



ISLAMIC FINANCIAL
SERVICES BOARD

COMPENDIUM OF FINANCIAL-SECTOR REGULATORY RESPONSES TO COVID-19

GROUP ONE: = 10%+



MAY 27, 2020

ISLAMIC FINANCIAL SERVICES BOARD (IFSB)

www.ifsb.org

Executive Summary

This compendium compiles discretionary measures, taken by the jurisdictions of selected IFSB member Regulatory and Supervisory Authorities (RSAs), to combat COVID-19 pandemic. Since IFSB's mandate primarily focuses on resilience and stability of Islamic financial services industry, the compendium selects only those member jurisdictions who have significant importance of Islamic finance in terms of market share and total assets. The Compendium is in two versions, **Group One** for jurisdictions with **10% and above systemic significance**, and **Group TWO** for jurisdictions with **less than 10%** systemic significance. **This version is for Group One.**

COVID-19 pandemic has been creating widespread effects irrespective of any financial system or sector, implying that measures taken, so far, by the jurisdictions largely did not differentiate between conventional and Islamic financial systems. Authorities in a jurisdiction applied combination of different policy measures, ranging from conventional to non-conventional means of monetary and fiscal policies. This compendium, therefore, includes all publicly available policy measures in financial, monetary and fiscal sectors, in general, as they complement each other to prevent the economy from future recessions and help to recover stability and economic sustainability.

No one would have predicted in 2019 that few months later most economies worldwide would come to halt as many governments have made restrictions in movements, business and economic activities in order to battle the COVID-19 pandemic. Unlike monetary instability which has been the primary cause of most previous recessions, the reversal of current economic conditions of descending is in fact result from the government's own decision on business closures to protect people from COVID-19 pandemic which superseded economic priority. In turn, supply-side disruptions exist in the financial systems due to the restrictions which have made a strong demand for cash, affecting financial deepening in an economy.

Most IFSB member RSAs responded timely to the supply-side disruptions in the financial sector in order to protect their economy from a further depression. Monetary authorities reduced their policy rates by continuously engaging themselves into increased purchases of treasuries and securities. Policy rates which were reduced by the respective central banks/monetary authorities under this report included cash reserve requirement (CRR), statutory reserve requirement (SRR), discount rate, repo rate, overnight, one-week and one-month policy rates, advanced deposit rate (ADR), and investment deposit rate (IDR). Lowering these rates would help to restart economic activities as well as subdue inflationary pressures, considering market disruptions and weakening global economic conditions because of COVID pandemic.

Central banks and monetary authorities allocated financing facilities under special funds for SMEs to provide support in sustaining business operations, safeguard jobs and encourage domestic investments. In addition to providing special funds to support SMEs, IFSB member central banks increased regulatory limits on extension of credit, deferred payment programmes of the SME beneficiaries, provided concessional and long term financing, extended monetary incentives for commercial banks to ease financing targeted at SMEs, postponed instalments for SMEs, reduced bank charges/fees for SME customers, facilitated SME customers to

open bank account within a maximum timeframe, waived listing fees for new SME issuers, etc. among others, which would, in fact, assist low and middle-income households, helping to strengthen the domestic economic activities.

Other programmes such as refinance schemes and special financing programmes were taken by several member central banks and monetary authorities to provide financing at concessional rate and flexible terms for the affected customers. Central banks also provided directives for their commercial banks to support certain sectors that are highly impacted due to COVID-19, in terms of extending working capital or introducing flexibility in repayments.

Fiscal measures include large emergency support to people and firms during the COVID-pandemic in order to protect the country from a possible economic crisis and help the people of the country with a recovery plan. Improved social safety nets and broad-based fiscal supports are the key to a strong economic recovery. Governments of IFSB member jurisdictions announced number of stimulus packages, palliatives, granting soft loans at minimum or without commissions or fees for the affected sectors and customers in order to increase the coverage of social safety nets programmes.

This compendium also includes policy measures on capital markets and insurance/takāful sector issued by the respective RSAs in IFSB member countries. Capital market authorities provided flexibilities in regulatory requirements and margin financing for capital market participants. In view of the unprecedented and volatile market conditions arising from the Covid-19 pandemic, they also reminded fund management and unit trust management companies of their obligations to act in the best interest of investors at all times and ensure fair treatment of their clients. Insurance/takāful regulatory authorities in IFSB member countries issued guidance for insurance companies and customers in terms of critical business functions and essential services of the insurance operations. While takāful operators were instructed to continue the critical operations to ensure that engagements and interactions with takāful participants are not disrupted, customers were also encouraged to adopt digital platforms as a form of communication with all takāful operators via e-payment, direct distribution channel or any others online platform.

On a final note, this compendium included the information that will be updated from time to time based on the publicly available sources.

Disclaimer

The information in this compendium does not represent the views of the IFSB and is not meant for comparison of policies across IFSB member regulators as the responses vary depending on the nature of shock and country specific conditions, but rather a reference toolkit.



THE COMPENDIUM

COMPENDIUM OF FINANCIAL-SECTOR REGULATORY RESPONSES TO COVID-19

GROUP ONE = 10%+

This document contains the IFSB Secretariat's compilation of financial-sector regulatory responses (for banking, capital market and insurance sectors) to COVID-19 in IFSB member jurisdictions with an Islamic finance share of 10% or more.

1. BANKING SECTOR

Jurisdiction	Regulatory and Supervisory Authority (<u>Banking Sector</u>)	Regulatory Responses to Covid-19
Bahrain	Central Bank of Bahrain	<p><u>Regulatory Reliefs for Prudential Measures of Banking Sector</u></p> <p>CBB provide regulatory reliefs for banking sector as follows:</p> <ul style="list-style-type: none"> - Any impacted borrower or credit card holder must be offered 6 months' deferral of instalments at no fees, no increase on interest and no increase in rate, unless the customer agrees for a shorter period; - Relax Loans to Value (LTV) ratio for new residential mortgages for Bahrainis, except Mazaya loans which are at 100% LTV already; - CBB will provide retail banks concessionary repo arrangement up to 6 months at 0% on case-to-case basis; - Reducing cash reserve ratio for retail bank from 5% to 3%. <p><u>Precautionary Measures for Payment System</u></p> <p>In addition to the reliefs for prudential measures of banking sector, CBB provides the precautionary measures for payment system that include:</p> <ol style="list-style-type: none"> a. Increasing Near Field Communication (NFC), i.e. contactless without PIN transaction limit to BD 50; b. Capping merchant fees imposed by local acquirers on debit card transaction at 0.8%. Such fees must be distributed as follows: <ul style="list-style-type: none"> - 0.35% to the acquirer - 0.25% to the issuer - 0.2% to Benefit Company c. Money Changers to disinfect all incoming currency notes and wholesale imported notes to limit the risk of exposure to the Coronavirus (COVID-19). Under the instructions, Money Changers are required to disinfect incoming currency and

		<p>wholesale imported notes with Ultraviolet Germicidal Irradiation (UVGI) or by isolating notes for 72 hours. Money Changers Licensees are also required to equip employees with Personal Protective Equipment (PPE) as per recommendations outlined by the Ministry of Health.</p>
<p>Bangladesh</p>	<p>Bangladesh Bank</p>	<p>In a view to contain the effect of COVID-19 on banks and economy at large, the Bangladesh Bank has issued the following policy responses:</p> <p><u>Monetary policy</u></p> <ul style="list-style-type: none"> - Required Cash Reserve Requirement (CRR) of the banks reduced from 5.5% to 5% on bi-weekly average basis and 5% to 4% on a daily basis. CRR is further reduced to 4% on bi-weekly average basis and 3.5% on daily basis effective from 15 April - Repo interest rate reduced from 6% to 5.75%. The repo rate is further reduced to 5.25% effective from 12 April - Buy back government securities from secondary market. As some banks and financial institutions act as primary dealer of such securities, this will help ease their liquidity. <p><u>Banking and financing facilities</u></p> <ul style="list-style-type: none"> - Banks permitted to extend LC usance (payment) periods for import of raw materials, agricultural implements and chemical fertilizers (from 180 days to 360 days) and of life saving drugs (from 90 days to 180 days). - The banks are instructed not to deduct any fees/charges/interest against late payment of credit card bill from 15 March 2020 to 31 May 2020. - Mobile financial services - monthly transition limit increased from approximately USD 900 to USD 2,300 and charges waived on cashing out (withdrawal) of up to USD 12 per day - Contactless debit and credit cards – daily transaction limit increased from approximately USD 35 to USD 60 - Waiver of charges to merchants when accepting debit and credit card payments for medicine and other essentials, subject to approximately limit of

