Measures to mitigate the impact of COVID-19 and implications on the financial sector

Financial Institutions

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Index

1 Introduction

COVID–19: IMF Report

The pandemic situation caused by COVID-19 has derived in an abrupt rise in uncertainty that can put both economic growth and financial stability at risk. In addition to targeted economic policies and fiscal measures, the right monetary and financial stability policies will be vital to help buttress the global economy

According to the International Monetary Fund (IMF), quantifying the **economic impact** of the current pandemic situation due to the coronavirus **COVID-19** (hereinafter referred to indistinctly also as coronavirus or COVID-19) is **complex**, giving rise to significant **uncertainty** about the economic outlook and the associated downside risks.

Such an abrupt rise in uncertainty can put both **economic growth** and **financial stability at risk**. In addition to **targeted economic policies and fiscal measures**, the right **monetary and financial stability policies** will be vital to help buttress the global economy[1].

Higher uncertainty and tighter financial conditions

- **Financial conditions** have tightened significantly in recent weeks, which means that companies are facing **higher funding costs** when they tap equity and bond markets.
- Sharp tightening in financial conditions acts as a **drag on the economy**, because firms postpone investment decisions and because individuals delay consumption as they feel less financially secure.

Monetary policy response

- The sharp tightening in financial conditions, along with expectations of low inflation, means that **monetary policy**[2] has a role to play at the current juncture.
- **Synchronized actions** across countries increase the power of monetary policy. Ample **liquidity** within countries, and across borders, is the prerequisite to the successful **reversal** of the rapid tightening in financial conditions.

Financial stability policies

- Supervisory authorities should monitor developments at banks and work closely with them to ensure that actions aimed at managing the virus outbreak (e.g. temporary restructuring of loan terms for most affected borrowers) are both **transparent** and **temporary**.
- The goal must be to preserve banks' financial strength and overall transparency across the financial sector.

1. Monetary and Financial Stability During the Coronavirus Outbreak (March, 2020)
2. E.g. see measures already taken by USA and UK.

Index

2 Summary of new publications
General measures

NEW

During last weeks the following measures have been adopted by local governments

- **Spanish government**:
  - Contingency measures (e.g. restrictions of movement between some regions).
- **French government**:
  - Contingency measures (e.g. Masks are mandatory everywhere and confinement is mandatory except under circunstances).
  - Economic measures (e.g. Support plan for French exporting companies).
- **German government**:
  - Contingency measures (e.g. Keep distance and reduce contacts. A maximum of 2 households and 10 people can meet).
  - Economic measures (e.g. Establishment of an economic stabilization fund).
- **Chile government**:
  - Contingency measures (e.g. Voluntary return to face-to-face classes).
  - De-escalation plan (e.g. “Step by Step” recovery plan which objective is to raise country safety)
- **Peru government**:
  - Contingency measures (e.g. Extend the state of emergency in the country given the increase in infections).
  - Economic measures (e.g. Approved the withdrawal of funds from the former pensioners of the Pension Fund Administrators (AFP).

2 | # Summary of new publications
General measures

NEW

During last weeks the following measures have been adopted by local governments

- **Colombia government**:
  - Economic measures (e.g. Government payment to lower-income population ("régimen subsidiado" in Spanish) that is in preventive or mandatory isolation for COVID-19).
  - De-escalation plan (e.g. Official opening of airports for international flights requiring negative PCR test for entrance as mandatory).
- **Italy government**:
  - Contingency measures (e.g. public places (bars and restaurants) can stay open until 6.00 pm. Gyms and public swimming pools must be closed. Theatre and cinema activities are suspended).
- **UK government**:
  - Contingency measures (e.g. a new lockdown is coming into force for England, while Scotland has moved to a five-tier system. Wales and Northern Ireland are in the middle of temporary lockdowns).
  - Economic measures (e.g. the government declared a five month extension on the furlough scheme. Employers will top up employees' wages to ensure they receive 80%).

2

Summary of new publications

Measures with implications in the financial sector

NEW

During last weeks the following measures have been adopted by financial organisms

- **IASB –** IASB issues IFRS Taxonomy Update for Covid-19-Related Rent Concessions

- **FHFA –** FHFA Extends COVID-Related Loan Processing Flexibilities for Fannie Mae and Freddie Mac Customers Through August
- **Fed** – Federal Reserve Board to maintain the current schedule of prices for most payment services that the Federal Reserve Banks provide to depository institutions in 2021
- **OCC –** OCC Issues Rule Creating Exception to Withdrawal Period Requirement for Collective Investment Funds, Eases Impact of COVID-19
- **FHFA –** Multifamily Property Owners in Forbearance Now Required to Inform Tenants of Eviction Suspension and Tenant Protections
- **FHFA –** Adverse Market Refinance Fee Implementation now December 1

- **FHFA –** FHFA Further Extends Buying Loans in Forbearance & COVID-Related Loan Processing Flexibilities
- **FBF –** FBF measures

Summary of new publications

Measures with implications in the financial sector

NEW

During last weeks the following measures have been adopted by financial organisms

- **BoE –** Update on the Covid Corporate Financing Facility (CCFF) – Market Notice 22 September 2020 **–**
- **PRA** – Personal Loans and coronavirus: Further guidance
- **FCA –** Consumer credit and coronavirus: Additional guidance
- **FCA –** Delay to the implementation of the European Single Electronic Format
- **PRA –** Coronavirus and safeguarding customers: Additional Guidance

2 Summary of new publications
Measures with implications in the insurance sector

NEW

During last weeks the following measures have been adopted by insurance organisms

- **FCA** – review of insurance sector products-Finalised Guidance
- **PRA** – Coronavirus and Customers- Finalised Guidance
- **BoE** - Motor finance and high credit- insurance sector

Index

Index

NEW

The EU has issued several economic measures within its scope, like flexibilization of the fiscal rules and securitization of essential food supplies

Economic measures

- **Mobilising the EU budget and the European Investment Bank (EIB)** to support companies and workers hit by the crisis. The EIB Group will aim to invest €25 bn in small and medium-sized businesses.
- The EC has adopted the **Temporary Framework for State Aid** measures, allowing MS[1] to provide direct support for hard hit companies and small firms, as they may risk closing down if they not receive support. Furthermore, the EC has proposed to set up a €37 bn **Coronavirus Response Investment Initiative** to support healthcare systems, SMEs, labour markets, and other vulnerable parts of our economies. The EC has proposed to further extend the scope of the Temporary Framework by enabling Member States:
  - to support certain micro and small enterprises, including start-ups that were already in difficulty before 31 December 2019.
  - to provide incentives for private investors to participate in coronavirus-related recapitalisation measures.
- EC issued **guidelines for Member States on foreign direct investment**. EC urges MS to make full use of their investment screening mechanisms to address cases where the acquisition of European companies by investors from outside the EU would create a risk to the EU's security and public order.
- **Flexibility under the EU's Fiscal Rules**: EC has activated the general escape clause of the Stability and Growth Pact as part of its strategy to quickly and forcefully respond to the COVID-19 outbreak. This clause enables national governments to better support the national economies as the budgetary rules have been significantly relaxed.
- The **REACT-EU package** includes **€55 billion** of additional funds that will be provided in 2021-2022 from Next Generation EU and already in 2020 through a targeted revision to the current financial framework.
- The Council has adopted two proposals which amend the EU budget for 2020 in order to free up funds to respond to the COVID-19 crisis. Commitments have been increased overall by **€3.57 bn and amount to €172.2 bn**. Payments have been increased by €1.6 bn, reaching a total of €155.2 bn.
- Creation of a pan-European instrument to **finance short-time work to the tune** of € 100 bn (**SURE**)
- Relaxation of **the credit approval guidelines** of the European Stability Mechanism (ESM) for the direct and indirect financing of health care, cure and prevention in connection with COVID-19.

