-governmental organizations. The process continues to be carried out dynamically.

I. GENERAL ECONOMIC MEASURES

The Economic Stability Shield Package covers measures taken by the Turkish Government to ensure the continuity of economic activity in Turkey. The package aims to support **sectors, businesses** and **households** that were adversely affected by the pandemic.

Financial supports provided by the package include both easing of tax burden and facilitation of credit access to all economic actors. In order to contain negative effects of the coronavirus pandemic on the economy, necessary measures have been taken in full compliance and coordination with the Banking Regulation And Supervision

Agency (BRSA), Capital Market Board (CMB), Central Bank of Republic of Turkey (CBRT), Banks Association of Turkey in order to manage TL and FX liquidity in the financial markets. Credit support packages were provided to customers with the opportunity to postpone and restructure their installments, interest and principal payments. Companies affected by the outbreak were allowed to have access to loans on the condition that they retain employees.

In addition, labor market-related measures have also been announced to alleviate the financial burden both on employers and employees. Timely implementation of the short-time work allowance application, Turkey has ensured that workers and employers were able to maintain their business relationship during the Covid-19 outbreak. To further reduce the effects of the pandemic, economic stimulus has also been provided through liquidity oriented measures.

In specific; fostering **businesses** and **exporters**, improving **credit conditions** and supporting **working and social life** are targeted within the scope of the “**Economic Stability Shield**” Package. These measures are summarized as follows:

1. Fostering the Businesses: Policies aim to reduce the tax burden due to the force majeure and mitigate the adverse effects of the pandemic particularly on tourism sector.

- Withholding tax, VAT, and social security contributions have been postponed.
- Income tax and VAT taxpayers regarding March have been delayed to April.
- Accommodation tax which was expected to be implemented within 2020 was postponed to January 2021. *(The law on establishment of tourism promotion agency stipulated the implementation to create a financing opportunity.)*
- Legal payments regarding hotel leasing were delayed.
- VAT for domestic flights was decreased temporarily.

2. Supporting Exporters: Measures are taken to eliminate the shrinking demand conditions’ effects.

- In short-term loans, the commitment-closing period has been extended,
- Time extension was made at the maximum specified maturity of rediscount credits,
- The terms given to the buyer at the insurance limits are extended free of charge.

3. Improving Credit Conditions and Access to Credit: Policies are aiming to enhance the overall credit facilities for a wide range of economic agents.

- The limit of Treasury Backed Credit Guarantee System was increased. Through Treasury Backed Credit Guarantee System (TBCGS), in which SMEs and large firms are supported to respond working capital needs and low-income individuals are supported for basic consumption needs. Within the scope of TBCGS, a sufficient volume of guarantee capacity created in the wake of pandemic crisis.
- Financing support was provided for stocks to exporters and the credit deadlines were extended by Turkish Eximbank,
- Opportunity to bring “force majeure” explanation to the trade registry was provided,
- Postponing the loan interest rates of tradesmen and craftsmen was provided,
- Opportunity was given to customers whose cash flow is impaired for postponing the loan payments for 3 months upon their request,
- Public banks and private banks announced credit support packages.

4. Supporting Working and Social Life:

- Minimum wage support was maintained, independent of business size (*to reduce the labor cost*),
- The lowest pension payment was raised,
- Payment of pensioners' Ramadan Feast bonuses were taken early,
- Cash aids were provided to needy families.

II. ECONOMIC MEASURES SPECIFIC TO FINANCIAL INCLUSION

Our economic policies to combat the adverse effects of the Covid-19 on the financial inclusion can be classified into three areas: i) promoting access to financial services, ii) financial consumer protection and iii) other supportive measures for businesses and SMEs. The relevant policy responses and their outcomes achieved so far are specified below.

i) Promoting Access to Financial Services

Access to payment services is essential to create effective competition and innovation in the payments systems. It is also very important for fostering sustainable growth and economic development.

Today Covid-19 pandemic affects the whole society and economy and has strong effects in payments area and payments habits of the society. As a consequence of the Covid-19 crisis, the importance of digital services and the fintech innovations have become more obvious. In this sense, Covid-19 crisis is expected to be an accelerator of digital transformation.

Several developments in the payments area are very likely to contribute to financial inclusion and facilitate the access to financial services in the coming periods.

Policy Response: CBRT has recently granted access for General Directorate of Post and Telegraph Organization (PTT) to CBRT's Electronic Fund Transfer System (EFT). In November 2019, CBRT also enlarged the scope of the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions (the Law) to include new types of services which are: payment initiation services and payment account information services. This is an important step for the open banking implementation in the payments area in Turkey. The CBRT is currently working on the secondary regulations which will include open banking standards for the access of third party service providers to the banking infrastructures.

With the amendment in the Law, the Payment and Electronic Money Institutions Association (Association) of Turkey is established on June 28, 2020 which is a professional organization having the status of public legal entity. All payment institutions and e-money institutions are obliged to become a member of the Association within one month following the date of receipt of their operation license. The goal of the Association is to fulfil the common needs of members, to facilitate members' professional activities, to protect professional discipline and ethics in order to improve honesty and trust in relations among its members.

With another amendment in the Law, the legal basis of customer digital onboarding for payment service providers has been clarified. The framework contract between payment service providers and payment service

users will also be set by using remote communication instruments and the methods to replace the written form will be determined by the CBRT. The verification of customer identity will be done through an information technology or electronic communication device.

Result: The process is going on and it is early to capture the policy outcome.

ii) Financial Consumer Protection

In 2013, the BRSA developed an electronic complaint system for financial consumers to report their complaints about the financial products and services they receive from the banks to the BRSA through a web application. Since then the system has been available for financial consumers to resolve their problems with banks fairly and promptly through online applications, as the BRSA conveys these complaints to related banks to be addressed within this system.

During the pandemic, the nature of the complaint handling and prioritising has gained a relevant sensitivity. Having acknowledged that the needs of those potentially affected by the impact of coronavirus should be taken into account, along with the complaints received from the financial consumers, the appeals received from the financial consumers regarding deferment of a loan or a credit card payment, restructuring/refinancing of a loan and new loan requests have also been conveyed to banks through this system in order to support financial consumers in alleviating their bank related grievances.

Policy Response 1: To that end, the mentioned appeals have been evaluated by the BRSA with the intention and expectation that the needs and problems, especially of the vulnerable financial consumers, are met and addressed by the related banks at market interest rates and promptly. With this understanding, upon the request of the financial consumer, the principal and the interest payments for the loans and the credit card payments have been postponed.

Result 1: BRSA facilitated moderator role between banks and financial customers regarding loan complaints and grievances during pandemic. Between March – May period there have been 20,694 complaints with various subjects (new loan requests, interest deferrals, credit card balance refinance/deferral, credit note issues) 32% of which were replied by banks in favour of customers.

Policy Response 2: Likewise, the minimum payment amount for credit card bills has been reduced to provide some flexibility to card holders who have financial problems due to the pandemic.

Result 2: As a result credit card holders used this legal forbearance and credit card revolving balance increased as of May 2020 in comparison to December 2019.

Furthermore, in order to provide a relief to firms experiencing difficulties in paying their debts, debt collection activities have also been deferred.