		<p>USD 180 per day and USD 1,200 per month.</p> <ul style="list-style-type: none"> - Refinance scheme BDT 50bn (approx. USD 595m) for agriculture sector: The scheme will be financed from BB's own source. The affected customers will be able to avail up to 20% extra of the existing loan facilities under the scheme. BB will charge interest 1% from banks and banks will charge 4% from customers. The loan will be repayable within 18 months including 6 months grace period. - Advance Deposit Rate (ADR) and Investment Deposit Rate (IDR) rate increased to maximum 87% from 85% and IDR for Islamic banking has increased to 92% from existing 90%. - Quarterly repayment for imports under supplier's/buyer's credit: Bangladesh Bank has decided that bullet repayment will be permissible (earlier permissible only for import of raw materials up to USD 0.5m with usance period between 6 months to 1 year) for other usance imports under supplier's/buyer's credit, usance period can be below 6 months or above 1 year. - Refinance Scheme of BDT 30bn (approx. USD 357m) for low income professionals, farmers, micro businessmen: Loan limit to individual customer is BDT 75k to BDT 3m. BB will charge 1% interest to banks, banks will charge 3.5% interest to Micro Credit Financing Institutions (MCFIs) and MCFIs will charge 9% interest to customer. Customers will repay loan within 1 to 2 years including grace period. - Providing agricultural loan at 4% to the crop sector: banks are instructed to provide loan at 4% interest from banks' own funds. - Postponed charging interest on loans: Banks have been instructed not to charge customers interest (on loans disbursed before 1 April 2020) until further notice. <p><u>Other measures</u></p> <ul style="list-style-type: none"> - Restriction on Dividend Payment by Banks: Banks with capital adequacy ratio (CAR) (in relation to their risk-weighted assets (RWA)) of 12.50% or above will be permitted to declare up to 30% dividend (of which cash dividend may be up to 15%); banks with CAR between 11.25% and 12.50% may declare dividend up to 15% (of which maximum cash dividend may be 7.5%); banks with CAR below 11.25% may declare dividend up to 10% (of which maximum
--	--	--

		<p>cash dividend may be 5%). The declared cash dividend may be paid out only after 30 September 2020.</p> <p>Stimulus packages of BDT 677.5bn (approx. USD 8bn):</p> <ul style="list-style-type: none"> - Package 1: Government to provide BDT 300bn fund for banks to provide working capital loan facilities to the affected industries. These loans will carry interest at rate of 9%, half to be borne by borrower and half by Government as a subsidy. BB has published a circular detailing about eligibility, application, management and other terms of the package on 12 April. On 23 April BB has established Revolving Refinance Scheme of BDT 150bn to ensure financing by banks. Banks can borrow 50% of loan disbursed from BB at 4% interest rate. - Package 2: Government to provide BDT 200bn fund for banks to provide working capital loan facilities to Small (cottage industries) and medium enterprises. These loans will carry interest at rate of 9%, of which 4% to be borne by borrower and 5% by Government as a subsidy. BB has published a circular detailing about eligibility, application, conditions, reporting and other terms of the package on 13 April. On 26 April BB has established Revolving Refinance Scheme of BDT 100bn to ensure financing by banks. Banks can borrow 50% of loan disbursed from BB at 4% interest rate. - Package 3: Under Back-to-Back LC arrangement, the Export Development Fund will be increased from USD 3.5bn to USD 5bn for facilitating further import of raw materials. Interest rate will be 2%. BB has issued a circular on 7 April to implement the package. - Package 4: Central bank to launch BDT 50bn pre-shipment credit refinance scheme. BB has issued a circular detailing application method, payment method, reporting and other conditions of the package. It will be financed from BB's own source. BB will charge interest 3% from banks and banks will charge 6% from customers.
<p>Brunei</p>	<p>Monetary Authority of Brunei Darussalam (AMBD)</p>	<p>On March 19, the Autoriti Monetari Brunei Darussalam (AMBD), working closely with ministry of finance and economy as well as the financial industry, announced interim measures (for six months effective April 1) to alleviate the financial burden on sectors hit hard by the COVID-19 pandemic effective April 1.</p> <p><u>Financing facilities</u></p>

		<ul style="list-style-type: none"> - businesses in the tourism, hospitality/event management, restaurants/cafes, and air transport sectors (“Affected Sectors”) will be given a six-month deferment of their principal repayments of financing/loans; - the deferment is also extended to importers of food and medical supplies; and - all bank fees and charges (except third party charges) that are related to trade and for payments of transactions in those Affected Sectors will be waived for a period of six months. - to encourage social distancing and promote the usage of digital banking, online local interbank transfer fees and charges will be waived for a period of six months for all customers. Banks are also encouraged to review their lending rates in this current environment <p>On March 30, the MOFE announced additional financial support measures amounting to an estimated total of BND250 million, effective April 1. This Economic Relief Package:</p> <ul style="list-style-type: none"> - extends the deferment on principal payments of financing or loan to all sectors, - provides for the restructuring or deferment on principal repayment of personal loans and hire purchase such as car financing, for a period not exceeding 10 years, - provides for the deferment on principal repayments of property financing, - provides for the conversion of any outstanding credit card balances into term loans not exceeding 3 years for affected individuals in the private sector only (including the self-employed), and - waiver of all bank fees/charges related to these facilities (except third party charges). Coupled with the earlier fiscal assistance, these measures will increase the value of Brunei’s Economic Stimulus Package to a total of BND450 million (or 3.2 percent of GDP).
<p>Iran</p>	<p>Central Bank of Iran</p>	<p>The Central Bank of Iran introduced the following measures to combat the effects of Covid-19 on the financial sector:</p> <p><u>Banking facilities</u></p> <ul style="list-style-type: none"> - Freeze financing repayments due in February 2020 by three months - Temporary penalty waivers for non-performing financings - Expanded contactless payments and increased limits for bank transactions

		<p><u>FOREX Market</u></p> <ul style="list-style-type: none"> - Injected funds into the foreign exchange market to stabilize the Rial's exchange rate
Jordan	Central Bank of Jordan	<p><u>Monetary policy</u></p> <ul style="list-style-type: none"> - Reduced most policy rates by 50 basis points on March 3, and further by 100 basis points on March 16th. <p><u>Other Measures</u></p> <ul style="list-style-type: none"> - Allowing banks to postpone the credit facilities instalments granted to clients of sectors impacted by the virus without that affecting the credit rating of these companies as this would not be considered restructuring; - Allowing banks to reschedule clients' obligations without imposing any fines or late payment charges - Postponing instalment payments for retail customers including credit cards and housing and personal loans without penalties or late payment fees - Pumping additional liquidity to the banks of JD 550 million by reducing the compulsory reserve ratio on deposits with banks from 7 percent to 5 percent - Reduction of loan guarantee fees - Reduction of interest rates for certain economic-support lending programmes launched previously by the central bank and increasing their duration, amount limits and number of eligible industries.
Kuwait	Central Bank of Kuwait (CBK)	<p>CBK has provided policy measures to combat Covid-19 pandemic, which are as follows:</p> <p><u>Monetary Operations Measures</u></p> <ul style="list-style-type: none"> - Discount rate reduced to a historic low of 1.5 percent - Repo rates, overnight, one-week and one-month reduced to 1 percent, 1.25 percent, and 1.75 percent respectively <p><u>Macroprudential Measures</u></p> <ul style="list-style-type: none"> - In an effort to target more support for small and medium enterprises, the credit risk

		<p>weight has been reduced from 75% to 25% to calculate the capital adequacy ratio, in order to empower banks to provide more financing to this sector.</p> <ul style="list-style-type: none"> - Allowing banks to release capital conservation buffers within the capital base, thus reducing capital requirements. With this regard, capital adequacy ratio lowered from 13% to 10.5% - On financing for private housing and development, the new instructions included increasing the ratio of loans to value of the property or the cost of development, and limit of financing increased from 90% to 100%. - Kuwait Banking Association announced a moratorium period up to 6 months on bank loans including waiver of interest and charges (if any for postponement) for retail clients (citizens and expats) and SMEs. <p><u>Liquidity Measures</u></p> <p>Reduction in liquidity requirements such as the liquidity coverage ratio, the net stable funding ratio, and the regulatory liquidity ratio. In addition, CBK increased the maximum limits for the negative cumulative mismatch and the maximum lending limits to providing financing</p> <p><u>Additional financial support to SMEs</u></p> <ul style="list-style-type: none"> - Providing loans on concessional and long term basis to SMEs, through joint financing from local banks and the Kuwait National Fund for SMEs - Assisting SMEs and agricultural projects by postponing the instalments funded by the Kuwait National Fund for SMEs and the Industrial Bank of Kuwait - Postponing social security contributions by business owners in the private and oil sectors (not fully owned by the state) for a period of (6) months - Expediting work cycle to ensure that the government pays amounts due, to the private sector at the earliest - Providing government exemptions to the affected economic institutions in the manufacturing sectors and the cooperative societies from some government fees and dues (if these exemptions are passed through to their clients) <ul style="list-style-type: none"> • Exemption for self-employed Kuwaitis registered under Chapter Five of Social Security Law from contribution towards insurance for a period of (6) months
--	--	---