1. Member States
2. Support Unemployment Risks in Emergency

NEW

Among the measures that the EU has adopted to deal with the pandemic, it stands out Next Generation EU, which is a recovery tool of 750 MM€ promoted by the EC that aims to ensure an effective response to the crisis caused by the COVID-19 pandemic

Next Generation EU

Entry into force and deadline

From 15 October 2020	From 1 January 2021	Two months from the sending of the NRRP	Between 2021 y 2022
Draft National Recovery and Resilience Plan (NRRP)	Official referral of the NRRP with the projects	Evaluation by the European Commission	Allocation of 70% of the funds (especially from 3Q 2021)

Goals and objectives

- Support for investments and reforms.
- Support for a just transition**.**

Main elements

More than 50% of the amount will support modernization by:

- **Research and innovation**, through Horizon Europe.
- **Climate and digital fair transitions**, through the Just Transition Fund and the Digital Europe program.
- **Preparation, recovery and resilience**, through the Recovery and Resilience Fund, RescueEU and a new health program, EU4Health.

30% of EU funds will be allocated to the fight against climate change.

3 General Measures
Italy

The Decree-Law currently in force is the DPCM 24 October 2020 which includes new restrictive measures as a result of the 'second wave' of contagion. The restrictions will be in force until 24th November

Contingency measures

- From May 18th , it is possible to **move within a region freely**.
- Starting from June 3rd , it is possible to move freely between different regions **for any reason**.
- From June 15th, the maximum period of stay without home quarantine obligation will be **increased up to 5 days** for those who will enter our national territory for work and professional issues,
- Until June 30th, travel will be **allowed only to and from EU countries**, Schengen, the United Kingdom, the Vatican, San Marino, and the principalities of Monaco and Andorra
- Further activities allowed from June 15th: **outdoor activities** for children, playgrounds and summer centers; beaches and bathing establishments; cinemas, theaters, and outdoor shows (maximum number 1000 outdoors, 200 indoors). Sports competition (without public presence), gyms, swimming pools and sports clubs. Museums, churches and places devoted to culture.
- They remain suspended until July 14th, **trade fairs and conferences**, while the professional courses could be conducted in presence.
- From May 18th **retail stores, activities related to personal care has reopened**, as well as food service activities (bars, restaurants, pizzerias, ice cream parlors, pubs, etc.).
- The **banking services remain guaranteed**, in compliance with health and hygiene regulations.
- The Government recommends **to maximize the use of agile working methods for activities that can be carried out at home or remotely**.
- From 26th October, **public places (bars and restaurants) can stay open until 6.00 pm**. Gyms and public swimming pools must be closed. Theatre and cinema activities are suspended.

3 | General Measures
Italy

The Italian Government has adopted further economic measures focused on maintaining the activity of SMEs heavily affected by the crisis

Economic measures

- The **extension of the terms relating to the submission of the 2020 pre-filled tax return**.
- The **suspension of the terms of payment of the loads** entrusted to the collection agent.
- The **suspension of the terms for the payment of social security and welfare contributions**.
- The **suspension of payments, withholdings, contributions and premiums for the tourism-hotel sector**.
- **Payment suspension** on mortgages debt for SMEs.
- Strengthening the **central guarantee fund for SMEs**, including for the renegotiation of existing loans.
- Incentives to transfer **non-performing loans** (NPL) by converting **Deferred Tax Asset** (DTA) into **tax credits** for financial and industrial companies.
- **Non-repayable fund**: Immediate economic support provided by the Revenue Agency and parameterized to the drop in turnover on April 2020 compared in the corresponding month of 2019, above 33%.
- **IRAP (regional business tax) abolition**: Final cancellation of IRAP 2020 for all companies with annual turnover up to 250 million euros.
- **110% Ecobonus in the building sector**.
- **Increase of the guarantee fund for SMEs state-guaranteed loans**: Allocation of a further € 4 billion to the Central Guarantee Fund for SMEs in order to support the demand for state-guaranteed loans.
- **Support for innovative startups**.

3
General Measures
Italy

The Italian Government has adopted further economic measures focused on maintaining the activity of SMEs heavily affected by the crisis

Economic measures

- **Companies recapitalization**: For companies with annual turnover above 5 million euros and who want to increase the share capital:
    - Deductibility for legal entities and individuals who pay the capital, of an amount equal to 20 percent of the sum invested in share capital.
    - Support for capital increases through State intervention in the same companies, by acquisition of participatory tools.

- **Mini loans** 100% covered by the SME Guarantee Fund.
- Free revaluation for the **tourism sector**.
- **Tax credit for foreign trade fairs and trade shows canceled**.
- Extension of the deadline to carry out the **revaluation of company assets and the equity investments** resulting from the financial statements for the current year as at 31 December 2018.

Measures to address the 'second wave'

NEW

As a result of the 'second wave' of contagion, the 24th October Decree-Law introduces new restrictive measures which will apply until 24th November 2020

DPCM 24TH October main measures:

- It is strongly **recommended not to travel**, by **public or private transport**, except for work, study or health reasons.
- **Movements** between regions **remains free**.
- As far as the school is concerned, it is foreseen that the **teaching and educational activities** for the first cycle of education and for the educational services for children **will continue to be on-site**. While **secondary school** institutions will adopt **flexible modalities in the organisation of the didactic activity**, increasing the use of integrated digital lessons for at least 75% of the activities.
- **Bars and restaurants activities** limitation in terms of time (from 5.00 until 6.00 pm) and substantial (max 4 people per table, unless they are housemates)

The **following activities** are suspended until **24th November:**

- **Gyms, swimming pools**, spas and wellness centers.
- **Theaters and cinemas**.
- **Conferences, congresses**, fairs and other similar events, except for the possibility of remote meetings.
- **Amusement arcades**, casinos, betting and bingo halls.
- **Ski rental stations**.

3 General Measures
Spain

NEW

The Spanish Government has adopted the RD Laws 6/2020, 7/2020, 9/2020, 10/2020 and 11/2020 adopting urgent measures to address the economic field and for the protection of public health, and the RD 463/2020 declaring the state of alarm for the management of the health crisis

Contingency measures

- **State of alarm** declared.
- **Restriction on the free movement** between regions.
- **Restrictive measures** in the field of commercial activity, cultural facilities, hotels and restaurants. In all of these activities social distancing of 2 meters must be kept between people.
- **The use of a mask is required** in all public spaces, including the streets.
- **Night-time curfew** between the hours of 23:00 and 06:00 (with differences depending on the regions), except in the Canary Islands.
- **Spain will demand a negative PCR test taken no more than 72 hours before departure from all travelers coming from countries in high coronavirus risk zones.**
- In some regions**, bars and restaurants** are closed and only take-away food is allowed.
- Restrictions on the **maximum people allowed** in public meetings.

Economic measures

- The **deadline for eviction from homes of defaulted borrowers is extended to 2024**. The cases of special vulnerability are extended.
- **Government may regulate the prices** of medicines and health products not subject to medical prescription.
- **Reduction to the value added tax (VAT) to 0%** for domestic supplies, imports and intra-EU acquisitions of healthcare material.
- Application of the contingency fund and granting of an **extraordinary credit up to of € 1 bn** to contribute to the financing of extraordinary expenses originated in the **National Health System**.
- Extension of credit line to support the **tourism sector by € 200 M**.
- **Ban on dismissals** related to the COVID-19.
- **Special loans and moratories** on the payment of rentals.
- **Special economic aid** for vulnerable workers.
- **Deferrals of loan repayments for SMEs and self-employed (maturity < 6 months)**.