Finally, the transactions of the banks that violated the BRSA's decisions to narrow the impact of the pandemic have been sanctioned by the Board of BRSA.

iii) Other Supportive Measures for Businesses and SMEs

We have initiated four projects as policy responses which are elaborated below:

Policy Response 1: SME R&D and Innovation Grant Program – Project Call on the Covid-19

Ministry of Industry and Technology has launched a special call to fund R&D projects to develop products that can be used in the diagnosis and treatment of the Covid-19. Within the scope of the call, participants are expected to submit R&D projects in the following areas: sanitation technology, mask, personal protective clothing, diagnostic kits with verification criteria (sensitivity, specificity, accuracy, precision, linearity), devices used in intensive care units, medicines, vaccines, applications that may affect the direct or indirect consequences of the epidemic. Also, any project that may be associated with the fight against the Covid-19 can be submitted within the scope of the call.

Result 1: 446 companies applied with 444 projects. The projects cover a wide variety of products such as protective products used in the diagnosis and treatment, diagnostic kits which enable fast and reliable measurements, drugs, devices, software, and patient follow-up applications.

Policy Response 2: Remote Working for Technoparks and R&D and Design Centers

This policy initiative allows working remotely for all companies located within the Technoparks as well as the R&D and Design Centers. These centers will continue to benefit from tax exemptions and support mechanisms offered by the Government on condition that they shall notify the Ministry of Industry and Technology about the number of the personnel that would work online. The initiative assists social distancing measures while providing government support to the firms for engaging in business continuity and digital activities.

Result 2: The process is going on and it is early to capture the policy outcome.

Policy Response 3: Development Agencies Fight Against Covid-19 and Resilience Program

Development Agencies announced the Covid-19 Fight and Resilience Program on March 31, 2020 within the scope of the three-stage plan they will put forward to contribute to the fight against the Covid-19 pandemic. The products and services developed in the projects to be supported should be used in the required areas within the project implementation period.

The priorities of the program are the prevention and control of the spread of the virus, emergency preparedness and response activities for public health and developing innovative practices to reduce the negative effects of the pandemic on the national and regional economy.

Result 3: With this program, financial support has been provided to eligible projects.

Policy Response 4: SMEs Development Organization of Turkey (KOSGEB's Measures for SMEs)

SMEs Development Organization of Turkey (KOSGEB) Executive Board has decided to support the manufacturers of disinfectants, cologne, protective clothing, protective goggles, masks, gloves sectors within the scope of the SME Technology Investment Program.

The beneficiaries of KOSGEB's project-based support programs and entrepreneurship supports, whose supporting period ended in March 2020, will be able to demand 4 months of additional time without any decision needed from the Evaluation Committee of the program.

The loan repayments due in April, May and June has been postponed by three months for SMEs which have received loans through KOSGEB loan support package. SMEs will not pay any expenses in return for the deferral.

About the reimbursable supports of KOSGEB, in case of request by SMEs until June, 2020; for the payments due to their debts up to this date will be postponed until Jan 31, 2021; starting with the first payment on this date, the preceding payments could be paid at 3 months intervals without any legal interest.

Result 4: The process is going on and it is early to capture the policy outcome.



UNITED ARAB EMIRATES

Initiatives of the UAE Government and Federal Entities to support: SMEs

UAE Measures against COVID-19	Description of the measure	Initial/intended outcomes	Link to the source
The UAE CB launched a \$27.2 billion stimulus package to support hard-hit sectors including SMEs.	The announced package by the Central Bank of the UAE intended to mitigate the impact of Covid-19 on the business environment, especially SMEs. It emphasized on strengthening the domestic banking sectors through funding to allow them to delay principal and interest payments for up to six months to all private sector and SMEs impacted by the coronavirus.	84.5% of the stimulus packages provided by the Central Bank of the UAE benefited 25 national banks, including 15 banks that withdrew 100 % of their shares to help more than 133,000 clients, with many of them being SMEs.	<ul style="list-style-type: none"> • Link 1 • Link 2 • Link 3
The UAE announced an \$272.2 million initiative to support national companies during the Covid-19 pandemic.	The announced initiative by the Abu Dhabi Fund for Development (ADFD), will last for 2020. It provides concessionary loans to national companies operating in key industries to the UAE economy such as healthcare, food security and manufacturing, and companies in sectors that were hit the hardest by Covid-19.	The initiative intended to help recipient sectors throughout 2020. It is also in line with the ADFD's remit of supporting national companies to safeguard the UAE's long-term economic growth and development.	<ul style="list-style-type: none"> • Link 1
The UAE provides grants to start-ups	The Sharjah Entrepreneurship Centre and the venture capital arm of Crescent Enterprises provide equity-free grants to startups such as Fintech, travel, and tourism, etc for a total of \$190,000 each. The fund is based on SMEs performance pre and post Covid-19 pandemic, and aims to help them cope and fastly recover from the unprecedented challenges caused by this pandemic.	The initiative intended to help hard-hit sectors navigate out of the business disruption caused by COVID-19 and build resilience in SMEs in the face of future unprecedented crises.	<ul style="list-style-type: none"> • Link 1
The UAE announced several measures to ease	The government of Ras Al Khaimah announced the launch of a	The initiative intended to support the Emirate's economy, and provide additional financial support to SMEs,	<ul style="list-style-type: none"> • Link 1

<p>the financial burden on SMEs.</p>	<p>comprehensive integrated stimulus and incentive package to support the Emirate's economy. The packages cover three levels of support: payment exemptions, postponement of fees and the provision of consultancy and assistance that are provided to every sector involved in economic activities, including tourism, government services, environment and SMEs.</p>	<p>especially hit-hard sectors.</p>	
<p>The UAE allocates \$816.7 million to SMEs credit guarantee.</p>	<p>The government of Abu Dhabi announced a series of initiatives to support SMEs during Covid-19 by allocating USD 816.7 million to the SME credit guarantee scheme managed by the Abu Dhabi Investment Office in order to stimulate financing by local banks and enable SMEs to navigate the current market environment. This includes, suspension of bid bonds for startups, and reduction of electricity connection fees for start-ups until the end of 2020.</p>	<p>The initiative intended to directly stimulate the ability of SMEs to weather the challenges in the current market environment.</p>	<ul style="list-style-type: none"> • Link 1
<p>The UAE launched a series of measures to support SMEs in times of the corona pandemic.</p>	<p>Dubai SME rolled out a series of initiatives to support start-ups and entrepreneurs in Dubai:</p> <p>The Mohammed Bin Rashid Fund for SME, the financial arm of Dubai SME, is (1) allowing a three-month grace period for loan repayments at zero-interest along with access to additional financing for SMEs, (2) Postponing the collection of rents for three months, with a reduction in fees of up to 20%, (3) Reducing government fees for private offices package rental that is paid to acquire an office within the Hamdan Innovation Center and innovation, (4) Increasing the loan guarantee ratio to 100% to facilitate the national companies' access to financing through the investor group registered on the Beehive platform, (5) launching a loan guarantee program for small and medium-sized companies (owned</p>	<p>As a result, this initiative:</p> <p>Granted for establishing 247 new Emirati enterprises as part of the incentives developed in view of the challenges posed by Covid-19. Benefited 171 Dubai SME members from the Commercial Promotion Service for entrepreneurs; Qualified 27 new local SME suppliers in the Government Procurement Programme, which enabled Dubai SME members to obtain Public Procurement contracts.</p>	<ul style="list-style-type: none"> • Link 1 • Link 2

	by at least 51% of UAE citizens) to guarantee 50% of the required financing value, and to facilitate companies' access to financing through the registered Investors Group On the Beehive platform.		
The National Bank of Ras Al Khaimah (RAKBANK) provided exceptional Covid-19 customer support to SMEs.	RAKBANK provided financial relief to Covid-19 impacted salaries and self-employed individuals, especially SMEs, through payment deferrals of up to 3 months on auto loans and personal loans.	The initiative intended to ease the financial burden on SMEs and individuals facing financial hardship caused by the COVID-19 pandemic.	• Link 1