		<p><u>Payment system measures</u></p> <p>Limit for contactless payments increased to KD 25 from KD 10 and fees on point of sales devices and ATM withdrawals suspended for three months.</p>
<p>Malaysia</p>	<p>Bank Negara Malaysia (BNM)</p>	<p><u>Monetary policy</u></p> <ul style="list-style-type: none"> On March 3, 2020, Bank Negara Malaysia (BNM) lowered the Overnight Policy Rate (OPR) by 25 basis points to 2.50 percent, citing market disruptions, greater risk aversion and financial market volatility, and tighter financial conditions due to COVID-19. On May 5, BNM lowered the OPR by further 50 basis points to 2%, citing weakening global economic conditions and subdued inflationary pressures. BNM lowered the Statutory Reserve Requirement (SRR) Ratio by 100 basis points to 2 percent effective March 20. <p><u>Capital and liquidity of banks</u></p> <ul style="list-style-type: none"> In order to ease the burden of the stress on banking institutions, BNM has allowed banks to draw down on capital and liquidity buffers. To this effect, banking institutions may drawdown on the capital conservation buffer of 2.5%, operate below the minimum liquidity coverage ratio of 100%, and utilize the regulatory reserves that were set aside during periods of strong loan growth. However, the BNM requires banking institutions to restore their buffers within a reasonable period after 31 December 2020. BNM announced to the banking institutions that the implementation timeline for the Net Stable Funding Ratio will proceed as scheduled on 1 July 2020. However, the minimum NSFR will be lowered to 80% and banking institutions will be required to comply with the requirement of 100% from 30 September 2021. On May 5, BNM announced that banking institutions can use Malaysian Government Securities (MGS) and Malaysian Government Investment Issues

(MGII) to fully meet the SRR compliance until May 2021.

Financing facilities

- In order to provide assistance to more SMEs, BNM has expanded its Fund for SMEs, increasing by RM4 bn to RM13.1 bn as outlined hereunder
 - An increase in the allocation of the **Special Relief Facility (SRF)**, from RM2 billion to **RM5 billion**, to provide relief assistance to more SMEs who are affected by the COVID-19 outbreak. The maximum financing rate is now lowered from **3.75% p.a. to 3.50% p.a.** The enhanced SRF is available until 31 December 2020.
 - An increase in the allocation of the **All Economic Sectors (AES) Facility**, from RM5.8 billion to **RM6.8 billion**, to enhance access to financing for SMEs and to support growth. The maximum financing rate is also reduced from **8% p.a. to 7% p.a.**
- On March 25, BNM announced temporary easing of regulatory and supervisory compliance on banks to help support loan deferment and restructuring. To this end, for **individuals and SMEs** that are likely to be the most affected by Covid-19, banking institutions will offer a **deferment of all loan/financing repayments for a period of 6 months**, with effect from 1 April 2020. This offer is applicable to performing loans, denominated in Malaysian Ringgit, that have not been in arrears for more than 90 days as at 1 April 2020. For credit card facilities, banking institutions will offer to **convert the outstanding balances into a 3-year term loan** with reduced interest rates to help borrowers better manage their debt.
- In the same vein, banking institutions are also allowed to facilitate requests by corporations to **defer or restructure their loans/financing repayments** in a way that will enable viable corporations to preserve jobs and swiftly resume economic activities when conditions improve. Also, BNM has provided appropriate time-bound flexibilities for banking institutions to report deferred/restructured facilities in

		<p>the Central Credit Reference Information System (CCRIS), taking into account the temporary nature of disruptions faced by borrowers/customers.</p> <p><u>Islamic Social Finance Instruments</u></p> <ul style="list-style-type: none"> - As part of its measures to support SMEs affected by COVID-19, BNM also announced that a social finance programme will be introduced by participating Islamic banks in collaboration with some State Islamic Religious Councils and implementation partners. This programme is to utilize Islamic social finance instruments (zakat, waqf and sadaqah) to mobilize social finance contributions towards providing seed capital that is packaged with microfinancing for eligible micro-entrepreneurs to start and grow business to generate sustainable income. The initial programme optimizes zakat and microfinancing arrangement, and will include cash waqf at the later stage. Selected recipients will receive funds to start businesses in addition to structured training on entrepreneurship and financial management by SME Corporation Malaysia, and support to develop a viable business venture of their choice.
<p>Oman</p>	<p>Central Bank of Oman</p>	<p><u>Monetary Policy</u></p> <ul style="list-style-type: none"> - Reduction in the interest rate on repo operations by 75 basis points to 0.5%, and extension of the period of repo operations to three months - Reductions in the interest rates for repo operations and foreign exchange swaps by 100 and 50 basis points respectively - Raising maximum period for currency swaps to six months - Reduction in price of re-discounting of commercial paper by 100-125 basis points - Raising the maximum permissible limit on investment in Sovereign Development Bonds and sukuk from 45% to 50% of a Bank's net worth - Accepting with immediate effect requests by affected borrowers for deferment of loan instalment payments for the next six months, particularly for

		<p>SMEs, without adverse impact on risk classification of such loans; deferring the risk classification of loans related to government projects for six months.</p> <ul style="list-style-type: none"> - Urged the banking sector to encourage their customers to use online banking services, and be vigilant on ensuring cybersecurity <p><u>Macroprudential measures</u></p> <ul style="list-style-type: none"> - Reduced capital conservation buffer by 50% from 2.5% to 1.25% - Raised lending ratio by 5% from 87.5% to 92.5%
<p>Pakistan</p>	<p>State Bank of Pakistan</p>	<p><u>Monetary Policy</u></p> <p>The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate four times by a cumulative 525 basis points to 8.0 percent in the span of two month. The latest being the cut of 100 basis points on 15 May 2020.</p> <p><u>Financing Facilities</u></p> <p>The SBP has also introduced three refinancing facilities that aim at:</p> <ul style="list-style-type: none"> - supporting hospitals and medical centers to purchase equipment to detect, contain, and treat COVID-19, - stimulating investment in new manufacturing plants and machinery, and - incentivizing businesses to avoid laying off their workers during the pandemic. <p><u>Regulatory Measures to Maintain Stability of the Banking System</u></p> <p>Moreover, the SBP introduced temporary regulatory measures to maintain banking system soundness and sustain economic activity. These include:</p> <ul style="list-style-type: none"> - reducing the capital conservation buffer by 100 basis points to 1.5 percent; - increase the regulatory limit on extension of credit to SMEs by 44 percent to PRs 180 million;

		<ul style="list-style-type: none"> - relaxation of the debt burden ratio for consumer loans from 50 percent to 60 percent; - allowing banks to defer clients' payment of principal on loan obligations by one year; - relaxation of regulatory criteria for restructured loans for borrowers who require relief beyond the extension of principal repayment for one year; and - suspension of bank dividends for the first two quarters of 2020 to shore up capital. <p>To promote digital payments, SBP has waived all charges for customers using online fund transfer services, which allows customers to perform online interbank transactions free of cost. This aims to contain the spread of Covid-19 by limiting the physical interaction of citizens at bank branches.</p> <p><u>Exporters and Importers</u></p> <p>SBP is also easing the requirements on exporters and importers to gain access to cheap finance under its existing facilities, and is providing subsidized credit for new investments across all sectors of the economy.</p>
<p>Palestine</p>	<p>Palestine Monetary Authority</p>	<p><u>Support for Small-Medium Enterprises</u></p> <ul style="list-style-type: none"> - Launched sustainability programme worth \$300 million to provide financing for SMEs and microprojects that have been affected by COVID-19 <p><u>Support for borrowers</u></p> <ul style="list-style-type: none"> - Postponement of borrowers' premium payments from March to June 2020 <p><u>For construction/contracting companies:</u></p> <ul style="list-style-type: none"> - Urged banks to provide banking facilities to contracting companies and reschedule their debts, in accordance with each bank's credit policy. - Contracting companies benefit from the concessional loan program announced by the government and Palestine Monetary Authority. - Consider positively the classification of contracting companies on the system of cheques returned during the emergency period through consensual settlements

		<p>and pleas from banks.</p> <ul style="list-style-type: none"> - Increasing the working hours of banks, especially in the southern governorates.
Qatar	Qatar Central Bank (QCB)	<p>Qatar Central Bank in coordination with the Government authorities provide <u>financial and economic incentives</u> with details as follows:</p> <ul style="list-style-type: none"> - QR 75 billion for the private sector. - Guarantees to local banks are provided at an amount of QR 3 billion. - QR 3 billion comes within the support package for granting soft loans and without commissions or fees for the affected companies to support salaries and rents through guarantees issued by Qatar Development Bank (QDB) to banks operating in the State. Qatar Central Bank (QCB) in cooperation with the Qatar Development Bank (QDB), will set standards and mechanisms for implementation. <p>In addition to that, QCB provides policy to ensure the sustainability of bank operations that include:</p> <p><u>Business Continuity Plan (BCP)</u></p> <ul style="list-style-type: none"> - Review and activate business continuity plans in anticipation of interruption to the usual business activities in every financial institution according to the - instructions and guidelines issued by QCB and in accordance with any directives issued by the official authorities in the State. - Evaluate the ability to implement the scenarios established during appropriate stages to ensure that business continuity in accordance with each of scenarios in a manner that would ensures that there would not be any significant interruption to business occurs at any time. <p><u>Payment System</u></p> <p>“Qatar Mobile Payment System” (QMP), which provides a new and safe method for immediate electronic payment, after completing the infrastructure and all the requirements of the central system for electronic payment at the State level, according to international best practices in the field of mobile payment services.</p>
Saudi Arabia	Saudi Arabian Monetary Authority	<p>SAMA in coordination with the Government of Kingdom Saudi Arabia have provided various policy measures to combat Covid-19 pandemic that include:</p>