Furthermore, the Spanish Government has adopted the Royal Decree Law 8/2020 adopting urgent and extraordinary measures to address the economic impact

Economic measures

- Approval of a line of **public guarantees** for companies and self-employed of up to **€ 100 bn**, covering both loan renewals and new financing by entities, to meet their liquidity needs (e.g. invoices management or working capital requirements).
- Expansion of ICO's debt capacity by **€ 85 bn**, to immediately provide additional liquidity to companies, with focus on SMEs and self-employed, through the ICO's existing lines of financing.
- **Exemption from the payment of at least 75 %** of **social security** contribution in case of fource majoure.
- **Mortgage debt suspension** for debtors with financial vulnerability. Institutions applying this measure will not have to consider for credit provisioning purposes. The number of requests for a payment deferral with a mortgage guarantee has reached 272,149, of which 226,285 have been granted. The total amount of debt to be repaid on the suspended loans is 20,370 million euros.
- **Unemployment benefit** without the minimum contribution for employees affected by ERTEs[1,2].
- Right to **adapt the timetable** and **reduce the work day** for employees with caretaking duties.
- Coverage of essential public supplies (gas, electricity, water) for vulnerable consumers. Telco. services supply are also included.
- Creation of a specific regulation to allow the modulation or modification of contractual conditions regarding the exclusion from the **payment of rents** under certain requirements.
- **Suspension of the regime of liberalization of certain foreign direct investments** by residents of countries outside the European Union and the European Free Trade Association representing ≥10% of the share capital of the Spanish company[3].
- **Extraordinary measures applicable to private-law legal persons** (e.g. the deadline for formulating the financial will be resumed for three months after the end of the state of alert).
- **Extraordinary measures applicable to the functioning of the governing bodies of Listed Companies** (e.g. the obligation to publish the annual financial report and the audit report may be carried out 6 months after the end of the financial year).
- **Special aids for the following sectors:**
  - Cultural sector (e.g. subventions, tax deferrals)
  - Touristic sector (e.g. payment deferrals)
  - Motor sector (e.g. aids for the purchase of vehicles)

1. ERTE = temporary labour force adjustment plan.
2. Only for companies with <50 employees.
3. Or effectively participates in the management or control of the company

Measures to address the "second wave"

NEW

As a result of the 'second wave' of contagion, new restrictive measures and new containment have been imposed

Spanish plan to deal with the "second wave" is characterized by this second confinement which involves the following restrictions:

Mobility restrictions

- The entrance and exit of people from some municipalities will be restricted, except for those journeys that are adequately justified.
- Special mobility restrictions between communities have also been adopted.

Curfew

- Night-time curfew between the hours of 23:00 and 06:00 (with differences depending on the communities).
- During the curfew it is forbidden to circulate and the meetings in homes between people who are not cohabitants.

Reduction of capacity (these percentages may vary between communities)

- Meetings of up to 6 people, except for cohabitants are allowed. In enclosed spaces, the safety distance of 1.5 meters must be kept.
- Bars and restaurants are limited to 30% of their capacity.
- Cinemas, theaters and libraries are limited to 30% capacity.
- Supermarkets are open, with a maximum capacity of 40%.

Bars and restaurants activities

- Party rooms remain closed.
- Bars and restaurants must close at 22.00 (this schedule may vary between communities). In some communities these establishments remain closed due to the confinement.

3 General Measures
France

The French Government has adopted several measures like restrictions on the free movement and suspensions of some payments for the SMEs

Contingency measures

As of **Oct 28th** the main restrictions announced by the French government are the following:

- **Confinement is mandatory** except under the following circumstances 1) Work commuting, 2) Essential purchases, 3) Medical appointments, 4) Familiar reasons, 5) Support of handicapped people, 6) Brief walk of less tan 1h and 1km from the residence, 7) Law related topics and 8) School related commuting.
- **Travel outside the European** Union is allowed unless the destination country has a ban of entry.
- **When returning from countries outside the EU**, a negative test of under 72h must be provided.
- **Masks** are **mandatory** everywhere.
- **Schools remain open** with a strong sanitary protocols.
- **Visits in retiring** houses are allowed.
- **Telework** is mandatory when possible.
- Non-essential businesses must be closed.
- **Religious events** are allowed being 30 people the maximum for funerals and 6 for weddings.
- **Maximum gatherings** of 6 people is established except for reivindicative manifestations.
- **Access certain public places** such as: beaches, parks, nautical bases is allowed.

NEW

The French Government has adopted several measures like restrictions on the free movement and suspensions of some payments for the SMEs

Economic measures

- Change in payment deadlines for **social and / or tax**.
- **Direct tax rebates** can be decided.
- Support from the Government and the Bank of France (credit mediation) to **negotiate with the banks a rescheduling of bank credits**.
- **Business financing support** (State Solidarity funds, State guaranteed loans or public mechanism for credit insurance) with aids going up to €10,000 per month via the solidarity fund for all sectors subject to administrative closure.
- **Maintaining employment** (simplified and reinforced partial unemployment system).
- Support for **dealing with a conflict with customers** or suppliers by the business mediator.
- Recognition of coronavirus as a case of ***force majeure* for their public contracts**. Late payment penalties will not be applied.
- The **suspension of water, gas, electricity and rent bills for the small businesses that suffer the economic consequences of the virus**.
- **Charges exemptions for young people**. The president announced a program of exemption from the taxes for the young people, in particular for the weak qualifications or the jobs until 1.6 SMIC (minimum wage).
- **No tax increase**.
- **30 Billions of help will be provided** to supplement salaries (if pay cuts are made by firms), finance training and bring employees to the business sectors where there are opportunities".
- Emmanuel Macron again **spoke about the 750 billion euros** granted by the European Union to the various countries, in order to emerge from the crisis caused by the coronavirus pandemic. 40 billion will be devoted to France.
- **Tax credit** to encourage landlords to abandon rents in favour of tenants of professional premises.
- **Support plan** for French exporting companies and for the freelancer, artisan, book, construction, aeronautic, technological, automotive and tourism sectors.

3 General Measures
Germany

The German government has devised new stricter measures to slow the spread of the coronavirus. To tackle this, new rules have been put in place since Monday 2nd November 2020 until at least the end of November

NEW

Contingency measures

- The most important measure in the coming period will be to **keep your distance** and **reduce contacts**. A maximum of two households and 10 people can meet.
- **Restaurants, Bars, Clubs, Pubs** and so on, will be closed. This does not apply to the delivery and collection of take-away meals for consumption at home and the operation of canteens.
- **Leisure facilities** will be closed, this includes theatres, operas, concerts, fairs, cinemas, saunas, leisure parks and more facilities dedicated to entertainment. Religious buildings will stay open but will follow hygiene guidelines.
- **The public is urged to refrain from travel**, whether it be to visit family or for day trips, this includes travel within the country. Hotels and guesthouses are no longer allowed to take tourists. Overnight stays are only allowed for non-tourist purposes.
- **Retail stores** such as supermarkets **remain open**, subject to hygiene, control of access and avoidance of queues. It must be ensured that there is no more than one customer per 10 square meters of sales area in the shops.
- **Companies** are strongly **urged to enforce working from home** where possible.

Next steps

- **The new measures in place since Monday 2nd November 2020 are limited to the end of November**. After two weeks, the Federal Chancellor and the heads of government of the federal states will consult again and assess the goals achieved through the measures and make any necessary adjustments.