Initiatives of the UAE Government and Federal Entities to support: **Women**

UAE Measures against COVID-19	Description of the measure	Initial/intended outcomes	Link to the source
The UAE in cooperation with Facebook introduced a series of training programs for female entrepreneurs.	The Khalifa Fund for Enterprise Development together with Facebook relaunched in June, during the Covid-19 outbreak, a mentoring programme to train 1,300 Emirati women entrepreneurs in areas including marketing, social media and e-commerce.	The initiative intended to provide women entrepreneurs with an access to a wide range of essential information, improve their skills and network with other women entrepreneurs. One of the expected outcomes of the programme is to improve the understanding of women entrepreneurs on how to optimise social media in order to generate effective results in their business	• Link 1

Initiatives of the UAE Government and Federal Entities to support: Youth

UAE Measures against COVID-19	Description of the measure	Initial/intended outcomes	Link to the source
The UAE developed a manual on how best to invest one's time at home, to inspire young people to find outlets for their time and energy.	Federal Youth Authority developed a manual "Ideas to Invest Youth Energy & Time at Home" to prepare youth for epidemics better. The booklet included reading recommendations to increase financial knowledge and awareness amongst youth through readings.	The initiative intended to provide the youth with ideas on investing in their future including helping them gain financial awareness.	<ul style="list-style-type: none"> • Link 1

Initiatives of the UAE Government and Federal Entities to support: Consumer Protection

UAE Measures against COVID-19	Description of the measure	Initial/intended outcomes	Link to the source
The UAE encouraged firms to use the DFSA Cyber Threat Intelligence Platform (TIP) launched in January to ensure consumer protection during Covid-19 pandemic.	TIP is the first financial services regulator-led cyber threat intelligence platform in the region, it aims to provide companies with information and technical indicators on cyber threats, and increase awareness on cyberattacks.	The initiative intended to protect consumers from the increased cyber attacks and decrease financial institutions vulnerability to cyberattacks, phishing attempts, and fraud during the times of COVID-19 pandemic.	<ul style="list-style-type: none"> • Link 1 • Link 2

<p>The UAE established a consortium consisting of the UAE Banks Federation, CBUAE, and the Abu Dhabi and Dubai police forces launched a joint anti-fraud awareness campaign.</p>	<p>Aiming to combat fraud and cybersecurity risks in the banking and financial system with the increase of digital banking amid COVID-19 pandemic. It alerts consumers and provides them with the necessary information to protect themselves against fraudsters harassing them with coronavirus-linked scams.</p>	<p>The initiative intended to protect consumers from cyber risks, including potential threats, security, and information breaches posed by exploitation of remote work and digital banking.</p>	<ul style="list-style-type: none"> • Link 1 • Link 2
<p>The UAE launched “price.ded.ae” for consumers complaints related to price increase amid COVID-19 pandemic.</p>	<p>Solving consumer protection cases using remote methods and technologies (MS Team, Jabber..etc) to enable consumer protection inspectors to solve cases during the lockdown period.</p>	<p>The initiative intended to ensure stability in the market, and provide continuous support to the consumers and protect them from unfair pricing during the Covid-19 pandemic.</p>	<ul style="list-style-type: none"> • Link 1 • Link 2
<p>The UAE introduced a “Price Monitor” portal to ensure consumers protection through fair pricing of daily basic needs.</p>	<p>Introducing DEDs “Price Monitor” to track daily commodities and essentials prices and empower consumers to lodge price-related complaints using the portal “price.ded.ae.”</p> <p>The portal enabled consumers to view prices of staple foods and essentials to ensure that they continue to get their basic needs at fair prices in spite of the precautionary measures during the pandemic. It also offered a quick process of registering complaints and inquiries related to prices, which helped enhance the investigation and enforcement process.</p>	<p>The initiative intended to ensure fair pricing in the market, and strengthen communications with consumers through the launched portal to enable all complaints related to price increases in the markets.</p>	<ul style="list-style-type: none"> • Link 1 • Link 2

<p>The UAE launched daily inspections to ensure (1) compliance with safety measures, and (2) fair pricing measures.</p>	<p>Conducting market campaigns, market sweep, and commercial violation processes to first ensure compliance with safety precautions. Second, to check price standards following the “Price Monitor” to prevent harmful practices such as increasing costs of the high demanding products i.e., face masks and hygiene essentials. Besides, daily inspections and campaigns to ensure markets are following safety precautions. Lastly, inspections on commodities prices and comparing them with the prices at DED “Price Monitor.”</p>	<p>The initiative intended to ensure market stability through the constant inspection campaigns on all types of commercial establishments.</p>	<ul style="list-style-type: none"> • Link 1 • Link 2 • Link 3
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UNITED STATES

U.S. Measures to Mitigate the Impact of the COVID-19 Pandemic on Financial Inclusion and Consumer Protection

1. Domestic Efforts

1.1. Coronavirus Aid, Relief, and Economic Security (CARES) Act

Domestically, the U.S. federal response to the pandemic has been driven by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Signed into law on March 27, 2020, the CARES Act provides for a number of measures to assist Americans during this unprecedented time, including the Paycheck Protection Program (PPP) and Economic Impact Payments—both of which contain financial inclusion components to ensure the assistance measures reached the intended recipients, including those in financially underserved populations.

1.1.1. Paycheck Protection Program (PPP)

The PPP was designed to provide immediate relief to small business and other eligible entities throughout the United States that faced mandatory closures, stay-at-home orders, and a general decrease in demand for goods and services.¹ (See Box 1 for more information on the Paycheck Protection Program.)

In order to reach entities in underserved and rural markets,² the Small Business Administration (SBA) and Treasury worked to significantly expand the number of lenders participating in PPP to ensure that the program could reach the broadest possible range of small businesses. For example, as SBA and Treasury recognize that financial technology solutions can promote efficiency and financial inclusion in implementing the PPP, SBA and Treasury approved a number of financial technology companies to be PPP lenders. SBA has also issued guidance encouraging lenders to redouble their efforts to assist eligible borrowers in underserved and disadvantaged communities.³ In addition, SBA, in consultation with Treasury, set aside \$10 billion of PPP funds to be lent exclusively by certified Community Development Financial Institutions (CDFIs). CDFIs are mission-driven institutions that work to expand economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses. As of August 8, 2020, when the PPP closed to

¹ For the purposes of this program, small businesses are generally defined as businesses with 500 or fewer employees. Eligibility for PPP was also extended to sole proprietors, independent contractors, and self-employed persons as well as nonprofit organizations, veteran’s organizations, and Tribal business concerns.

² These include small businesses owned by veterans and members of the military community, small businesses owned and controlled by socially and economically disadvantaged individuals, small businesses owned by women, and small businesses in operation for less than two years.