	<p>(SAMA)</p>	<p><u>Deferred Payments Program</u></p> <ul style="list-style-type: none"> - The value of the program reaches 30 billion riyals, and the program aims to reduce the potential impact of the decrease in the cash flows that SMEs may face, by delaying the payment of the obligations of the beneficiaries for a period of six months, and the amount allocated to the financing entities will be used to cover the cost of financing to those actors. - Postponement period: all outstanding instalments (including accrued profits) from 14 March 2020 to 14 September 2020 (6 months period). - The financing parties should communicate with the beneficiaries (by a certified means of communication) and notify them of the rescheduling of the financing and the postponement of the due instalments according to the above-mentioned delay period, without any additional cost, while providing the option that the beneficiary does not wish to reschedule. - Funding parties should communicate with the beneficiaries (by a certified means of communication) and notify them of rescheduling the financing and postponing the due instalments according to the postponement period referred to above, without any additional cost, while providing the option that the beneficiary does not want to reschedule from rescheduling - The program applies only to facilities classified in the first stage (according to the IFRS 9 standard) since the date of March 14, 2020 AD, and the facilities classified in the second and third stages are dealt with according to the usual procedures followed by the funding agencies. - Funding parties must sign the necessary agreements with the monetary agency to implement the program. <p><u>Funding for Lending</u></p> <ul style="list-style-type: none"> - Providing concessional financing for SMEs in an amount up to 13.2 billion riyals, by granting facilities from banks and finance companies to the SME sector in order to support business continuity and growth in this sector during the current stage, and that contributes to supporting economic growth and maintaining The levels of employment in these establishments are as follows: - Duration of the program: One calendar year from the date of 14 March 2020, and
--	---------------	--

		<p>extendable for an additional year, according to market conditions.</p> <ul style="list-style-type: none"> - Credit facilities will be provided at prices supported by the monetary agency for the account of the financing entities to enable them to grant subsidized loans to the beneficiaries. - Amortization of the financing amount: The participating financing bodies must complete the financing of the beneficiaries within a maximum period of two weeks from the date of withdrawal from the credit facilities provided through the program to benefit from these facilities. If the funding bodies are unable to consume the amount during this period, it will be returned to the Monetary Agency. - Payment term of financing: The financing is to be paid by the financing agency within a period of (36) months from the date of granting the financing to the beneficiaries. - The financing parties are committed to grant financing to the beneficiaries according to the credit policy of the financing agencies at a competitive price. - The financing authorities are obligated to open a separate bank account to implement the program. - Periodic reports: Monthly reports are provided to the Monetary Agency regarding the performance of the program, including the funded and recovered amounts and what the organization deems appropriate. - The participating financing bodies must take into consideration the cost of the support granted by the Monetary Agency during this program in pricing the credit facilities granted to the beneficiaries. - The financing authorities must sign the necessary agreements with the monetary institution to implement the program. <p><u>Loan Guarantee Program</u></p> <ul style="list-style-type: none"> - Depositing an amount of (6) billion riyals for the benefit of the financing entities to enable them to exempt the micro, small and medium enterprises from the costs of the program of guaranteeing the financing of the micro, small and medium enterprises (guarantee) with the aim of contributing to reducing the cost of lending to the enterprises that benefit from these guarantees during the fiscal year 2020 AD
--	--	---

		<p>and support Expanding financing. And as follows:</p> <ul style="list-style-type: none"> - Exemption period from March 14, 2020 CE to December 31, 2020 CE. - Quality of exemption: Exempting the beneficiaries from fees (issuance, renewal, extension, and rescheduling) of the guarantees issued by the sponsorship program. - Funding parties: banks and financing companies subject to the supervision of the Monetary Agency. The requests of the beneficiaries are submitted to the Kafala program according to the current procedures. - The financing entity must provide an official exemption notice to the facility benefiting from the guarantee program, including exempting the facility from fees due to the sponsorship program. - The financing authority should provide the Foundation with a statement stating the total fees paid for the sponsorship program on a monthly basis, provided that the statement includes the names of the establishments benefiting from the Foundation’s support program, the amount of the fee paid for the sponsorship program and a copy of the exemption notice submitted to the facility, starting at the end of March 2020. <p><u>Monetary Policy:</u></p> <ul style="list-style-type: none"> - The Saudi Arabian Monetary Authority unveiled a \$13.3 billion package on March 15. The “Supporting Finance for the Private Sector” program will support SMEs through three components: \$8 billion to support banks in deferring SME payments for six-months; \$3.5 billion to provide concessional financing; \$1.6 billion in guarantee provision to support loan-making to small businesses. The final component of the program will support the e-commerce sector, with the provision of a \$213 million fund to cover payment fees. A new economic committee has been set up to coordinate and review the programs and incentives put in place by the National development fund, Kafala Program, General Authority for Small and Medium Enterprises, and Saudi Import Export Bank. - There are monetary incentives to ease financing targeted at SMEs, but no fiscal incentives announced yet in terms of tax delays. Focus is on keeping businesses shut for next 14 days. - In addition, SAMA has been in continuous dialogue with local commercial banks to support certain sectors that are highly impacted by the current circumstances and
--	--	---

		<p>therefore asking Banks for qualitative measures, including:</p> <ul style="list-style-type: none"> ▪ Extending working capital finance to all corporates in such sectors and addressing their short term liquidity requirements ▪ Instigating Private Sector Job Retention Schemes – PSJRC for corporate customers in order to maintain the employment at these customers and providing concessional bridging loans for at least six months; ▪ Introducing flexibility in repayments of Consumer Finance to individuals who have lost their job due to Covid-19. This includes the relief of repayment of the loan or mortgage payment for a period up to six months at no additional cost; ▪ Waiver of all fees and other charges resulting from the use of digital banking for a period of up to six months; ▪ Waiver of the minimum deposit balance requirement for the period of up to six months; and ▪ Reviewing credit card interest rates and adjusting them to reasonable APR rate <p>- The impact of such qualitative measures will be significant and its modalities are currently being discussed between Banks and SAMA.</p>
<p>United Arab Emirates (UAE)</p>	<p>Central Bank of the UAE</p>	<p>To support government authorities to combat Covid-19, the CBUAE has provided following policy measures:</p> <p><u>Macro-Prudential Measures</u></p> <ul style="list-style-type: none"> - The Targeted Economic Support Scheme consists of AED 50 billion from the CBUAE funds through collateralised loans at zero cost to all banks operating in the UAE and of AED 50 billion funds freed up from banks' capital buffers. - All banks will be allowed to tap into a maximum of 60 percent of the capital conservation buffer, and, additionally, banks designated as systemically important by the CBUAE will be able to use 100 percent of their additional capital buffer for systemic importance.

		<ul style="list-style-type: none"> - The CBUAE is also reducing the amount of capital banks have to hold for their loans to SMEs by 15 to 25 percent. This change, which is broadly in line with the minimum standards set by the Basel Committee, will facilitate further access of SMEs to financing. - To ease its macro-prudential stance, the CBUAE will increase the loan-to-value (LTV) ratios applicable to mortgage loans for first-time home buyers by 5 percentage points. - The CBUAE will also revise the existing limit which sets maximum exposure that banks can have to the real estate sector. When the exposure reaches 20 percent of the banks' loan portfolio (measured by risk-weighted assets), banks will be allowed to increase it to 30 percent, but will be required to hold more capital. - The CBUAE will issue guidelines on margin calls, requesting banks to always request additional collateral within a reasonable time, before liquidating the pledged stocks in a situation of market downfall. This would reduce excessive market volatility and provide investors with increased flexibility to act in their best interest. <p><u>Payment System</u></p> <ul style="list-style-type: none"> - The CBUAE will adopt new regulations with the objective to reduce fees incurred by merchants when their customers pay by debit or credit cards. - The CBUAE will also issue new regulations which will limit fees banks charge to their SME customers, and stipulate that banks cannot require larger minimum account balance that AED 10,000. - Additionally, the CBUAE will mandate all banks to open accounts for SME customers within a maximum timeframe of two days, provided acceptable documentation is in place and that the risk is acceptable in view of the AML and CTF obligations. - Effective from 15 March 2020 and for a period of 6 months, the CBUAE has waived all fees which it charges for the payment services provided to banks operating in the UAE through its payment and settlement systems. <p><u>Prudential Measures</u></p> <ul style="list-style-type: none"> - The Central Bank of the UAE (CBUAE), the Financial Services Regulatory Authority
--	--	--