3 General Measures
Germany

The German government has devised new stricter measures to slow the spread of the coronavirus. To tackle this, new rules have been put in place since Monday 2nd November 2020 until at least the end of November

Economic measures

- Establishment of an economic stabilization fund, especially for large companies, **supplements** the liquidity aid already decided on through the **KfW special programs**. (100bn capital measures, 400bn guarantees, refinance KfW guarantees up tp 100bn).
- For employees in short-time work it is possible to **supplement their income** up to the full amount of their previous monthly salary with additional earning opportunities in any profession until the 31st of December 2020.
- The **Arbeitslosengeld I (unemployment benefit I)** will be prolonged by three months for those that would see otherwise their claim terminated between the 1st of May 2020 and the 31st of December 2020.
- Approvement of the measures package proposed by the EU finance ministers: **Solidarity Pact** & **Recovery Fund**.
- Numerous measures are being taken to ensure **health care** in times of crisis: 3.5 billion euros, for protective equipment and the development of a vaccine, Another 55 billion euros are available to fight pandemics, a protective shield for hospitals and resident doctors to cushion loss of revenue and higher costs.
- Laws that came into force on July 1, 2020 are: **the second Corona Tax Assistance Act**, **the Supplement to the Federal Budget** and the **Support for EU member states**.
- **50 billion euros** to provide emergency aid **for small businesses, the self-employed and freelancers** (operating costs are granted once for three months and do not have to be repaid. Emergency aid complements the programs of the federal states).
- **For the companies, businesses, self-employed, associations** and institutions affected by the temporary closings, the federal government will grant **extraordinary economic aid** to compensate them for financial losses. The reimbursement amount is 75% of the corresponding sales for the same month last year for companies with up to 50 employees, with which the company's fixed costs are lumped. The percentages for larger companies are determined according to the upper limits of the relevant state aid requirements. **The grant will have a budget of up to 10 billion.**

NEW

The German government has devised new stricter measures to slow the spread of the coronavirus. To tackle this, new rules have been put in place since Monday 2nd November 2020 until at least the end of November

Economic measures

- The federal government **extends supporting measures** for companies and improves the conditions for the economic sectors most affected (**bridging aid III**). This applies, for example, to the field of culture and events management and the self-employed.
- **KfW instant loans** also for companies with fewer than ten employees.
- The total amount of **budgetary measures** is **353.3 billion** euros and the **total amount of guarantees is 819.7 billion** euros (includes tax cuts, one time payments for families, stimulus packages and accounting benefits for companies. Energy costs are also to be reduced from 2021).

The economic stimulus package intends to have a stimulating effect on the economy as a whole, short- and long-term.

Tax aid laws

- The VAT rate will be reduced from 1 July to 31 December 2020
  - Regular VAT rate will be reduced from 19% to 16%
  - Reduced VAT rate will be reduced from 7% to 5%
- Families will receive a one-off payment of 300 euros per child.
  - Increase of the tax allowance for single parents from 1.908€ to 4.008€ per year in 2020 and 2021.
- To companies, the following changes apply:
  - Increase in tax loss carryback to €5 million and €10 million for joint taxation cases in 2020 and 2021.
  - Permission of declining depreciation for operating assets in 2020 and 2021.
  - Increase of the tax base for financing of research activities to €4 million per year per company until the end of 2025.

Further Aids

- Electricity prices will be reduced from 2021 onwards. The national budget will subsidize and thereby decrease the EEG (Erneuerbare-Energien-Gesetz) levy which promotes green electricity plants.
- The Deutsche Bahn will receive 5 billion euros to increase its equity capital.
- Local public transport is to receive an additional 2,5 billion euros.
- Sectors that have been particularly affected can claim up to a maximum of 25 billion euros.

NEW

The UK Government is imposing new lockdown measures, due to COVID-19 cases rising rapidly across the whole of the UK and in other countries

Contingency measures

- People arriving in the UK from a **selection of countries**, which will continually be reviewed will **not have to self-isolate** for 14 days.
- A new **tier system was introduced** in the UK to help control the spread of coronavirus, which features different levels of measures to be applied in different areas of the UK depending on the spread of the virus. In this line, a new lockdown is coming into force for England, while Scotland has moved to a five-tier system. Wales and Northern Ireland are in the middle of temporary lockdowns.
- From **5 November** until **2 December** the England Government is requiring **people to stay at home**, preventing gathering with people you do not live with, except for specific purpose and closing certain business and venues.
- In Scotland, **households are not allowed** to mix indoors in private homes unless certain exemptions.
- In Wales, from **9 November** there will be **new arrangements** for meeting indoors in other settings, such as pubs, bars, cafes and restaurants.
- In **Norther Ireland**, depending on the Protection Level established, up to **8 people from 3 different households** can meet indoors, if level 0 but no one from level 1 to 4.
- In **Wales and Northen Ireland**, permitted numbers of people includes children, and social distancing remaining **2m apart** from others.
- People arriving in the UK from a **selection of countries**, which will continually be reviewed will **not have to self-isolate** for 14 days.

NEW

The UK Government is imposing new lockdown measures, due to COVID-19 cases rising rapidly across the whole of the UK and in other countries

Economic measures

- From **5 November**, the government declared a **five month extension** on the furlough scheme. Employers will top up employees' wages to ensure they receive 80% (up to £7,500). The policy will be reviewed on January.
- The Coronavirus Business Interruption Loan Scheme (CBILS) provides government-backed loans of up to £5 million to small and medium businesses. **The government provides lenders with a guarantee of 80% on each facility** to give lenders further confidence in continuing to provide finance to SMEs.
- Bank of England has reduced the amount of financial resources (capital) that banks and building societies need to set against their lending to UK businesses and household. This includes the **cancellation of the Bank's 2020 annual stress test** – the annual cyclical scenario (ACS), **amendments to the biennial exploratory scenario (BES) timetable**, **postponement of the joint Bank / Financial Conduct Authority (FCA)** survey into open-ended funds among other measures.
- The **Monetary Policy Committee** keeps the Bank rate to **0.1%** since past 19th of March 2020, and asset purchases increased by £150bn.
- From **1 November 2020** you can agree a Job Support Scheme temporary working agreement with any eligible employees. From **8 December 2020** onwards, each month you will be able to claim a scheme grant in arrears to cover some of their usual wage costs for hours not worked in the prior month.

Measures to address the "second wave"

A new lockdown is coming into force for England, while Scotland has moved to a five-tier system. Wales and Northern Ireland are in the middle of temporary lockdowns

- According to the most recent figures, the ambition is to **control the spread of the virus**. The upcoming lockdown has been carefully judged to achieve the **maximum reduction in growth in the number of cases**, preventing the NHS from being overwhelmed, whilst ensuring that schools, colleges and universities stay open and that as many people as possible continue to work.
- **From 5th November:**
  - Stay at home except for education, work (if it can't be done from home), exercise and recreation, medical reasons, shopping for food and other essentials, or to care for others.
  - Schools, nurseries, colleges and universities will remain open
  - Workplaces can stay open if people cannot work from home - including construction and manufacturing
  - Clinically vulnerable advised not to go to work if they are unable to work from home.
  - Weddings and civil partnership ceremonies will not be allowed, apart from exceptional circumstances
  - Places of worship will generally close but funerals, with a maximum of 30 people attending, individual prayer, and a few other activities will be allowed.
- The UK government has established **travel corridors for people to be able to travel** and return to the UK without having to self-isolate for 14 days. A full list of countries or territories in the exempt list can be found here.

The White House Coronavirus Task Force issued guidelines to reduce the impact of COVID-19 on public health, and the President has also announced related economic measures

Contingency measures

- **Recommendations to stay at** home if any symptom appear.
- **Avoid social gatherings** in groups of more than 10 people.
- **Avoid discretionary travel**.
- **Work** or engage in **schooling** from **home** when possible. **Governors of states** with evidence of community transmission **should close schools** in affected and surrounding areas. This also applies to other indoor and outdoors venues where groups of people congregates (restaurants, bars, gyms, etc.).
- Medicare patients can visit any doctor by **phone** or **video** conference at **no additional cost**.

