



# LINCOLN LEGAL SERVICES (MYANMAR) LIMITED

CONVENIENCE TRANSLATION - ACCURACY NOT GUARANTEED

**Government of the Republic of the Union of Myanmar**

**Microfinance Business Supervisory Committee**

**Directive No. 2/2020**

**14<sup>th</sup> Waxing Day of Tegu, 1381**

**6<sup>th</sup> April 2020**

**Announcement on items to be complied with by microfinance institutions during the Coronavirus Disease 2019 pandemic and standard operating procedures to be undertaken by the Microfinance Business Supervisory Committee and the Financial Regulatory Department**

1. The Microfinance Business Supervisory Committee issues this announcement according to section 58(b) Microfinance Business Law on items to be complied with by microfinance institutions during the Coronavirus Disease 2019 pandemic and standard operating procedures to be undertaken by the Microfinance Business Supervisory Committee and the Financial Regulatory Department.
2. The Coronavirus Disease 2019 was designated as a global pandemic on 10<sup>th</sup> March 2020 by the WHO.
3. The Union Government formed many committees headed by the Ministry of Health and Sports to prevent and control the Coronavirus Disease 2019.
4. The Ministry of Health and Sports and regional government authorities issued standard operating procedures to prevent and control the Coronavirus Disease 2019.
5. There are 193 microfinance institutions which are approved by the Microfinance Business Supervisory Committee to provide financial services to citizens and MSMEs and which are servicing approx. 4.6 million members in the Union Territory and 15 [sic] Regions and States, 2525 townships, 2,459 wards and 30,116 villages. This involves members gathering, but this is against the directives issued by the Ministry of Health and Sports for the prevention of COVID-19.
6. Therefore, all microfinance institutions operating in the Union Territory and the Regions and States shall comply with the following -
  - (a) To comply with the directives and orders issued by the COVID-19 Prevention Committee and Regional, State and township government authorities;
  - (b) to comply with the orders, directives and procedures issued by the Ministry of Health and Sports;

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- (c) to comply with the restrictions imposed by the Union Territory, Regional and State governments;
  - (d) to temporarily suspend, from 6<sup>th</sup> to 30<sup>th</sup> April 2020, the grant of loans, loan collection, the taking of deposits, acceptance of new members and knowledge sharing campaigns as these activities can cause large gatherings of people;
  - (e) during the temporary suspension period, open their offices only if necessary with not more than 5 employees for emergency services such as the provision of emergency loans, deposit withdrawals and voluntary re-payment of loans;
  - (f) not to forcibly collect loans and interest from members as COVID-19 may cause members to experience economic difficulties; to fix the period for repayment only after negotiating with the members;
  - (g) to donate medical equipment and funds for COVID-19 prevention work as much as possible.
7. The Microfinance Business Supervisory Committee shall suspend the following services during the COVID-19 pandemic from 6<sup>th</sup> April to 30<sup>th</sup> April 2020 -
- (a) Issuance of microfinance business licenses, permanent licenses and deposit-taking licenses;
  - (b) approval of business area expansions, the opening of new branch offices, branch office address changes and head office address changes;
  - (c) approval of new financial services;
  - (d) approval of the change of shareholders and board of directors;
8. From 6<sup>th</sup> to 30<sup>th</sup> April 2020, the Microfinance Business Supervisory Committee may still approve loans obtained and capital increases made by microfinance institutions.
9. The Microfinance Business Supervisory Committee will announce further directives in coordination with the COVID-19 Prevention Committee, the Ministry of Health and Sports and other government authorities, considering the social and economic impact during the COVID-19 pandemic period on members and microfinance institutions.
10. The Financial Regulatory Department will suspend ground checks from 5<sup>th</sup> April 2020 to 30<sup>th</sup> April 2020. However, microfinance institutions shall submit their monthly reports when due.



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11. All microfinance institutions shall appoint one communication officer who can be contacted any time by the Financial Regulatory Department.
12. All microfinance institutions shall strictly comply with the items contained in this directive, without the Microfinance Business Supervisory Committee and the Financial Regulatory Department making further announcements. Any discovered violations shall be taken action against by administrative procedures prescribed in the Microfinance Business Law.

(Signed)

Soe Win

Chairman

Microfinance Business Supervisory Committee

Distribution list: Omitted.

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