		<p>(“FSRA”) of Abu Dhabi Global Market (“ADGM”) and the Dubai Financial Services Authority (“DFSA”) of Dubai International Financial Centre (“DIFC”), collectively the “Authorities”, have issued joint guidance for banks and finance companies in relation to the application of International Financial Reporting Standard 9 (“IFRS 9”) during the current circumstances caused by COVID-19, specifically with respect to with respect to the calculation of Expected Credit Loss (“ECL”) provisioning under IFRS 9, with summary of guidance as follows:</p> <ul style="list-style-type: none"> ▪ Banks and finance companies are not encouraged to recalibrate IFRS 9 models during the crisis, due to the high degree of uncertainty surrounding its economic consequences. Rather, input adjustments and judgmental overlays should be considered. Exposure at default should incorporate realized exceptional drawdowns occurring because of the crisis. Generally, banks and finance companies should also consider overlays to accounts for weaknesses in the predictive power of models during the crisis. ▪ Banks and finance companies are not required to incorporate the updated macroeconomic forecasts into ECL until September 1, 2020. However, dedicated governance should be put in place to review thoroughly these forecasts before they are used to compute IFRS 9 Expected Credit Loss.
	<p>Dubai Financial Services Authority (DFSA)</p>	<p>- The DFSA is in view that the current pandemic circumstances can increase financial institutions’ vulnerability to cyberattacks, phishing attempts and fraud and called on firms in the DIFC to register to use the DFSA Cyber Threat Intelligence Platform (TIP) and make use of the cyber threat information available on TIP to enhance their cybersecurity.</p>
	<p>Abu Dhabi Global Market</p>	<p>No specific policy measures for banking sector, except the collaboration with CBUAE, DFSA, FSRA, and DIFC in issuing the Guidance on Expected Credit Loss (“ECL”) provisioning under IFRS 9, mentioned above.</p>

2. CAPITAL MARKETS SECTOR

Jurisdiction	Regulatory and Supervisory Authority (<u>Capital Markets Sector</u>)	Regulatory Responses to Covid-19
Iran	Securities and Exchange Organization (SEO)	<p><u>3-Month Extension For AGMS</u> The SEO announced in a statement to all listed companies and its trusted accountants and auditors that the “High Council of Economic Coordination” has extended the deadline for holding annual general assemblies to be held until March 18, 2020, for three months.</p> <p><u>E-AGM And E-Voting Directive</u> The SEO approved the e-voting directive related to the annual general assemblies for all the registered companies and trusted auditors.</p> <p>Based on this Directive, e-AGM refers to an assembly where participants may join either physically or electronically, while voting will be registered just electronically.</p> <p><u>Resolution on Donation Based Crowd Funding</u></p> <p>In line with the collective endeavours to combat and curb the spread of the rampant Corona-virus in Iran, the SEO has recently amended the Regulations on Crowd funding in the capital market. The amendment relates to the expansion of crowdfunding areas to donation as well as equity-based model.</p> <p>Based on this recent amendment, donators have two options: 1- donate the principle or, 2- donate the interests of investment. The receipt of donations is identified as tradeable securities with the ticker symbols of Corona 1 and 2. The face value of these securities is 10,000 IR, with a minimum purchase of 10,000 IR and an infinite maximum purchase.</p>
Kuwait	Capital Market Authority	<p><u>E-AGM and E-Voting Directive</u> The Capital Market Authority (CMA) allows the public listed companies to conduct AGM and voting process virtually amid to Covid-19 outbreak.</p> <p><u>Postponement of the Annual Report Publication</u> The CMA has eased its regulatory requirement to allow the public listed companies to</p>

		postpone its annual report publication to 30/6/2020, in light of the crisis.
Pakistan	Securities & Exchange Commission of Pakistan (SECP)	<p><u>Uptick Rule for Short Selling activities</u> The SECP has decided that for the April 2020 contract, short sale in 36 specific shares of future market shall be subject to an uptick rule. This will ensure provision of required prior notice period to the market and retain liquidity in the rollover week.</p> <p><u>Extension of borrowing period by mutual funds for redemption purpose</u> To support the mutual fund industry, the SECP has decided to increase the borrowing period by mutual funds for redemption purposes from existing 90 days to 360 days.</p> <p>Moreover, the Commission has allowed to relax deposit requirements against base minimum capital of TREC (Trading Rights Entitlement Certificate) holders.</p> <p><u>Flexibility in KYC Requirement</u> The requirement to perform biometric verification at the time of opening of account is eased and the biometric verification may be performed within 90 days. However, other KYC requirements as per the CKO (Centralised Know-Your-Customer Organisation) and NCCPL (National Clearing Company of Pakistan Limited) Regulations including VERISYS shall remain applicable.</p> <p><u>Flexibility in Regulatory Deadlines</u> The Commission, in March 2020, approved the following relaxations in relation to compliance with requirements under the Companies Act:</p> <ol style="list-style-type: none"> 1. All companies which are facing difficulties in timely holding the annual general meeting (AGM) for the year ended on December 31, 2019, are allowed a general extension for a period of 30 days. The companies can now hold their AGM for the year ended on December 31, 2019 on or before May 29, 2020. 2. The companies, whose election of directors is due before or in the aforesaid AGM, may file impediment reports with the concerned registrar citing the reasons for delay

		<p>in holding the election of directors.</p> <p>3. Accordingly, any statutory return, which is required to be filed on or after 24th March, 2020 may be filed with the concerned registrar with the delay of 30 days of occurrence of any event without any additional filing fee as no penal action shall be taken for the late filing.</p>
<p>Malaysia</p>	<p>Securities Commission Malaysia and Bursa Malaysia</p>	<p><u>Flexibility for Listed Issuers on Annual General Meetings and Issuance of Periodic Reports</u> The Securities Commission Malaysia and Bursa Malaysia Berhad allowed greater flexibility on the timing of annual general meetings (AGMs) for listed Real Estate Investment Trusts (REITs) and issuance of quarterly and annual reports of listed corporations. To facilitate the nationwide restriction on movement to curb the spread of Covid-19, listed corporations which may only hold their AGMs beyond the prescribed 6-month period as stipulated under the Companies Act 2016 can apply to defer their AGMs with the Companies Commission Malaysia.</p> <p>In addition, the SC granted a two-month extension for REITs managers of listed REITs with a financial year-end of 31 December 2019 to hold AGMs by 30 June 2020.</p> <p><u>Regulatory Flexibilities for Market Participants</u> The SC extended deadlines for market participants to comply with requirements such as regulatory filings and submissions to the SC and fulfilment of training requirements.</p> <p>The deferment of regulatory submissions is part of the SC’s wider relief package for the capital market in support of the government’s measures to contain the spread of Covid-19.</p> <p><u>Suspension of Short-Selling Amid COVID-19 Volatility</u> The Securities Commission Malaysia (SC) and Bursa Malaysia Berhad (Bursa Malaysia) temporarily suspended short-selling.</p> <p>The suspension was introduced as part of the regulators’ proactive measures to mitigate potential risks arising from heightened volatility and global uncertainties. It involves intraday short-selling and regulated short-selling, as well as intraday short-selling by proprietary day traders. The suspension does not however apply to permitted short-selling.</p> <p>The temporary suspension of short selling is a short-term measure to provide stability and confidence in the Malaysian capital market.</p>

		<p><u>Margin Financing Flexibilities for Capital Market Participants</u></p> <p>Brokers may, at their discretion, not make margin calls or impose haircuts on any collateral and securities purchased and carried in margin accounts. They were also empowered to exercise their discretion whether or not to impose force selling measures on clients. Previously, brokers were required to automatically liquidate clients' margin accounts if the equity in those accounts falls below 130% of the outstanding balance.</p> <p>The SC also approved a broader list of accepted collaterals for margin financing. With this flexibility, brokers can now accept other collaterals, such as bonds, unit trusts, gold and immovable properties to maintain their clients' margin accounts, and value these collaterals accordingly.</p> <p>The measures which are effective from 27 March - 30 September 2020, are subject to brokers meeting their own capital adequacy ratio and shareholder funds as required by Bursa Malaysia. They are also expected to exercise discretion in accordance with their own credit risk policies.</p> <p><u>Emphasis on the Need for High Quality Audit in Light OF COVID-19</u></p> <p>To ease the challenges faced by firms, the SC's Audit Oversight Board (AOB) announced that the audit regulator will only commence inspection of audit firms of PIEs after 15 May 2020. Firms that are required to submit any remedial action plan to the AOB will be given an extended deadline till 30 June 2020.</p> <p>The AOB also extended payment of registration fees to 1 July 2020. The implementation of Audit Transparency Report of large registered audit firms of the AOB was deferred to 2021.</p> <p><u>Reminder to Fund Managers and Unit Trust Management Companies to Prioritise Investors' Interests during COVID-19</u></p> <p>In view of the unprecedented and volatile market conditions arising from the Covid-19 pandemic, the SC reminded fund management and unit trust management companies of their obligations to act in the best interest of investors at all times and ensure fair treatment of their clients.</p>
--	--	--