Economic measures

- The **Internal Revenue Service (IRS)** will **defer tax payments until July 15, 2020** for affected individuals and businesses. The guidance is expected to result in approximately **$300 billion** of additional liquidity in the economy in the near term.
- The **Small Business Administration (SBA)** announced disaster loans, which provide impacted businesses with up to $**10 million**. These loans carry an interest rate of 3.75% for small businesses and 2.75% for nonprofits. Loan repayment terms vary by applicant, up to a maximum of 30 years. Payments can also be deferred for up to four years.
- The **Coronavirus Aid, Relief, and Economic Security Act (CARES Act)** created a $669 billion small-business loan program called the Paycheck Protection Program (PPP) and includes several provisions applicable to financial institutions to allow them to respond to the needs of the borrowers impacted by the COVID-19 crisis.

As the economy re-opens, COVID-19 has re-defined office work culture. Many companies do not envision a full return to the office in 2020 and seek to re-evaluate their future real estate strategy

CDC & OSHA - Guidance on Preparing Workplaces for COVID-19

- **Develop an Infectious Disease Preparedness and Response Plan**
- Classifying **worker exposure** to SARS-CoV-2: Very High, High, Medium, Low, Very Low
  - Each level should have objective criteria for determination and clear response plan
  - Personal protective equipment, phased-in approach, and improved building ventilation should all be considered
- Workers living abroad or travelling internationally **need specific considerations**.

New York State - "New York Forward" Phased Reopening

- **Regional reopening** based on metrics of transmission (e.g. 14-day decline in hospitalizations)
- Within each region, **4 phases of reopening** based on industry (e.g. construction, retail)
- Additionally, each business must **meet strict guidelines** for reopening. (Requirements, Statement of affirmation, and Safety plan).
- New York City will enter **Phase II of reopening on June 22nd**.
  - This includes commercial office buildings which can operate at 50% capacity while maintaining mandatory contagion control policies.

Bank Of America - Memo for Phased Reopening

- Will follow **guidance from local, state, and federal authorities**.
- Slow return to work – employees to be given **30 days notice** for return.
- Approach to be based **on role, department, and location**.

3

General Measures

De-escalation plan

As the economy re-opens, COVID-19 has re-defined office work culture. Many companies do not envision a full return to the office in 2020 and seek to re-evaluate their future real estate strategy

Major US Corporations - Plan for Return to Offices and Future Outlook

- A few **large U.S. banks** (Goldman Sachs, Morgan Stanley, etc.) announced a phased return of staff by function back to offices starting in June 2020.
- **Large tech companies** such as Google, Microsoft, and Facebook announced that they will start re-opening offices in July. Most employees at those companies will be allowed to continue working from home at least through the end of 2020.
- Other companies such as Twitter, have told employees that they **can keep working from home permanently**.
- Most companies do not envision a **full return to the office in 2020**. Large banks (Goldman Sachs, J.P. Morgan Chase) announced they envision at maximum only 50% of employees returning to the office in 2020. Google and Facebook plan to limit office capacity to less than 30% in the months after they reopen.
- In general, many companies have **reported the work from home experiment has generated better than expected results**. Large banks and other companies are re-evaluating their future real estate strategy, as companies (Morgan Stanley, Citi, Deutschbank) say they look to reduce their office footprint in the future.

3 General Measures
Argentina

The Government of Argentina has taken contingency and economic measures such as social, preventive and compulsory isolation and the prohibitions of dismissals

Contingency measures

- **Temporary border closing**.
- **Suspension of classes** in all levels of education.
- **Restriction on the free movement** with some exceptions.
- **Ban of all public massive events**.
- **Quarantine** on all the country until 20 September 2020.
- **Declaration of emergency alert**.

Economic measures

- **Prohibition of dismissals** until September 2020.
- **Creation of the Guarantee Fund** for Micro, Small and Medium Enterprises.
- **Temporary freezing of rentals and suspension of evictions**.
- **Mortgage loan facilities**.
- **Extension of debt maturities** for SMEs and Micro SMEs.
- **Credits for SMEs and Micro SMEs for the payment of wages**.
- Temporary **suspension of the cut of services** for non-payment.
- **Emergency Family Income**. It consists of an exceptional payment of ARG $ 10,000 during the month of June, July and August.

NEW

The Government of Chile has taken contingency and economic measures such as quarantine in some specific areas and tax reliefs

Contingency measures

- **Temporary border closing**.
- **A national curfew was decreed** between 23:00 and 05:00 hrs. from March 22
- **Quarantine in some areas**. **The step-by-step plan has begun to de-escalate the confinement**
- **Restrictions are lifted for the movement of adults over 75 years of age**.
- **Voluntary return to face-to-face classes (only applies to phase 3 and 4).**
- **Ban of all public events** with more tan 50 people.
- **Restrictions to tourism**, for example for the cruises.
- The deadline for the **state of emergency is extended**.
- **Strengthening of the health system.**
- **Implementation of Sanitary Customs and Sanitary Cordons.**
- **New measures:**
  - Individual permits: reduced from 5 to 2, per person, during the daytime per week.
  - Individual safe conducts: may be used during curfew hours and on only two occasions: 1) funeral procedure or 2) when medical treatment is required, which exceeds the established time beyond 22:00 hours.
  - Single work permit: public officials are added as well as essential food and trade services.

Economic measures

- Allocation of **US$17 bn to mitigate the economic crisis** caused by the COVID-19 throughout the following measures:
  - Employment protection: Use of the unemployment insurance, compensating remuneration decrease with funds from the unemployment insurance.
  - Tax relief: Relief for the payment of debts with the General Treasury of the Republic for SMEs and people with lower incomes.
  - Liquidity for SMEs: Extension of state guarantees for loans to micro and SMEs.
  - Family income support: US$ 230M solidarity fund to address social emergencies due to the drop in sales. A bill was signed that expands the Emergency Family Income with more resources for more families.
  - Delay on the Basel III implementation for 1 year.
  - Approval of the law (in Chamber of Deputies and Senators of Chile) to withdraw 10% of pension savings (first step).
  - Government plan, with US$ 640 bond, plus access to loans without interest payable in 4 years.

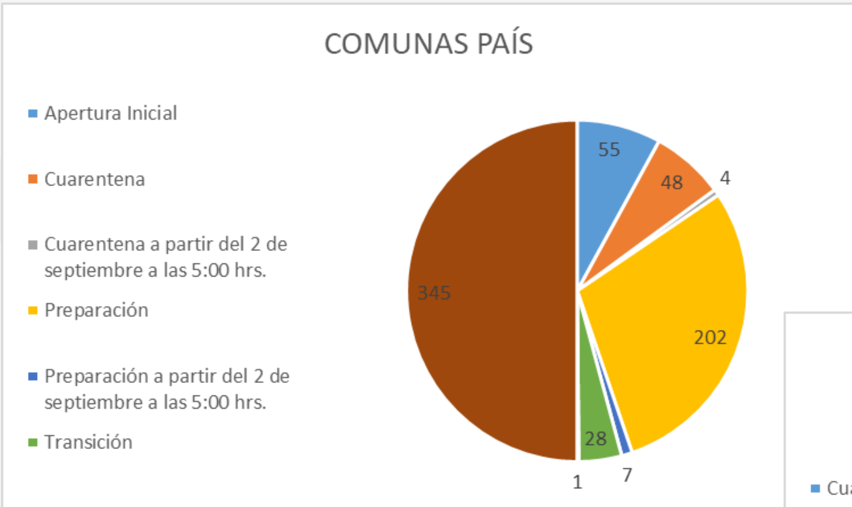
De-escalation plan (1/4)