³ Small Business Administration. “Message from SBA Administrator Jovita Carranza.” June 15, 2020. Available at: <https://www.sba.gov/sites/default/files/2020-07/SBA%20Administrator%20Letter%20re%20Underserved%20Communities%206-15-20-508.pdf>

new loan applications, 432 minority-owned depository institutions (MDIs) and CDFIs had made over 221,000 PPP loans totaling more than \$16.4 billion in principal.

1.1.2. Economic Impact Payments

The CARES Act also provides for Economic Impact Payments to American households of up to \$1,200 per adult for individuals and \$500 per child under 17 years old.

As of July 17, more than 160 million Economic Impact Payments, worth more than \$268 billion, had been distributed to Americans. Payments have been sent to all eligible Americans for whom the IRS has the necessary information to make a payment. In addition, \$2.5 billion had been disbursed to U.S. territories for payment to those residents by their respective U.S. territory tax agency.

Of the more than 160 million Economic Impact Payments made as of July 17, 120.7 million were sent by direct deposit, 35.8 million by check and 3.7 million payments were made in the form of a pre-paid [debit card](#).

Social Security and other federal benefit recipients received their payments automatically, mostly by direct deposit to a bank account.

Federal banking agencies worked with the Internal Revenue Service (IRS) to provide information about how to open a bank account remotely to Americans wishing to open an account in which to receive their payment.

Individuals who do not normally file taxes and have not received an Economic Impact Payment can provide information to the IRS via an online portal to receive their Economic Impact Payment by direct deposit to their bank account.

Box 1. The Paycheck Protection Program

In order to prevent mass layoffs and incentivize small businesses to retain their employees, PPP provides for loans up to \$10 million that can be fully forgiven if used for qualifying payroll costs, interest on mortgages, rent, and utilities and the business maintained its payroll and employees. No collateral or personal guarantees are required and neither the government nor approved lenders charge small businesses any fees for these loans.

To receive full loan forgiveness, businesses must use at least 60 percent of their loan proceeds on payroll costs and proceeds must be used on covered expenses within 24 weeks of receipt of the loan. For any portion of the loan that is not forgiven, the loans have a 1 percent interest rate and a maturity of either two or five years. In total, \$659 billion was authorized for PPP loans, which were applied for, approved, and distributed through private lenders and processed through a portal run by the Small Business Administration (SBA). Treasury and SBA have also expanded the scope of eligible PPP lenders to increase the range of PPP lending options and the speed with which PPP loans could be disbursed to help small businesses across America.

As of August 8, 2020, more than 5 million PPP loans were approved for over \$525 billion by nearly 5,500 lenders, 4,500 of which were lenders with less than \$1 billion in assets and non-banks. These lenders included microlenders, certified development companies, farm credit lenders, credit unions, and small business lending companies.

1.2. Consumer Protection and Financial Education

1.2.1. Consumer Protection

Legislation and administrative actions at the federal level have provided a number of consumer protections at this time. Among these are the following:

- Many borrowers of federally-backed mortgages are entitled to forbearance.
- Tenants living in federally subsidized housing or who are renting from an owner who has a federally or GSE-backed mortgage may have a suspension or moratorium on evictions.
- Financial institution regulators have issued statements to banks and other providers to work prudently with borrowers who are or may be unable to meet their contractual payment obligations because of the COVID event.
- Federal student loan payments were altered on certain types of loans owned by the U.S. Department of Education in order to provide more flexibility and relief for borrowers, including a temporary 0% interest rate.
- Other protections provide flexibility in use of workplace benefits, including health and retirement savings benefits for workers effected by the national emergency.
- Federal agencies are working to stop and inform consumers about frauds and scams stemming from the national emergency.

1.2.2. Financial Education

Federal agencies are working to make sure consumers understand protections and resources available to them. Websites such as [usa.gov/coronavirus](https://www.usa.gov/coronavirus), and various agency websites have unbiased and clear information about available resources. Agencies are also using social media, videos, and other means of outreach. The Financial Literacy and Education Commission, a group of more than 20 federal entities, met in May to discuss key areas of response, and continues to collaborate to ensure Americans have the information they need to respond and recover.

2. International Efforts

2.1. New Consolidated Guidance on Sanctions and Humanitarian Aid

Internationally, the United States remains committed to ensuring that humanitarian assistance continues to reach at-risk populations through legitimate and transparent channels as countries across the globe fight the COVID-19 pandemic. Treasury supports the critical work of governments, international organizations, non-profit organizations, and individuals delivering medical supplies and humanitarian assistance to areas affected by COVID-19, while simultaneously seeking to mitigate the potential for this assistance to be diverted or misused by terrorists and other illicit actors. On April 9, Treasury issued a statement underscoring its commitment to working

with financial institutions and non-profit organizations in their efforts to mitigate risks and allow humanitarian assistance and associated payments to flow to those who need it, particularly in the face of the COVID-19 pandemic.⁴ Specifically, Treasury reminded the financial sector that reputable, legitimate non-profit organizations implement a range of risk-mitigation measures including due diligence, governance, transparency, accountability, and other compliance measures, even in a crisis.

Treasury's Office of Foreign Assets Control (OFAC) continues to maintain broad exemptions, exceptions, and authorizations across its sanctions programs to ensure that U.S. sanctions do not hamper the transfer and delivery of humanitarian aid. For transactions not already exempt or authorized by OFAC through existing general and specific licenses, OFAC maintains long-standing, favorable policies in multiple sanctions programs on granting specific licenses to support the provision of humanitarian assistance and the export of medicine and medical devices by U.S. persons.

To this end, on April 16, 2020, OFAC issued a consolidated fact sheet highlighting the most relevant exemptions, exceptions, and authorizations for humanitarian assistance and trade.⁵ The fact sheet outlines specific guidance for OFAC-administered sanctions programs related to personal protective equipment (PPE) and other COVID-19-related humanitarian assistance and trade. Also, the fact sheet highlights, across sanctions programs, other authorizations relevant for COVID-19 relief efforts, such as those for NGO activity, personal remittances, and the operations of certain international organizations.

On April 20, 2020, OFAC also acknowledged that the COVID-19 pandemic can cause technical and resource challenges for organizations, reaffirmed its commitment to risk-based sanctions compliance, and issued guidance on handling compliance concerns related to COVID 19.⁶

Moreover, Treasury remains committed to working with the private sector, including financial institutions and non-profit organizations, to provide guidance and clarifications on U.S. sanctions and AML/CFT/CPE⁷ obligations related to humanitarian aid. We remain dedicated to continual dialogue with humanitarian, financial, and governmental stakeholders on these issues and welcome ongoing outreach and questions.

⁴ U.S. Department of the Treasury. "Treasury Underscores Commitment to Global Flow of Humanitarian Aid in Face of COVID-19 Pandemic." April 9, 2020. Available at: <https://home.treasury.gov/news/press-releases/sm969>

⁵ Office of Foreign Asset Control, U.S. Department of the Treasury. "Fact Sheet: Provision of Humanitarian Assistance and Trade to Combat COVID-19." April 16, 2020. Available at: https://www.treasury.gov/resource-center/sanctions/Programs/Documents/covid19_factsheet_20200416.pdf

⁶ Office of Foreign Asset Control, U.S. Department of the Treasury. "OFAC Encourages Persons to Communicate OFAC Compliance Concerns Related to the COVID-19." April 20, 2020. Available at: <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20200420.aspx>

⁷ Anti-money laundering/countering the financing of terrorism/countering proliferation finance.