		<p>The SC emphasised that good governance, proper conduct and continuous compliance to capital market regulations are imperative to the functioning of capital market intermediaries. This applies especially to investment management professionals licensed by the SC, who are responsible for the management of investors' monies.</p> <p>Capital market intermediaries need to closely monitor the dealing and trading of funds under management, and ensure that their clients are informed of the potential risks in funds that they intend to invest in. The SC also highlighted that market participants must properly manage the funds' liquidity, especially in mitigating potential mismatches between liquidity of the funds' underlying assets and the redemption terms.</p> <p>Capital market intermediaries are required to alert the SC on any material issues or anticipated adverse circumstances relating to the funds under their management.</p> <p>With the increased use of online platforms for transactions and certain operations, the SC also reminded intermediaries to heighten their cyber risk management protocols and have in place robust business continuity measures to mitigate the impacts of potential disruptions during the crisis.</p> <p><u>Capital Market Measures to Support Businesses</u></p> <p><i>Further Regulatory Reliefs for PLCs</i></p> <p>Bursa Malaysia (Bursa) will provide affected companies listed on the Main Market temporary relief from the Practice Note 17 (PN 17) classification in relation to the following criteria:</p> <ul style="list-style-type: none"> • the shareholders' equity of the listed issuer on a consolidated basis is 25% or less of the share capital (excluding treasury shares) of the listed issuer and such shareholders' equity is less than RM40 million. • the auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer's ability to continue as a going concern in the listed issuer's latest audited financial statements and the shareholders' equity of the listed issuer on a consolidated basis is 50% or less of share capital (excluding treasury shares) of the listed issuer. • a default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to paragraph 9.19A of the Listing Requirements and the listed issuer is unable to provide a solvency declaration to the Exchange.
--	--	--

		<p>The measures were intended to allow companies more time to regularise their financial positions. Similar temporary relief from Guidance Note 3 classification were also provided by Bursa Malaysia for companies listed on ACE Market which will be effective from 17 April 2020 until 30 June 2021.</p> <p><i>Greater Fundraising Access for Smaller Companies</i></p> <ul style="list-style-type: none"> • The SC lifted fundraising limits on Equity Crowdfunding (ECF) platforms, and allowed ECF and peer-to-peer financing (P2P) platforms to operationalise secondary trading, both with immediate effect. • The government co-investment fund MyCIF, administered by the SC, has also increased its funding matching ratio from 1:4 to 1:2 for eligible ECF and P2P campaigns until 30 September 2020, to provide additional liquidity into the alternative fundraising space. <p><i>Accelerate Digitisation of Capital Markets</i></p> <p>The SC also called upon the industry to seize the opportunity to accelerate their digitisation transformations and offer more online products and services to investors as the regulator observed a significant increase of new online trading accounts opening in recent months. The SC itself, in view of this new norm, will expedite guidelines for holding virtual general meetings. The SC will also review the Rules On Take-Overs and Mergers to facilitate e-service of documents and compliance with regulatory requirements for take-over and merger transactions.</p> <p>The regulator is also working on efforts to broaden the suite of product offerings of fund management industry through facilitating the introduction of waqf-based collective investment schemes and alternative investments for wholesale funds, where underlying assets can be property, gold or private equity.</p> <p><u>Guidance on Virtual Meetings for Listed Issuers</u></p> <p>The Securities Commission Malaysia issued a Guidance Note on the Conduct of General Meetings for Listed Issuers (Guidance Note) and stated that listed issuers shall only conduct fully virtual general meetings during the Movement Control Order (MCO) period.</p> <p>For fully virtual general meetings, the Guidance Note states that there should not be more than eight essential individuals physically present at the broadcast venue, which includes the</p>
--	--	---

	<p>Chairperson of the general meeting, and may also be joined by the Chief Executive Officer, the Chief Financial Officer, the company secretary, the auditor and those providing audio-visual support. However, the SC stressed that listed issuers should try to conduct the fully virtual meeting with as few individuals present at the venue as possible. Those present must observe all social distancing guidelines.</p> <p>The guidance note is intended to ensure companies can continue to meet their obligations under the law and to shareholders during this MCO period.</p> <p>The SC also stated that hybrid general meetings, which involve multiple venues in different locations, shall only be conducted after the MCO period has ended, in order to adhere to the Government’s directives to curb the spread of Covid-19.</p> <p><u>Flexibilities in Complying with Take-Over Offer Requirements</u></p> <p>The SC introduced flexibilities in complying with the requirements under Capital Markets and Services Act 2007 (CMSA) and Rules on Take-overs, Mergers and Compulsory Acquisitions (Rules) during the Movement Control Order (MCO) period.</p> <p>In view of the challenges of printing offer documents and delivering the hard copy to shareholders during the MCO period, the SC encouraged the industry to offer more online services to the market, which include measures to facilitate take-over offers digitally.</p> <p>With the new flexibilities, the SC will allow a hybrid method of serving takeover notices and documentation via electronic publication on dedicated pages at either the Bursa or the SC websites; and concurrently sending to all offeree shareholders a physical summary notification to inform them of the offer and the availability of the relevant notices and documents on the SC or Bursa website. Shareholders can opt to accept an offer either electronically or by the conventional method of responding by post.</p> <p>The SC has also extended the time period for settlement of cash consideration from 10 days to 12 days to facilitate the settlement of consideration via e-payment or issuance of cheques by shareholders who have accepted a take-over offer.</p> <p>During the MCO period, offerors may instead of submitting a statutory declaration under section 222(1)(B) CMSA, send in a declaration to the SC confirming that all conditions have been fulfilled.</p>
--	---

		<p>The above flexibilities are applicable during the MCO period only.</p> <p><u>Investor Alert for COVID-19 Investment Scams and Unauthorised Digital Asset Exchanges</u></p> <p>The SC cautioned the public to be on the alert for any individuals or entities that may try to take advantage of the latest developments of Covid-19 to entrap them into investing in illegal investment schemes.</p> <p>The SC also warned the public against investing in unauthorised digital asset exchanges (DAX) operating in Malaysia, following an increase in the number of queries and complaints the regulator has received.</p> <p>The SC reminded investors to only trade with Recognized Market Operators that are registered and authorised by the SC.</p> <p>The SC also cautioned all unauthorised DAX operators in Malaysia to immediately cease its activities.</p>
<p>Saudi Arabia</p>	<p>Capital Markets Authority</p>	<p><u>Extending of the statutory deadline to disclose the financial statements for listed companies</u></p> <p>In line with the precautionary measures announced by the country to limit the spread of the emerging Corona virus (COVID-19), the CMA extended the statutory deadline to disclose the Interim financial statements for listed companies whose Interim Period ends on 29/7/1441 ,29/2/2020 and 31/03/2020 for an additional period of (20) days, Within a period not exceeding (50) days from the end of the financial period covered by these financial statements.</p> <p>The CMA also urged issuers to communicate with the authority in the event of any difficulties related to the disclosure of the regulatory requirements for reasons related to the precautionary measures announced by the country to limit the spread of the emerging Corona virus (COVID-19).</p> <p>The CMA also took measures such as suspension of attending the general assembly meetings for listed companies in the financial market until further notice, limiting the holding of the general assembly meetings to take place remotely through modern technology, and</p>

		<p>suspending the freezing of accounts according to the instructions of investment accounts. In addition to extending the statutory deadline to disclose listed companies' board reports and not applying the Procedure of Suspending the Trading of Listed Securities for one trading session after the expiry of the statutory deadline for disclosing the annual financial information for listed companies, real estate investment traded funds and exchange traded funds. The CMA also emphasized on the financial institutions it supervises to activate business continuity plans and harnessing all electronic technologies to ensure business continuity in the financial market.</p> <p><u>Deadline for Disclosing the Annual Report for investment funds</u></p> <p>As an extension of the precautionary measures initiated by the authority in light of the exceptional circumstances and its impact on the issuers, and to enable the public and private investment funds to comply with the regulatory requirements for disclosing annual report for the year 2019, the CMA extended the statutory deadline for public and private investment funds to disclose the annual report for the year 2019 to the public for (20) days to be no later than (90) days from the end of the period.</p> <p>The CMA also urged issuers to communicate with the authority in the event of any difficulties related to the disclosure of the regulatory requirements for reasons related to the precautionary measures announced by the country to limit the spread of the emerging Corona virus (COVID-19).</p> <p><u>Deadline for Disclosing the Board Report and the Annual Financial Information that ends on 31/03/2020</u></p> <p>To enable the listed companies, real estate investment traded funds and exchange traded funds to comply with the regulatory requirements for disclosing the board report and the annual financial information ending on 31/12 /2019, and based on the Capital Market Law and its implementing regulations, and to protect all financial market participants, and to maintain an orderly market, the CMA announced the following resolutions:</p> <ol style="list-style-type: none"> 1. Not applying the Procedure of Suspending the Trading of Listed Securities for one trading session after the expiry of the statutory deadline for disclosing the annual financial information set forth in paragraph (1) of the procedure (second) from the Procedures of Suspending the Trading of Listed Securities in accordance to the Listing Rules, as follows:
--	--	---