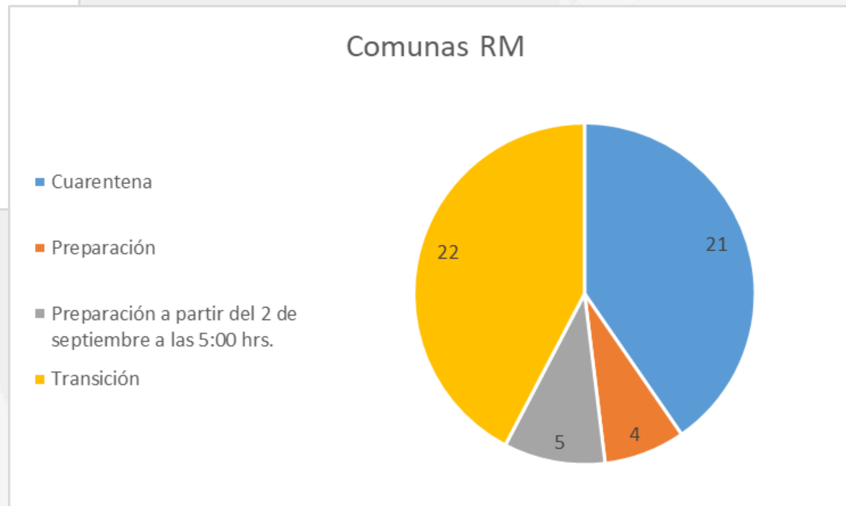
Chile initiates a gradual process of de-escalation throughout the country

- "Step by Step" de-escalation plan, throughout the country, depending on the fulfillment of 5 steps and the sanitary situation of each city. This process can have advances such as setbacks, depending on what has been mentioned.

Chile initiates a gradual process of de-escalation throughout the country

Current situation





Paso a Paso

De-escalation plan (3/4)

Chile initiates a gradual process of de-escalation throughout the country

- The "Paso a Paso Laboral“ aims to establish preventive measures, which both employers and workers should adopt to reduce the risks of contagion:
  - Information for the worker: e.g. wear mask, avoid crowded spaces, avoid physical contact, etc
  - Information for the employers: e.g. take all necessary measures to effectively protect the life and health of workers, informing them of possible risks and maintaining adequate conditions of hygiene and safety

- Our clients (Banks) are gradually returning by area and with a reduced percentage of employees and the situation for external personnel so far is to stay in telework

3 General Measures

De-escalation plan (4/4)

Chile initiates a gradual process of de-escalation throughout the country

- The government has defined the "Step by Step, Chile Recovers" plan whose special objective is to raise our country safety and gradually put it back into full swing through four axes:

1 Inversión

- Public investment plan for an additional amount of US $ 4,500 million over the regular budget of the Ministries,
- Investment streamlining: A total investment of US $ 24,521 million approx. for the period 2020-2021 and a total 115,000 direct jobs.

2 Incentivos al empleo

- Hiring subsidies
- Reconversion and training fund

3 Apoyo a las Pymes

- Promotion
- Facilities for re-entrepreneurship
- Work tables and monitoring
- Tax measures

4 Agilización y Simplificación de Permisos

- Modernize project processing
- Elimination of bureaucracy

Brazilian's Government has taken both contingency and economic measures such as social and preventive isolation as well as paying up to 100% of wages for small companies

Contingency measures

- **Terrestrial borders closing**.
- **São Paulo and Rio de Janeiro Governors have suspended classes of all levels** (except some university courses of the biological field) and the Federal Government announced **official schools and universities shut-downs throughout April**.
- **Ban of all public and private massive events**.
- **Closure of all non essential services** (considered essential i.e. are hospitals, medical and dental clinics, pharmacies, supermarkets, banks).
- **Public transport** services have been largely reduced (approx. 55% in São Paulo).
- **Declarations of public calamity and public health emergency alert**.
- São Paulo's governor has announced a plan **in 5 stages for reopening business** and divided the state in regions, which can be only upgraded to a greater flexibilization after 14 changeover days phase.

Economic measures

- **Federal Government has announced temporary measures to face the corona crisis** (total economic help sums approx. BRL 370 bn and 5,06% of Brazil's GDP):
  - Emergency help to informal workers (approx. 79 mi pax and BRL 154 bn) for three months. Recently it was announced an extension for further two months.
  - Emergency Job and Income Maintenance Program: Federal Government will pay up to 100% of wages for small business and up to 30% for medium and large companies (BRL 51 bn), together with the credit lines to ensure the other 70% (BRL 40 bn).
  - Emergency funds totaling BRL 125 billion, 50% for general expenditure payments and 50% for refinancing public debt.
  - Temporary freezing of federal taxes.
  - Suspended the annual medicine price adjustments.
- **Central Bank has implemented measures** to increase market liquidity and to free up capital, in order to **preserve the regular operation** of the financial system (expected expansion market liquidity of **BRL 1,217 bn** (~16% GDP).

De-escalation plan

In June, São Paulo started a plan in 5 stages for reopening business and divided the state in regions, which can be only upgraded to a greater flexibilization after 14 changeover days phase

The stage of each region is calculated according to the following indicators:

- **Health System's Capacity**:
  - Percentage of ICU beds occupied
  - ICU beds per 100k people
- **Evolution of COVID-19**:
  - Number of cases
  - Patients hospitalized
  - Quantity of deaths

Each stage represents one phase of flexibilization:

Stage 1 Maximum Alert	Stage 2 Control	Stage 3 Flexibilization	Stage 4 Partial Reopening	Stage 5 Normal Situation Under Control
Only essential services can open such as: Hospitals, Supermarkets, Pharmacies, Banks.	**Some non-essential services can open with limited capacity** such as: Shopping Malls, Commercial areas, Offices.	**More non-essential activities can open with limited capacity** such as: Bars, Restaurants, Beauty shops, Barber shops.	**Next level of flexibilization for non-essential activities (more capacity) and some sectors can reopen** such as gyms.	**All sectors can come back to normality according to health protocols and controls**.

NEW

The Government of Colombia has taken contingency measures like the closure of its borders

Contingency measures

- **Closure of land, maritime and river borders**.
- **Suspension of classes** in all levels of education.
- **Ban of all public events** with more tan 500 people.
- Gradual **reactivation of economic activity**.
- **Reactivation of construction and manufacturing companies** under security protocols.
- **Reactivation of economic activity** in cities without COVID.
- **Modification and suspension of foreign trade terms** while the state of sanitary emergency is in force.
- Government payment to lower-income population ("régimen subsidiado" in Spanish) that is in preventive or mandatory isolation for COVID-19.

Economic measures

- **Extension of terms to pay taxes** for specific sectors.
- **Families in Action**: up to 335,000 pesos for more than 2.6 million households.
- **Youth in Action**: up to 715,000 on average for more than 204,000 beneficiaries.
- **VAT refund** to one person per household **will be $75,000** and the transfer will be made every two months.
- **Senior citizens**: 240,000 pesos for 2 million grandparents.
- **Markets for the elderly**: 250,000 markets for elderly people who do not receive subsidies.
- **ICBF**: more than 700 thousand food packages delivered.
- **Solidarity income**: 160,000 pesos for more than 3 million families that are not in social programs. This program will now be extended until June 2021.
- **Suspension of mortgage payments**.
- **70 bn pesos in credits** for different sectors of the economy and protecting jobs. From the total, **20 bn will go to SMEs**.