2.2. Remittances

Similarly, Treasury understands fully the importance of remittance flows, especially for developing economies. This year, the World Bank had expected remittances to surpass not only official development assistance, but also foreign direct investment. For this reason, we have worked actively over the past several years to address undue barriers to financial inclusion so that remittances continue to flow via legitimate, regulated channels.

We remain engaged in this work through such multilateral fora as the Financial Action Task Force (FATF) and the Financial Stability Board (FSB), and have made a number of public statements which we believe support the provision of remittance services through regulated providers. Most recently, the joint statement on risk-focused supervision from July 2019 reiterated support for a risk-based approach to AML/CFT/CPF compliance by financial institutions, which includes individualized risk-based decisions on customers as opposed to indiscriminate de-risking.⁸

We also continue to work with partner countries who receive remittances as they work towards stronger AML/CFT/CPF regimes, which will help them to maintain banking relationships that keep remittances flowing. We will continue to work to facilitate regulated and transparent channels for customers who want to send remittances for legitimate purposes.

2.3. Support for Responsible Digital Financial Solutions to Enable Social Distancing: As a member of the Financial Action Task Force (FATF), the U.S. supported the FATF President's April statement encouraging the use of digital identity solutions and digital financial services that align with the global standards to enable socially distanced, remote financial transactions.⁹

⁸ The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). "Joint Statement on Risk-Focused Bank Secrecy Act/Anti-Money Laundering Supervision." July 22, 2019. Available at: <https://www.fincen.gov/news/news-releases/joint-statement-risk-focused-bank-secrecy-actanti-money-laundering-supervision>

⁹ Financial Action Task Force. "Statement by the FATF President: COVID-19 and Measures to Combat Illicit Financing." April 1, 2020. Available at: <https://www.fatf-gafi.org/publications/fatfgeneral/documents/statement-covid-19.html>

International Organizations Measures and Experiences



ACCESS TO INSURANCE INITIATIVE (A2II)

A short summary of the support that the A2ii has made available to insurance supervisors to help them deal with the consequences of Covid-19 in their jurisdiction.

- An [insurance supervisory response tracker](#) was launched in March. The tracker contains publicly available information on how supervisory authorities from around the world are reacting, thus facilitating peer learning.
- A [series of insurance supervisor only webinars](#) in partnership with the International Association of Insurance Supervisors (IAIS). These calls took place from April to June (6 webinars) and focused on the immediate impact of the pandemic on supervisors and the insurance sector. The webinars heard from supervisors on a range of issues such as financial stability, consumer protection, remittances and digitalisation. This was followed with a [three part pandemic risk webinar series](#), that included two public webinars on the protection gap and public-partnership partnerships. The final webinar was a closed discussion focused on the role of supervisors in closing the protection gap.
- In April we also launched a new [blog series](#) providing up to date information and analysis of COVID-19 developments as relates to insurance and insurance supervision.

The A2ii also conducted a data gathering exercise to gather more input from Emerging Markets and Developing Economies (EMDEs). The survey aligned closely with the IAIS members survey includes questions on the impact of Covid-19 on capacity building needs and innovation. The aim was to try and get a better understanding of the impact on Covid-19 on supervisory authorities in EMDEs and we have [published the preliminary results](#).



ALLIANCE FOR FINANCIAL INCLUSION (AFI)

Regarding the AFI COVID-19 Policy Response, AFI presented during the GPFI Plenary meeting in June detailing the five elements of the policy response: (a) stocktaking, (b) peer learning (c) policy guidance (d) in-country implementation; and (e) research.

- In respect of stocktaking, you may find details of AFI members' policy responses in the AFI member policy response dashboard, regularly updated: <https://www.afi-global.org/afi-covid-19-policy-response>

- In respect of peer learning, we have held a number of closed sessions with leaders of member institutions in different regions, in addition to a number of webinars which have been publicly available, including:
 - (a) AFI COVID-19 Policy Responses Global Webinar ([Click Here](#))
 - (b) Microfinance Response and Recovery from COVID-19 ([Click Here](#)) and
 - (c) Digital ID and E-KYC amidst the COVID-19 pandemic and beyond ([Click Here](#))

- In respect of policy guidance, we have published: (a) Policy Framework for Leveraging Digital Financial Services to Respond to Emergencies, the case of COVID-19 ([Click Here](#)) and (b) SME Finance Responses to COVID-19 in AFI member countries ([Click Here](#)).

- AFI is also supporting its members in respect of in-country implementation priorities, including to maintain and enhance progress in financial inclusion in the context of the COVID-19 pandemic and the road towards the recovery. AFI is also undertaking research in areas such as the gender impacts of the COVID-19 pandemic; the possibilities to promote inclusive green finance in the context of the COVID-19 recovery; and opportunities and challenges to build on the enhanced use of digital financial services and digital identities in the context of COVID-19.

BETTER THAN CASH ALLIANCE

BETTER THAN CASH ALLIANCE (BTCA)

The Better Than Cash Alliance is a UN-based partnership of 75 governments, companies and international organizations that accelerates the transition from cash to digital payments to drive financial inclusion, transparency, security and efficiency. It serves as an official implementing partner of the G20 Global Partnership for Financial Inclusion.

With billions of people under lockdown due to COVID-19, members of the Better Than Cash Alliance - both G20 and non-G20 governments - have turned to digital payments and digital financial services to provide relief to their citizens.

At the Alliance secretariat, we have been supporting our members to digitize payments in a way that is responsible and responsive to citizens needs, specifically by:

- Dispatching experts to work with governments in designing and delivering digital payments emergency relief schemes - including to informal workers who were paid digitally for the first time.
- Pivoting existing digitization initiatives that were underway to focus resources on immediate support to members facing challenges posed by COVID-19.
- Working with private sector and government leaders to build capacity for first-time users of digital payments.

In addition to advisory services at the national level, we organized a series of global webinars and government-to-government knowledge exchanges to share lessons on transitioning to digital payments. The learning sessions have reached over 2,000 government officials, regulators and private sector leaders from over 80 countries.

Sharing lessons from countries was complemented by the report *Advancing Women's Digital Financial Inclusion*, which was prepared in partnership with Women's World Banking, and the World Bank Group for the G20 Global Partnership for Financial Inclusion under the Saudi G20 Presidency.



CONSULTATIVE GROUP TO ASSIST THE POOR (CGAP)

CGAP's COVID-19 Response Highlights

Building on CGAP's comparative advantage as a think-tank and a global consortium of more than 30 leading development agencies, national governments (including GPF members), and private foundations, dedicated to advance the lives of poor people through financial inclusion, CGAP's COVID-19 response efforts have been focused on four key areas:

- Support to the microfinance sector
- Sharing best practices on digital government-to-person (G2P) payments and distribution networks
- Understanding the impact of COVID-19 on low-income customers
- Facilitating knowledge exchange within the financial inclusion community

Support to the Microfinance Sector

CGAP's support to the microfinance sector centers on two areas: *Microfinance funder coordination and Microfinance Policy response*.