		<ul style="list-style-type: none"> - Listed companies and real estate investment traded funds that could not comply with the deadline for disclosing the annual financial information which ends on 31/03/2020, provided that these companies and funds publish their annual financial information before the end of Wednesday corresponding to 29/04/2020. Any further delay will result in the suspension of trading of those securities until their financial information has been published. - Exchange traded funds that could not comply with the deadline for disclosing the annual financial information which ends on 07/04/2020, provided that they publish their annual financial information before the end of Wednesday corresponding to 06/05/2020. Any further delay will result in the suspension of trading of those securities until their financial information has been published. <p>2. Extending the statutory deadline to disclose the board report for the listed companies whose fiscal year ends on 31/12/2019, for an additional month, provided that the listed companies submit their report before the end of Thursday corresponding to 30/04/2020.</p> <p><u>Extension of Deadlines to Furnish the CMA with Statutory and Regulatory Requirements for Authorised Persons</u></p> <p>Based on the Capital Market Authority’s (CMA) interest in business continuity and in support of facilitating the measures to be taken in a manner that ensure the safety of workers in market institutions and their clients under the current conditions to address the effects of the spread of the Coronavirus (COVID19), the CMA decided the following:</p> <p>Extension the deadlines to publish/provide the CMA with the regulatory requirements, as follows:</p> <ol style="list-style-type: none"> 1. The possibility to suspend updating the investment account, as per the requirements of Article Fourteen of the Instructions of Investment Accounts until 23/09/1441 H corresponding to 16/05/2020. 2. The possibility to suspend the freezing of the investment account as per Article Fifteen requirements of the Instructions of Investment Accounts until 23/09/1441 H corresponding to 16/05/2020. 3. Amending the disclosure period to the CMA of any information related to the investment account for any of the clients mentioned in Paragraph (-2a) of Article Sixteen of the Investment Account Instructions, to be within a maximum period of five working days from the date of the request, until 23/09/1441 H Corresponding to
--	--	---

		<p>16/05/2020.</p> <ol style="list-style-type: none"> 4. Extending the submittal period of the annual audited financial statements for the fiscal year 2019 for an additional two months from the end of the statutory period. Such reports shall be therefore submitted within five months from the end of the fiscal year of the authorized person. 5. Extending the submittal period of the Board of Directors' report for the fiscal year 2019 for an additional two months from the date of the end of the statutory period. Such reports shall be therefore submitted within five months from the end of the fiscal year of the authorized person. 6. Extending the period for the Authorised Person to furnish the CMA with the auditor's report on its compliance with the Client's Funds Rules for the fiscal year 2019 for an additional two months from the end of the statutory period. Such reports shall be therefore submitted within six months from the end of the fiscal year of the authorized person. 7. Extending the collection period of licenses renewal fees from 20/06/2020 to 30/09/2020. 8. Extending the requirement deadline to obtain the International Certificate in Wealth and Investment Management for the persons to be registered under the management activity for an additional period of three months until 30/09/2020. 9. Extending the period specified for the publication of the information on the third pillar for an additional two months, to be five months from the end of the financial year of the Authorised Person. 10. Extending the period specified for submitting the report of the Internal Capital Adequacy Assessment Process (ICAAP) for an additional two months to be seven months from the end of the financial year of the authorized person. 11. Extending the periodic daily requests regarding providing the Market Surveillance and Analysis Department with an IP address so that it will provide the CMA with it within 30 days from the date of the task assignment. 12. The Market Surveillance and Analysis Department shall be provided with periodic monthly requests within 30 days from the date of the task assignment. 13. Exemption from submitting a paper copy of the report prepared by the auditor of the Authorised Person on its compliance with the rules of client funds, and sending an electronic copy instead. Concerning other information, data, or documents related to authorised persons and registered persons requested by the Authorisation Department, the authorized person shall submit them as needed. <p>Extension of Deadlines to Furnish the CMA with Statutory and Regulatory</p>
--	--	--

		<p><u>Requirements for Credit Rating Agencies</u></p> <p>The CMA extended the periods to provide statutory and regulatory requirements for CRAs according to the following:</p> <ol style="list-style-type: none"> 1. An additional two months extension for all periods stipulated in Article 34 of the Credit Rating Agencies Regulations. 2. Another period of two months extension from the additional period related to Article 22 of the Credit Rating Agencies Regulations. Therefore, the publication period shall be within seven months of the end of the fiscal year of the licensed credit rating agency. 3. Extending the period of publishing the requirements stipulated in Article 22 of the Credit Rating Agencies Regulations for an additional two months to become five months from the end of the financial year of the credit rating agency. <p><u>Holding Listed Companies’ Assemblies Remotely and Suspension of Physical Attendance</u></p> <p>The Capital Market Authority Board suspended holding assemblies for companies listed in the capital market until further notice, and to hold such assemblies remotely via modern technology means that would enable shareholders to participate in their deliberations and vote on their decisions through “Tadawulaty” system provided by the Securities Depository Centre Company “Edaa”.</p>
<p>United Arab Emirates (UAE)</p>	<p>Dubai Financial Services Authority (DFSA)</p> <p>and</p> <p>Securities & Commodities Authority, UAE</p>	<p><u>DFSA cautions – Increase in scams during COVID-19</u></p> <p>The DFSA cautioned the financial services community and members of the public about an increase in scams and other fraudulent activity since the onset of the COVID-19 pandemic.</p> <p>The DFSA encouraged all investors to be more vigilant and to better understand financial products and services. The DFSA announced that in due course, it will be taking steps to enhance the financial literacy of direct and indirect users of DFSA financial services.</p> <p>The DFSA also issued warnings and guidance about the common types of scams, including Advance Fee scams, perpetrated on consumers.</p> <p>The DFSA encouraged consumers to refer to the list of regulated Firms and Authorised Individuals licensed by the DFSA that is available on the DFSA’s website.</p>

	<p><u>Regulatory relief measures</u></p> <p>The regulatory relief measures include:</p> <p><i>New firms coming into the DIFC will:</i></p> <ul style="list-style-type: none"> - Be given more time to complete the application and authorisation processes and meet the set-up requirements to commence business; - Receive a 50% reduction in Application Fees for the remainder of 2020 and flexibility in requirements for permanent premises; - In the case of Domestic Funds, receive a waiver of Registration Fees for the remainder of 2020. <p><i>Existing Authorised Firms will be able to obtain:</i></p> <ul style="list-style-type: none"> - An extension of time for filing a number of returns and reports, including both IRAP and ICAAP returns, the Controllers Report and the Annual Report of the Shari'ah Supervisory Board, where applicable; - Additional time, where reasonable, for submitting Annual Accounts and Financial Statement Auditors Report, with the exception of Reporting Entities; - Flexibility in meeting Authorised Individual obligations, including extending the amount of time that temporary cover can be in place. - A waiver of fees for applications relating to Authorised Individuals and flexibility in considering the workload that may be carried by those offering outsourced compliance services; - Temporary relief from Capital Requirements for those firms which do not hold or control Client Assets or hold Insurance Monies; - A waiver of our fees for applications for waivers and modifications for the remainder of 2020 and we will waive all automated late return fees for the remainder of 2020, and, - A waiver of the listing fees for new SME issuers in the DIFC for the remainder of 2020. <p><u>Actions taken to contain the impacts of the coronavirus pandemic on financial markets</u></p> <p>External actions taken included a decision to amend the limit down on stock prices. The decision, which went into effect on March 18, set the limit down for stock prices at 5%, meaning that they will be allowed a maximum decline of 5% in a single trading day.</p>
--	---

	<p>The actions also included a decision extending the deadline for joint-stock companies to convene their annual general meeting to June 30 to avoid risks that may result from failure to hold their general meeting within the legally specified period, scheduled to expire on April 30.</p> <p>A circular was also issued containing exemptions from the implementation of some of the provisions of the share buyback regulations with the purpose of facilitating buybacks.</p> <p>Electronic voting in general meetings was made mandatory where shareholders can vote at the meeting without having to attend in person. This came in response to directives from the wise government to avoid gatherings in the present time. Once applied, electronic voting proved extremely successful.</p> <p>SCA also sent a circular to licensed companies notifying them of the extension of the period during which the 2019 annual financial statements must be disclosed and the postponement of the disclosure of the interim financial statements, ending March 31.</p> <p>It issued another circular to listed companies, requiring them to report the preventive actions they have taken to maintain public health and safety and curb the spread of the coronavirus. It also instructed them to have a calculated plan and a written policy to ensure business continuity and to put into action their recovery plan in the event of an emergency.</p> <p>Instead of field inspections, SCA implemented its remote visual inspections policy, using Microsoft Teams. It also sent a circular to all its customers, urging them to use the smart and electronic services available at its website (www.sca.gov.ae) and smart devices instead of visiting its customer service centres.</p> <p>In this context, SCA held a meeting with the financial markets to stress that short selling is not permitted. The Abu Dhabi Securities Exchange (ADX) announced mid-March that it closed the trading halls in its headquarters and branches. The Dubai Financial Market (DFM) followed suit the next day. SCA also met with the governor of the Central Bank to coordinate the actions that will help limit the consequences of the pandemic on the securities market.</p>
--	---