NEW

Furthermore, the Government of Colombia has taken economic measures such as the deferred payment of domiciliary public services

Economic measures

- **Relief for workers** (e.g. withdrawal of layoffs, vacation without notice, or provision of worker protection).
- Special benefits for pensioners.
- Promoting economic recovery, 3 days were established with VAT exemption: June 19, July 3 and the third day is on November 21.
- Deferred payment of **domiciliary public services** of electric energy, gas and aqueduct, for socioeconomic strata 1 and 2.
- **ICETEX:** Educational aid plan (reduction in interest, grace periods, extension of terms, etc.).
- Payment of 50% of the Legal Service Premiun (Prima legal) to formal workers and 50% subsidy for the tourism sector payroll.
- **Economic aid to the unemployed population** ($160,000 for up to 3 months).
- Creation of a **trust fund for entrepreneurship and business strengthening of women**, in order to mitigate the effects of the Social, Economic and Ecological Emergency.
- Special **economic aid for small and medium farmers** in the who have been affected by the emergency (forgiveness of interest, capital).
- Draft decree to **extend rate benefits** and coverage on non social interest housing (no Vivienda de Interés Social – no VIS) in order to boost the construction sector growth.
- Services in the subsidized **health and social security system will be guaranteed** for those individuals who have lost their jobs in the context of the economic, social, and health emergency.
- **Flexibility of procedures** in insolvency processes for companies affected in the framework of the declared health emergency.
- **VAT exemption** for hotel and tourism sector until December 31.

NEW

Furthermore, the Government of Colombia has taken economic measures such as the deferred payment of domiciliary public services

Economic measures

- Payment of the **Legal Service Premium** (Prima legal) to government workers will take place on November, instead of December : 1,4 bn pesos for the economy. Important for local merchants, with liquidity problems and also, it contributes to reduce crowds of people in December.
- **The national guarantee fund** (FNG in spanish), regarding their will create new products that support credit lines for small, medium and large companies. Additionally, it will make terms more flexible for existing customers prior to the COVID-19 emergency. All these incentives, and their subsequent expansions, have allowed companies in the country to have access to credit for working capital and for other purposes, resulting in a lifeline to their liquidity. The FNG uses government funds to guarantee credit institutions the loans that companies require.

NEW

The government has not defined a formal de-escalation plan, but has allowed the reopening of certain activities under security protocols

- **June 2020**:
    - Pilot plan for the reopening of shopping centers.
    - Reopening of shopping malls, restaurants and churches in cities without COVID 19.
    - Authorization for the implementation of pilot plans to open airports for domestic flights, public beaches, maintenance workshops, aeronautical training centers, gyms, museums, drive-in cinemas and ground transportation.
- **July 2020**:
    - Establishment of biosecurity protocols for the operation of accommodation activities and services.
    - The payment of the parafiscal contribution for the tourism sector is deferred.
- **August 2020**:
    - The alternation educational model to be implemented will consist, starting in August, of combining face-to-face interaction with virtuality, implementing all the biosafety protocols.
- **September 2020**:
    - End of mandatory quarantine on all the country. Beginning of selective isolation.
    - Official opening of airports for domestic flights, public beaches, museums, drive-in cinemas and ground transportation, according to specific biosafety protocols.
    - Plan for restarting of professional sports, including football.
    - Re-opening for the majority of economical sectors, encouraging work at home when possible.
    - Official opening of airports for international flights requiring negative PCR test for entrance as mandatory.
- **October 2020**:
    - In line with the opening of local and international flights and beaches for public, the government also issued biosecurity protocols for the hotel industry.
- **November 2020**:
    - International travelers will no longer require negative PCR test for entering the country.

NEW

The Government of Mexico has declared the COVID-19 epidemic a health emergency and has issued measures to reduce its spread

Contingency measures

- **Suspension until of some economics activities** in the public, private and social sectors.
- In the sectors determined as essential, **no more than 50 people should be gathered** and always with hygiene, prevention and healthy distance measures.
- All residents in Mexico are urged to comply with the **co-responsibility for home protection** (voluntary limitation of mobility).
- The **home safeguard is strictly applied to people over 60 years old**, pregnant women or people suffering from chronic or autoimmune diseases.

Economic measures

- Advance of **federal support to vulnerable sectors**.
- **Credit facility for small businesses**.
- On the instruction of the **Foreign Exchange Commission**, Banco de Mexico has auctioned foreign exchange hedges in the amount of **$2 bn** with the objective of providing better liquidity conditions, better price discovery and an orderly functioning of the foreign exchange market.
- **Government securities swap operation** for up to **40 bn pesos**, in which it will exchange government securities with a term of more than 2 years (M Bonds) for one-year Cetes and securities with a reviewable rate (D Bonds).
- Extension of the use of the capital buffer until December 31 / 2021.
- Extension of liquidity requirements until March / 2021 (temporary reduction of liquidity buffers below 100%).

3 General Measures
Peru

NEW

The Government of Peru has adopted contingency measures like the restriction of freedom of movement of people coming from all over the world until 30/06

Contingency measures

- **Declaration of emergency alert**.
- Restriction of **freedom of movement of people**.
- **Borders closure**.
- **Delay of classes start** in all levels of education.
- **Extension of the capacity of the emergency line**.
- **Public and private transport** must take all **necessary measures to prevent the spread of COVID-19**. This extends to all **public and private spaces**.
- The Ministry of Health implements the **International Health Authority** of national scope for the strengthening, control and health surveillance of ports, airports and border control posts.
- The Government of Peru has announced that it will extend the **state of emergency in the country** and the "focused" quarantine until September 30, given the increase in infections.

Economic measures

- **Promote SME financing**. The Business Support Fund for MSMEs will be created with the aim of providing them with loans for working capital; as well as restructuring and refinancing their debts.
- **Acquisition and distribution of basic family needs products**.
- **Granting of monetary subsidy** (760 soles).
- Automatic **refund of taxes** paid or withheld in excess to individuals .
- **Granting of loans** for the continuity of the operation of Banco de la Nación's correspondent ATMs.
- **Subsidy for the payment of salaries** of employers in the private sector oriented to the preservation of employment.
- The president announced on **July 28 that a second bond of 760 soles** would be distributed between August and October for around 8 million Peruvians.

3 General Measures
Peru

The Government of Peru has adopted contingency measures like the restriction of freedom of movement of people coming from all over the world until 30/06

Contingency measures	Economic measures
• **Extend the State of National Emergency** declared by Supreme Decree No. 174-2020-PCM, from Sunday, November 1, 2020 to Monday, November 30, 2020, due to the serious circumstances that affect the life of the Nation as a result of COVID -19. • **Children and adolescents under 12 years** of age can take a daily walk, due to the need to maintain their emotional health. However, they should consider the following: dating a single person of legal age who resides in the same address; take a walk of 30 minutes duration, maximum, in a distance not exceeding 500 meters from your home, in free spaces without crowds. During the walk, a social distance of not less than two meters must be maintained. • Martín Vizcarra, president of Peru, announced that the **Government lifts the mandatory social immobilization on Sundays throughout the country**. However, he reported that the restriction of the use of private cars will be maintained to avoid massive displacements that suppose a new growth of coronavirus cases.	• **From October 1, phase 4 of the economic reactivation began**, with the resumption of new activities and the expansion of capacity for activities already authorized, in accordance with Supreme Decree No. 157-2020-PCM.