Some key highlights from this work include:

- Launching a [Global Pulse Survey](#) covering more than 200 MFIs around the world, intended to gather data to inform the microfinance community's response to COVID-19. Results are shared on a regular basis with the wider community through a [public data dashboard](#) and discussed through [CGAP blog](#).
- A [framework for regulatory response](#) to help regulators and policymakers identify and assess crisis responses that take into account the particular characteristics of microfinance. The framework reviews current practice in a range of countries and distills key steps to be taken at the level of regulation and policy.
- [Country case studies](#) on how authorities in four countries -- India, Pakistan, Peru, and Uganda -- have adopted policy and regulatory responses to assist the microfinance sector during COVID-19. Responses include measures enabling microfinance providers (MFPs) to operate safely, providing temporary relief to clients, increasing MFPs' access to liquidity, and simplifying supervisory processes where appropriate. These case studies are part of a new series of CGAP notes that examine the impact of the COVID-19 crisis on microfinance at the country level.

G2P and Distribution

Government-to-person (G2P) payments for social security benefits are a cornerstone of helping poor people build resilience and weather shocks. CGAP is working with members seeking to implement cash transfer schemes to share knowledge developed over the last five years on the design of G2P cash transfer schemes, in markets as diverse as Bangladesh, Pakistan, Indonesia, India, Peru, Ecuador, Tanzania, Kenya and Zambia. CGAP is also working with the World Bank on several of its country operations and convening a working group of other members interested in sharing tools and best practice in the design of digital payments delivery.

Some key outputs in this area include:

- [Webinar on G2P Payments in COVID-19 context](#) co-organized with the World Bank Group, GIZ, Australia DFAT, and the International Policy Centre for Inclusive Growth. The webinar presented key aspects that must be considered when delivering social protection payments under emergency circumstances and highlighted different country experiences to illustrate best practices.
- Brief on [Rapid Account Opening in a Pandemic](#)". [For those designing and deploying social assistance payments, this note](#) provides guidance on how to work with financial sector regulators to implement social assistance payments that facilitate rapid, remote account opening in compliance with anti-money laundering and counter-financing of terrorism (AML/CFT) rules.

Impact on Customers

Poor customers are at the heart of CGAP COVID-19 response work. Specifically, we focus on (i) understanding the immediate impact of the crisis on poor customers and how they are coping; (ii) understanding how effectively key actors like financial service providers, governments, NGOs, and funders are addressing the crisis; and (iii) learning from the pandemic in real-time to guide the response of CGAP and our members over the near and long term.

Some key outputs in this area include:

- **Blog on [Impact of COVID-19 on Women in Rural and Agricultural Livelihoods](#)**. Women engaged in rural and agricultural livelihoods have been disproportionately impacted by COVID-19. While immediate interventions have been crucial to support their daily needs, the blog offers recommendations for how financial service providers, funders, and regulators can develop more gender-aware interventions to strengthen their recovery post-Covid and even prepare for the next crisis.
- **Blog on [Emergency Relief for Small Businesses Requires a Targeted Approach](#)**. There are more than 160 million micro and small businesses in developing countries. Support for small businesses is the centerpiece of many countries' economic responses to the COVID-19 pandemic, but despite the best of intentions, these programs have run into challenges when they do not reach the right small business segments with targeted relief measures. A differentiated approach to MSEs will be crucial to helping them recover and rebuild. This blog offers some useful ways to segment the vastly heterogeneous MSE sector for more targeted and effective COVID-19 relief.

Knowledge-sharing for the funder community

As a member-based organization, CGAP plays an important coordinating role for donors and funders, many of whom are pivoting their resources toward the COVID-19 response. As the crisis wears on and large amounts of information are being generated from different quarters, we recognize that it may not be easy for our members to make sense of this information. Thus not only synthesizing relevant information but also providing our members [insights on best practice](#) and evidence-based research to guide their investment decisions is crucial to minimize duplication and ensure resources are directed effectively.

CGAP mobilized [CGAP.org](#) and [FinDev Gateway](#), the independent platform for the global inclusive finance community, to create a knowledge hub on COVID-19 for the wider financial inclusion community.

On CGAP.org, we launched a [collection](#) page featuring our own blogs, research and other publications offering new data and insights on the impact of COVID-19, including lessons learned from previous crises that can inform today's response.

The FinDev Gateway has a more extensive [COVID-19 Resource Hub](#) available in English, Spanish, Arabic and French. FinDev regularly posts news updates and has launched the [FinDev Guide to Data: Tracking the Global Response to COVID-19](#), a one-stop-shop for the numerous trackers of government actions around the world. FinDev Gateway is also hosting a [discussion forum](#) for microfinance practitioners to share information on how their clients and organizations are responding.

The CGAP-hosted [FinEquity](#) community of practice likewise has a gender discussion forum on the crisis. We plan to organize additional webinars for practitioners and donors to promote knowledge exchange on crisis response.



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

The Remittance Community Task Force (RCTF)

The **Remittance Community Task Force (RCTF)** was launched by IFAD, through its Financing Facility for Remittances (FFR), on 24 March 2020, in response to the call by the UN Secretary General for global solidarity. In that call, the Secretary General noted that “remittances are a lifeline in the developing world”.

The priority of this Task Force is to develop a coordinated and concerted effort to raise awareness of the impact of the COVID-19 pandemic on the ONE BILLION people on earth directly involved in remittances. To date, 38 organizations have joined the RCTF, including international organizations, inter-governmental bodies, industry and private sector groups, networks of diaspora organizations and international experts on remittances. This Task Force also includes a large reference group comprised of government representatives and national development agencies.

National remittances task forces (NRTF) were also launched in April in The Gambia, Ghana and Senegal. They saw the participation of more than 100 members from all sectors in the three countries. While seeking to have a national perspective on the impact of the crisis, the NRTFs are bringing in the expertise of the RCTF to identify key actions addressing their national realities.

The RCTF interim report called **Remittances in crisis: response, resilience, recovery: a blueprint for action** was released on June 16, in the occasion of the International Day of Family Remittances. The final report will be released soon.

Remittance Community Task Force (RCTF): ([Click Here](#))

RCTF Interim report: ([Click Here](#))



ISLAMIC DEVELOPMENT BANK (ISDB)

THE ISDBG STRATEGIC PREPAREDNESS AND RESPONSE PROGRAM FOR COVID-19 PANDEMIC

The IsDB Group has approved a US\$ 2.3 billion envelope for its Strategic Preparedness and Response Program as a direct response to the Covid-19 pandemic under the 3Rs approach (3Rs: Respond, Restore, Restart). The aim of the (3Rs) response Program is to support the IsDB member countries in preventing, containing, mitigating and recovering from the impact of the COVID-19 pandemic. The Program adopts a holistic approach of providing emergency assistance to support health systems (Respond), as well as medium (Restore) and long-term (Restart) economic support to rehabilitate livelihoods, build resilience and kick start economic growth. Digital Solutions have been deployed and are playing a key role in linking all stakeholders (Governments, Service Providers, Financial Institutions, etc) through online country platforms using Blockchain Technology. As of today, 30+ projects targeting all vital sectors affected by the pandemic have been approved. To curb the effects of the Covid-19 pandemic on the MSMEs, heal the financially excluded and reintegrate Women and Youth to the workforce, the IsDBG under its (3Rs) Plan, rolled out a special Program for the MSMEs, supported with an envelope of more than US\$ 500 Million targeted to the most affected MCs. For example, the Strengthening the Economic Resilience of Vulnerable Enterprises (SERVE) Program was designed to provide immediate and targeted cash-flow support to businesses that are adversely impacted by COVID-19 as well as to sustain their business operations beyond the crisis. 506,000 jobs will be created and maintained from financing more than 200,000 MSMEs.