3. INSURANCE SECTOR

Jurisdiction	Regulatory and Supervisory Authority (<u>Insurance Sector</u>)	Regulatory Responses to Covid-19
Bahrain	Central Bank of Bahrain	<p>1. Guidance for customer</p> <p>a) The Central Bank of Bahrain urges consumers to communicate via digital platforms</p> <ul style="list-style-type: none"> • The communication should be through the National Suggestion & Complaint System “Tawasul” or through the CBB website or via phone, instead of personally visiting the Consumer Protection Office at the CBB.
Brunei	Autoriti Monetari Brunei Darussalam	<p>1. Guidance for customer</p> <ul style="list-style-type: none"> i. Insurance protection for COVID-19 by Takaful Brunei Keluarga (TBK) Sdn Bhd. in its medical products and hospital and surgical.
Egypt	Financial Regulatory Authority	<p>1. Guidance for customer</p> <p>a) The Financial Regulatory Authority launched an initiative to extend insurance payment grace period</p> <p>Insurance companies shall extend insurance payment grace period in a number of insurance branches:</p> <ul style="list-style-type: none"> • Granting life insurance policyholders 60-day grace periods for payments. Customers who have passed the deadline and their policy was cancelled during the period from 1/3/2020 to 30/6/2020 may reinstate these insurance policies before 31/12/2020 without incurring any new administrative fees or delay benefits. • Granting medical and auto insurance policyholders 30-day grace periods from the due date of the instalment. In case the granted period has ended and the policy is cancelled, it may be reinstated according to the procedures followed by the companies without incurring any administrative fees or new issuance. • Granting corporate insurance policyholders (group life and property insurance) 30-day

		<p>grace periods for payment.</p> <p>b) The Financial Regulatory Authority encouraged using the electronic payment methods</p> <ul style="list-style-type: none"> The Authority calls on customers of insurance companies to use the available electronic payment methods. Insurance companies shall pay the due compensation in case the risks insured against them occur as soon as possible through multiple payment methods.
Indonesia	Indonesia Financial Services Authority (OJK)	<p>1. Guidance for takaful/insurance industry</p> <ul style="list-style-type: none"> For computing solvency level, the value of investment asset in takaful and retakaful operator should be based on: <ul style="list-style-type: none"> Corporate obligations as listed on the board Sukuk or shariah obligation as listed on the board Government paper issued by the Republic of Indonesia Syariah government paper issued by the Republic of Indonesia Have to be valued on amortised basis. <p>2. Deadlines extension</p> <ul style="list-style-type: none"> OJK allow for an extension on regulatory submission by: <ul style="list-style-type: none"> 14 working days on monthly and quarterly submission; 1 month on periodical submission; and 2 months on annual submission.
Jordan	Ministry of Industry, Trade and Supply	<p>1. Guidance for customer</p> <p>a) The Ministry of Industry, Trade and Supply announced to extending the coverage for all expired vehicle insurance policies until 31 May 2020</p>
Malaysia	Bank Negara Malaysia	<p>1. Guidance for takaful/insurance industry</p> <p>i. Issued by Bank Negara Malaysia (BNM)</p> <p>a) Allow deferment of 3 months for affected family takaful participants with</p>

		<p style="text-align: center;">COVID-19</p> <p>Affected family takaful participants with COVID-19 (subject to mandatory home quarantine or suffered loss of income due to COVID-19 for both individuals and SMEs) may opt for deferment payment of family takaful contributions for 3 months until 31 December 2020.</p> <p>2. Guidance for customer</p> <p>i. Issued by Malaysian Takaful Association (MTA).</p> <p>a) Encourage public to utilise digital platforms “Critical business functions and essential services of the takaful operations with regard to the restricted movement order. MTA wishes to inform that takaful operations are considered essential services to the public. Takaful Operators will provide the critical operations to ensure engagements and interactions with takaful participants are not disrupted. We encourage the public to adopt digital platforms as a form of communication with all Takaful Operators via e-payment, Direct Distribution Channel or any other online platform.</p> <p>b) Made announcement on update of branch operations during movement control order during COVID-19 Pandemic Notified customer that</p> <ul style="list-style-type: none"> • Some TO are temporarily closing the operation of their branch offices while some have shortened their opening hours • Expressed TOs commitment to ensure all takaful protection are not affected during this period e.g. continue issue guarantee letters, process claims and renew policies • Communicate with TO using digital platforms • Assure that TO remain committed to ensure all core services are available during this period <p>c) Establishment of COVID-19 Test Fund RM 8 million has been pledged by the insurance and takaful industry to this fund. Medical insurance policyholders and takaful certificate holders may apply for reimbursement up to a maximum of RM300 for COVID-19 testing (one reimbursement per individual) to maximize the number of tests that can be supported by the CTF.</p>
--	--	--

		<p>Issued by the Malaysian Government</p> <p>a) Coverage of COVID-19 is included in a national health protection scheme known as mySalam The mySalam national health protection scheme is an initiative started by Malaysian government that aims to provide 8 million individuals with free takaful health protection. The recipients should be earning less than USD 23,000 per annum. The government made announcement that those hospitalised due to COVID-19 are entitled to claim hospital allowances and complications due to the COVID-19 virus can make claim under the Critical Illness benefit.</p> <p>3. Market news on COVID-19 impact towards takaful industry</p> <p>(i) Takaful market grows steadily amid Covid-19 – 5 May 2020 The Takaful market in Malaysia is showing steady growth and “in a very obvious way is overtaking conventional insurance” despite global financial and insurance sectors having been hit by the pernicious Covid-19 pandemic.</p> <p>While the market share of Islamic banking of the total banking sector is just under 40%, the share of Takaful is way behind at 16% of the total insurance sector in Malaysia. But, according to international rating agency Fitch Ratings, there are signs that Takaful is finally making inroads in a market that ought to be its natural financial habitat. Source: The Edge Markets</p> <p>(ii) Low awareness on MySalam Takaful Insurance eligibility – 27 Apr 2020 Lack of internet connectivity and literacy are the cause of low awareness on the MySalam Takaful Insurance eligibility amongst the rural Sabah and Sarawak people. Source: Borneo Post</p> <p>(iii) Takaful industry’s strong capitalisation sufficient to withstand headwinds – 24 Apr 2020 The Malaysian takaful industry will not be spared the impact of the anticipated economic slowdown in 2020 amid the Covid-19 pandemic. Source: RAM Ratings</p> <p>(iv) GHL Systems, Takaful Ikhlas and Senang offer microfinance services – 13 April 2020 GHL Systems Bhd (GHL Systems) has partnered with Takaful Ikhlas General Bhd (Takaful Ikhlas) and Senangnvs Sdn Bhd (Senang) to offer microfinance services to small and medium enterprises (SMEs) and micro-entrepreneurs.</p>
--	--	---

<p>Oman</p>	<p>The Capital Market Authority</p>	<p>1. Guidance for customer</p> <p>a) The Capital Market Authority Instructs Insurance Companies to provide coverage and indemnity drivers with expired driving licenses.</p> <ul style="list-style-type: none"> This is in line with the measures taken by the Supreme Committee tasked with dealing with the new coronavirus (COVID-19) to curb its spread, in order to cover the risk expected from using the vehicles such as traffic accidents. <p>b) The Capital Market Authority Urges Insurers to Provide Electronic Insurance Services and Suspend Manual Transaction to Curb the Spread of COVID.</p> <p>The measures proposed to adopt e-services:</p> <ul style="list-style-type: none"> Advertise to the policyholders in the electronic media that the company will not be able to receive the clients in the offices and that the service would be provided only through the electronic media and applications. Documents related to claims would only be accepted electronically. Provide a communication centres working 7/24 to render the various services to policyholders including underwriting, claims, inquiries and support. Provide CMA, with a work plan to ensure continuity of provision of insurance services easily and continuously. Branches of insurance companies, brokers and agents shall implement the instructions of the Supreme Committee, e.g. social distancing and limiting dealings in banknotes and use electronic payments.
<p>Palestine</p>	<p>Palestine Capital Market Authority</p>	<p>1. Guidance for customer</p> <p>a) Palestine Capital Market Authority announced to extend the coverage for all vehicle insurance policies that expired during the lockdown period.</p>
<p>Saudi Arabia</p>	<p>Saudi Arabian Monetary Authority</p>	<p>1. Guidance for customer</p> <p>a) SAMA commends insurance companies on adopting the following initiative:</p> <ul style="list-style-type: none"> Extend all existing vehicle insurance policies for a period of two months

		<ul style="list-style-type: none">• Adding two months to vehicle insurance policies purchased during the period from 5/8/2020 AD Until 6/6/2020 without incurring any additional costs.• The customers can access insurance activities electronically and without the need for them to communicate with the insurance company.• To avoid cancelling the insurance documents due to insured delay in paying the insurance premiums. Customers are provided with an opportunity to pay later.
--	--	---