Office Notice

In continuation of our letter dated April 1, 2020 for relaxation (rescheduling and or deferment of loans) in the payment of installments. I am pleased to inform that SECP has further facilitated the mode of application for relaxation and now clients can also apply via SMS for such relaxation.

All Regions are requested to inform the clients about this facility. All applications will be accepted without further scrutiny.

Applications for deferment and or rescheduling shall be entertained till June 30th 2020.


Distribution: GM
Director-UPAP
All RGMs
CFO
PM-MEDP

Dr. Rashid Bajwa
Chief Executive Officer
No. SC/NBFC-81/2020 — 87

April 13, 2020

The Chief Executives
All Non-Bank Microfinance Companies

Subject: Facilitation for Lending NBFCs and their borrowers through Circular 9 of 2020

Dear Sir/Madam,

This is in continuation of Circular 9 of 2020 of the Securities and Exchange Commission of Pakistan (the “SECP”) providing certain relaxations to all lending Non-Bank Finance Companies including the Non-Bank Microfinance Companies (NBMFCs) for deferment / rescheduling of the loans.

The relaxations were aimed at providing enabling framework to NBMFCs for facilitating their borrowers, all of whom are either poor persons or microenterprises. Such measures were imperative in the wake of outbreak of COVID 19 pandemic and the ensuing lockdowns that have adversely affected the livelihoods of microfinance borrowers. Hence, NBMFCs were allowed to either defer repayment of the principal amounts or to reschedule the loans based on requests of their borrowers.

Recently, the SECP has received a number of complaints from microfinance borrowers regarding stringent follow up by NBMFCs for repayment of their loan installments, despite inability of such borrowers to repay on time under the current circumstances.

In this context, it is advised that all NBMFCs should educate and inform their borrowers regarding availability of loan deferment / rescheduling facility in terms of Circular 9 of the SECP. While the NBMFCs should decide applications for deferment / rescheduling on merit, it is expected that they will be considerate in their decision making for facilitating their borrowers as far as possible.

It is further advised that in addition to the written requests from the borrowers, the NBMFCs may allow deferment / rescheduling of loans based on requests received through electronic means, SMS or telephonic calls.

The NBMFCs are further required to submit the detail about deferments and rescheduling allowed by them to their borrowers at the end of each week, as per attached Annexure-A, to Supervision and Enforcement Department (SED-SCD, Karachi) of the SECP at email address: (babar.khan@secp.gov.pk). The first report shall be submitted by COB April 17, 2020.

These are unprecedented times and while SECP stands aligned to support the sector in every possible way, we expect the NBMFCs to be cognizant of their duty towards the borrowers and help them to get through this difficult situation. Looking forward to your support and cooperation.

Yours truly,

Munir Musarat Jabeen
Executive Director

Cc: Pakistan Microfinance Network

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