Also, these are two links that IsDBG has setup specifically to list and showcase all IsDBG's interventions in response to Covid-19; The first link is the listing of all Covid-19 projects by country/amount/description. The second link is the latest updates/news on what IsDB is doing for Covid-19.

- <https://www.isdb.org/covid-19-overview>
- <https://www.isdb.org/topic/coronavirus>



ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

OECD: Experiences & Measures Implemented to Mitigate the Impact of COVID-19 (August 2020)

The OECD has, among other things, been leading work on financial consumer protection and financial education responses to COVID-19, in terms of providing policy guidance to countries about options to protect and support the financial resilience of consumers, and collecting and sharing data about policy responses and measures being implemented to mitigate the impact.

In terms of financial consumer protection, the G20/OECD Task Force on Financial Consumer Protection and FinCoNet are undertaking the following:

- [Guidance Note on Financial Consumer Protection responses and policy options re the COVID-19 crisis](#) including loan deferrals, digital payments, insurance cover and access to emergency funds.
- Questionnaire on Financial Consumer Protection measures to mitigate the impact of the crisis (covering credit, payments, insurance, investments and pensions). Over 60 countries and jurisdictions have participated in the Questionnaire so far.
- [Central webpage of links to information and resources for financial consumer protection produced by national authorities.](#)
- Dedicated webinars to discuss responses to, and implications of, the crisis.
- Looking ahead, further work will be conducted to review financial consumer protection approaches in light of COVID-19, including via the review of the G20/OECD High Level Principles on Financial Consumer Protection to be conducted in 2021.

In terms of financial education, the OECD/International Network on Financial Education is undertaking the following:

- [Guidance Note on policy options for supporting the Financial Resilience of Citizens throughout the COVID-19 crisis.](#)
- [Guidance Note on strengthening seniors' financial wellbeing throughout the COVID-19 crisis and its aftermath.](#)
- Questionnaire on the implications of the pandemic on financial literacy policies and practices.
- Looking ahead, further work will be conducted to review financial literacy best practices, including digital delivery, in light of COVID-19.



WORLD BANK GROUP (WBG)

COVID-19: The Regulatory and Supervisory Implications for the Banking Sector

A Joint IMF-World Bank Staff Position Note

May 21, 2020

<https://openknowledge.worldbank.org/bitstream/handle/10986/33793/COVID-19-The-Regulatory-and-Supervisory-Implications-for-the-Banking-Sector.pdf?sequence=1&isAllowed=y>

This note provides a set of high-level recommendations that can guide national regulatory and supervisory responses to the COVID-19 pandemic and offers an overview of measures taken across jurisdictions to date. The banking sector plays a critical role in mitigating the unprecedented macroeconomic and financial shock caused by the pandemic. Timely, targeted and well-designed regulatory and supervisory actions are essential to maintain the provision of critical financial services, particularly to households and firms that are affected most, while mitigating financial risks, maintaining balance sheet transparency, and preserving longer-term financial policy credibility. In this context, authorities should employ the embedded flexibility of regulatory, supervisory, and accounting frameworks, and encourage judicious loan restructuring while continuing to uphold minimum prudential standards. Standard-setting bodies have issued guidance to support national authorities in their efforts to provide effective, sound, and well-coordinated policy measures. Thus far, national policy measures around the world have targeted utilization of available bank capital and liquidity buffers, supporting affected borrowers, promoting balance sheet transparency, and maintaining operational and business continuity of banks as well as payment systems. However, some developing countries have fewer options at their disposal due to limited policy buffers, weaker implementation capacity, and less-sophisticated regulatory frameworks. This could explain their higher reliance on policy responses that are not consistent with the recommendations discussed in this note, which may generate new risks.

Digital Financial Services

World Bank Group

April 2020

<http://pubdocs.worldbank.org/en/230281588169110691/Digital-Financial-Services.pdf>

Access to affordable financial services is critical for poverty reduction and economic growth. Digital Financial Services (DFS), enabled by fintech, have the potential to lower costs, increase speed, security and transparency and allow for more tailored financial services that serve the poor at scale. DFS are characterized by low marginal costs and greater transparency. They can respond to both the supply-side barriers to access to financial services, such as high operating costs, limited competition, as well as the demand-side barriers, including volatile and small incomes for the poor, lack of ID, trust and formality and geographical barriers. DFS can also help firms address liquidity issues, which are critical due to demand, supply and financial shocks due to the current crisis. This report looks at the main obstacles to expanded and accelerated DFS, which are grouped among three main issues: (i) conducive legal and regulatory frameworks; (ii) enabling financial and digital infrastructure; and (iii) ancillary government support systems. It also addresses risks from increased use of digital finance from consumer protection to cybersecurity. Then the report provides country case studies for overcoming these obstacles including ways the private sector can contribute to digital financial inclusion.

COVID-19 Finance Sector Related Policy Responses

World Bank Group

Live dataset – last updated 9/10/2020

<https://datacatalog.worldbank.org/dataset/covid-19-finance-sector-related-policy-responses>

The data set tracks measures that governments have taken to support their financial sector following the spread of the COVID-19 respiratory virus. Policies are classified according five main categories: banking sector, financial markets and institutions, insolvency, liquidity/funding, and payments systems (Level 1 policy). Each category has different sub-categories such as crisis management, integrity and operational continuity for the banking sector, or consumer protection and digital payments for payment systems.

Disclaimer: This dataset is updated regularly and remains work in progress. As such, it may contain errors and omissions. We record both the date an entry is made (created) and the date, where available, of enforcement/announcement of a specific policy measure (date (at or prior to)). We also report, where available, the termination date (Termination Date), and whether a measure is a modification/extension of an existing measure (Modification of Parent Measure).

Sources: The database is compiled using public information collected by the World Bank and COVID-19 financial response trackers maintained by several entities (e.g., Yale Program on Financial Stability, IDB, IIF, IMF, OECD).

Release Date: 04/03/2020

Last Updated: 09/10/2020

Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures “Living paper” version 12 (July 10, 2020)

<http://documents1.worldbank.org/curated/en/454671594649637530/pdf/Social-Protection-and-Jobs-Responses-to-COVID-19-A-Real-Time-Review-of-Country-Measures.pdf>

Global Covid19 cases continue to rise, but so do social protection responses to the pandemic. Since March, a total of 200 countries/territories, 5 more since our last update in June, have planned or put in place 1,055 social protection measures. The latter includes an additional 31 interventions compared to version 11 of this review. Such growth is remarkable. Yet trends in social protection measures appear to flatten out, while daily confirmed Covid19 cases are soaring exponentially. Social assistance accounts for most of the social protection response. A total of 638 measures were recorded, accounting for 60% of the response. Nearly 50% of those safety net measures, and about 30% of global measures, are various forms of cash-based transfers which are increasingly distributed using digital payments. Besides 298 cash transfer programs in 139 countries (6 of which universal transfers), a robust number (25) of social pension schemes is implemented in 22 countries.

Guidance Notes on the COVID-19 Outbreak (also includes The Regulatory and Supervisory Implications for the Banking Sector, produced jointly with the IMF and referenced previously)
<https://www.worldbank.org/en/topic/financialsector/coronavirus>

Payment and Settlement Systems

<http://pubdocs.worldbank.org/en/569471592328283668/Payment-and-Settlement-Systems-COVID-Response-Note-March-27-2020-FINAL-TCV2.pdf>

Payment and Settlement Systems form the basis for the processing of digital payments, remittances, Government payments, securities and money market transactions in most economies. They serve both systemically important functions, such as large value inter-bank payments and capital market transactions and the billions of everyday consumer transactions that power commerce. The COVID-19 pandemic may place a unique strain on payment and settlement systems both because of the operational risk that the health aspects of the crisis pose and financial risks that arise from the impact on the financial health of the financial sector. Potential policy responses: include classifying critical payment services as “essential services” and allowed to function – these include Government to Person payments and remittances; encourage shift to digital payments; ensure adequacy of business continuity plans of critical payment systems and payment service providers; and stand available to support the liquidity needs of payment service providers. The choice of policy responses will vary depending on which aspect of a country’s payment systems and market infrastructure is in danger and will include legal and regulatory reform and enhanced operational resilience.

Why Credit Reporting Matters in the Stabilization and Recovery Phases

<http://documents1.worldbank.org/curated/en/446871590005299037/pdf/COVID-19-Emergency-Policy-Responses-Why-Credit-Reporting-Matters-in-the-Stabilization-and-Recovery-Phases.pdf>

Firms and individual borrowers are experiencing a sharp decrease in income due to COVID-19, making them unable to meet their credit obligations. Governments, Central Banks and financial sector regulators across the globe have proactively intervened to support the credit markets and avert a possible credit freeze by introducing unprecedented measures such as regulatory forbearance (includes moratoria on repayments, extension of past-due days). Given the interplay between fiscal, monetary and prudential policies, there is need for a coordinated and holistic approach to policy formulation and implementation to increase the likelihood of success of these measures in the longer term. For example, it is important that measures be carefully implemented, mindful of the implications on the credit information cycle because inaccurate and untimely data may delay recovery from the crisis. Properly functioning credit reporting systems can assist in the stabilization and recovery phases through supporting private sector credit granting, minimizing cost of public intervention, data driven policy formulation, credit classifications and IFRS 9 ECL computations.

Capital Market Implications and Response

<http://pubdocs.worldbank.org/en/776691586478873523/COVID-19-Outbreak-Capital-Markets.pdf>

The COVID-19 crisis is an extraordinary supply and demand shock to the global economy with far reaching and uncertain ramifications. Emerging Markets and Developing Economies (EMDEs) are highly exposed, and capital markets are one of the main transmission channels of this on-going, global, systemic shock. This note identifies the impact of this evolving crisis on EMDE capital markets to date, assesses the different policy actions that policy makers have taken in response, and outlines some aspects of the assistance that the World Bank can provide to help alleviate the financial and economic damage from the coronavirus pandemic. Countries with high public- and private-debt levels, high foreign-investor participation, as well as less-developed domestic

capital markets are most vulnerable. The private sector is highly exposed to the current crisis, especially small- and medium-sized firms, BBB-rated corporates and firms with heavy reliance on foreign exchange debt. Policy responses are focused so far on emergency measures designed to alleviate the liquidity and credit squeeze, as well as to normalize the extreme market volatility. Emergency assistance to private debt issuers has been part of measures directed to firms broadly and include tax relief and regulatory forbearance. So far, specific measures for listed corporates have been more limited. The World Bank can play a role in the capital market response by (i) advising on the applicability of emergency responses to countries and assessing longer-term consequences, (ii) identifying lowhanging reforms to address structural bottlenecks and (iii) helping to identify reforms that could accelerate the recovery.

Housing Finance Implications and Response

<http://pubdocs.worldbank.org/en/368571586473125247/COVID-19-Outbreak-Housing-Finance.pdf>

One of the most immediate effects of the COVID-19 outbreak will be a loss of income for many households and an inability to meet mortgage or rent payments. The repercussions for the financial system will be an increase in bad debts, provisioning and reduced capital ratios. This, in turn, will put pressure on secondary mortgage markets and create market liquidity challenges, as seen during the Global Financial Crisis. Responses have been a mix of forbearance for households, regulatory forbearance for lenders and liquidity provision to the financial system. Policy responses by the World Bank are focused on supporting governments in maintaining liquidity to housing finance lenders, ensuring inclusive approaches to housing crisis response and laying the ground for a rapid resumption of activity when crisis abates. The housing sector can play a strong role in recovery as a channel for stimulus and employment creation, where large-scale investments are needed to meet SDG11 on safe, adequate and affordable housing for all.

Implications on Individual and Corporate Insolvency

<http://pubdocs.worldbank.org/en/912121588018942884/COVID-19-Outbreak-Implications-on-Corporate-and-Individual-Insolvency.pdf>

The COVID-19 pandemic has impacted firms by reducing demand for their products and services, disrupting the supply of inputs and tightening the provision of credit. Individuals are also experiencing a sharp decrease in income as unemployment grows. This is already resulting in shocks to the financial system in the form of increases in non-performing loans, insolvency filings, unnecessary liquidations and asset fire-sales. Government responses so far have been a mix of regulatory forbearance, higher barriers to entry into formal insolvency proceedings and the extension of procedural deadlines. The World Bank – as an FSB standard setter in the field of insolvency – can play a role in mitigating the crisis through supporting rapid actions in the insolvency sphere. The insolvency system can facilitate recovery as a channel for resolving debt-overhang and preserving employment.

Insurance Implications and Response

<http://pubdocs.worldbank.org/en/687971586471330943/COVID-19-Outbreak-Global-Policy-Actions-on-Insurance.pdf>

The COVID-19 Pandemic is significant for the insurance sector, given its contractual coverage of health and mortality risk. Impacts are multifaceted with some effects offsetting negative aspects. The pandemic is not a “Black Swan” event for well-run insurers, but it is significant, compounded by financial-asset and interest-rate movements. This note explains transmission mechanisms covering a diversity of liability, asset and operational elements. Official interventions to date have included oversight of continuity plans at insurers, activation of plans at supervisory agencies, emphasizing the need to treat customers fairly and to avoid cancellation of cover or adverse impacts from virus-related policy exclusions. There has been some amendment of contractual terms to avoid unreasonable action, facilitating proactive innovation such as telemedicine, relaxing reporting timelines, and delaying other policy initiatives. The World Bank can play a role assessing client-country markets, including state-owned insurers and reinsurers. It can support stress-testing efforts, assist with capital regulation management and reform, and support supervisors as they assess and respond to solvency challenges or to resolve insurers in difficulty should that arise. It can support reforms to regulations in the short- and medium-term and provide direct support—including analysis of global responses—to supervisory staff and policymakers with limited technical skills.



WORLD BUSINESS ANGELS INVESTMENT FORUM (WBAF)

Country Experiences and Measures Implemented to Mitigate the Impact of COVID-19

The World Business Angels Investment Forum (WBAF), an affiliated partner of the G20 Global Partnership for Financial Inclusion (GPFI), has

1. featured the GPFI COVID-19 Declaration on the homepage of its official website ([Click Here](#))
2. established Economic Development Commissions to accelerate the business transformation process of SMEs in post-pandemic times by connecting these Commissions with other WBAF entities ([Click Here](#))
3. conducted a global survey on the impacts of COVID-19 on the startup and SME economy ([Click Here](#))
4. hosted 15 webinars to support startups, entrepreneurs and SMEs ([Click Here](#))
5. prepared a policy recommendations report for the G20 leadership (A summary: [Click Here](#))
6. initiated a Diplomacy in Action for Entrepreneurs group as a response to COVID-19 with participation of numerous heads of states and ministers globally.