3 General Measures
Peru

NEW

The Government of Peru has adopted contingency measures like the restriction of freedom of movement of people coming from all over the world until 30/06

Contingency measures

- People in risk groups, such as **adults over 65 years** of age and those with comorbidities, according to the provisions of the National Health Authority, **cannot leave their home**. They will only be able to leave when they require urgent medical attention or in an emergency, as well as to buy food, medicine and financial services, if they do not have a support person to do so. They can also leave their home exceptionally to collect some pecuniary benefit granted by the Government.
- The compulsory **social immobilization is provided from 23:00 to 04:00** the next day, from Monday to Sunday. Some regions will continue with mandatory Sunday social immobilization throughout the day until 4:00 a.m. the next day. Cusco, Puno, Moquegua and Tacna, in addition to the provinces of Abancay (Apurímac), Huamanga (Ayacucho) and Huánuco (Huánuco), must respect this restriction until the cases decrease, since they are the most affected regions of the country.

The Phase 2 of the Resumption of Economic Activities within the framework of the declaration of National Sanitary Emergency has been approved

- Phase 2 of the resumption of activities comes with **changes**:
  - The economic activities included in this phase are the following: Agriculture, mining, manufacturing, construction, trade and services.
  - Automatic permission for the reactivation of companies, which implies that the approval of the Ministry of Health of the surveillance, prevention and control plans of the COVID-19 will no longer be necessary.
  - The only requirement to start operating is the prior registration of the 'plan for the surveillance, prevention and control of COVID-19 at work' in the Integrated System for COVID-19 (Sicovid-19) of the Ministry of Health.
  - An exception is for companies that operate in high-risk urban areas, defined by the National Health Authority. In this case, the start of activities will be determined by ministerial resolution.
  - In the case of formalized small-scale mining and artisanal mining, the corresponding supervision and control actions are carried out by the competent regional authorities.

- Phase 3 of the resumption of **activities**:
  - Starting on Wednesday, July 1, Phase 3 of the economic reactivation began and the reopening of businesses will take place gradually.
  - The measure, made official with Supreme Decree No. 117-2020-PCM, includes around 60 commercial activities, which added to what was previously approved, could still lead to 96% of the economy.
  - The businesses that may reopen, depending on the protocols, are: Passenger transport services by air (only for domestic flights), lodging, moving services, restaurants with a capacity of 40%, shops with a capacity of 50% , photography services, museums and cultural centers, tourism agencies, call centers with a capacity of 50%, among others.

Index

At global level, the BCBS has announced the deferral of Basel III implementation timeline and it has issued measures to reflect the impact of COVID-19

Regulator	Measures	Details
BCBS	**Deferral of Basel III implementation**	• The implementation date of the **Basel III standards** has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the **output floor** has also been extended by one year to 1 January 2028. • The implementation date of the revised **market risk framework** has been deferred by one year to 1 January 2023. • The implementation date of the revised **Pillar 3 disclosure requirements** has been deferred by one year to 1 January 2023.
	Measures to reflect the impact of COVID-19	• It sets out technical guidance on the **treatment of extraordinary support measures related to COVID-19**, specially on: o Loans subject to government guarantees. o Loans subject to payment moratoriums and non-performing assets. o Exposures subject to forbearance. • BCBS expects **ECL estimates to reflect the mitigating effect** of the significant economic support and payment relief measures put in place by public authorities and the banking sector using the flexibility inherent in IFRS 9. • BCBS has agreed on certain amendments to the existing **transitional arrangements** for the regulatory capital treatments of ECLs. In addition, it allows banks to apply an **alternative transition** deals with phasing-out of “add-back” amount on a straight line basis over the subsequent 3 years.

3 Measures with implications on the financial sector
IMF – IASB

The IMF has issued a Liquidity Line, and The IASB has published guidelines on accounting for ECL applying IFRS 9 financial instruments

Regulator	Measures	Details
IMF	**New Short-Term Liquidity Line (SLL)**	• The IMF is proposing to provide **financial assistance** to members that face short-term balance of payments difficulties. • The Short-term Liquidity Line (SLL) may be approved in an amount of up to **145 %** of the member's quota for a period of up to **12 months**. • The proposed process for the approval and use of an SLL arrangement largely follow the process for **Flexible Credit Line (FCL)** (i.e. initial confidential consultation, meeting to consider the case for an offer, and once it is approved, members could make one or multiple purchases during the arrangement).
IASB	**Accounting for expected credit losses (ECL) applying IFRS 9 Financial Instruments**	• **Entities should not continue to apply their existing ECL methodology mechanically**. Although current circumstances are difficult and create high levels of uncertainty, if ECL estimates are based on reasonable and supportable information and **IFRS 9 is not applied mechanistically**, useful information can be provided about ECLs. • **Effects of COVID-19 and the government measures**. Entities are required to develop estimates based on the best available information about **past events, current conditions and forecasts of economic conditions**. • **Macroeconomic scenarios**. It is likely to be difficult at this time to incorporate the specific effects of COVID-19 and government support measures on a reasonable and supportable basis. However, **changes in economic conditions should be reflected in macroeconomic scenarios** applied by entities and in their weightings.

3 Measures with implications on the financial sector
FSB – IASB

The FSB has discussed the impact of COVID-19 on global benchmark transition, while the IASB has issued an update to the IFRS Taxonomy 2020 for Covid-19-Related Rent Concessions

Regulator	Measures	Details
FSB	**Statement on the impact of COVID-19 on global benchmark reform**	• The FSB is **monitoring the developments** closely and recognises that some aspects of firms' transition plans are likely to be temporarily disrupted or delayed, while others can continue. • The FSB maintains its view that financial and non-financial sector firms across all jurisdictions should continue their efforts in making **wider use of risk-free rates in order to reduce reliance on IBORs** where appropriate and in particular to remove remaining dependencies on LIBOR by the end of 2021. • Relevant national working groups are co-ordinating changes to **intermediate milestones in their benchmark transition programmes**, where appropriate, to ensure global coordination. Financial and other firms should continue to ensure that their transition programmes enable them to transition to LIBOR alternatives before end-2021.
IASB	**IASB issues IFRS Taxonomy Update for Covid-19-Related Rent Concessions**	• IASB issued an update to the IFRS Taxonomy 2020 for Covid-19-Related Rent Concessions, which amended IFRS 16 Leases. • The update includes IFRS Taxonomy elements to reflect the new disclosure requirements introduced by the amendment, issued by the Board in May 2020.

3 Measures with implications on the financial sector
IASB

The IFRS has published an Exposure draft proposing amendments to IFRS 16 on COVID-19 related rent concessions

Regulator	Measures	Details

IASB	**Covid-19-Related Rent Concessions Proposed amendment to IFRS 16**	• This proposal permits lessees account for those **rent concessions as if they were not lease modifications** as a direct consequence of the COVID-19 pandemic. Reductions in lease payments affects only payments originally due in 2020.
		• If a lessee grants a rent concession is required to apply the disclosure requirements and reflect the changes in the financial statements about the leasing activities. To this respect, three **changes** have been introduces to **financial statements**:
		    o Forgiveness or waiver of lease payments and adjusting the financial statements derecognising the part of the lease liability that has been extinguished.
		    o Change on the timing payment.
		    o Some COVID-19 related rent concessions reduce lease payments, incorporating both a forgiveness of payments and a change in the timing of payments.
		• The draft amendments to IFRS 16 propose that a lessee would apply the amendment for annual reporting **periods beginning on or after 1 June 2020**. The decisions proposed **can be applied retrospectively**, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment.

The IOSCO has published a statement on the importance of disclosure about COVID-19 impact, covering among others, impacts on amounts recognized, measured and presented in the financial statements

Regulator	Measures	Details
IOSCO	**Statement on importance of disclosure about COVID-19 impact**	• **Impact on amounts recognized, measured and presented in the financial statements**. It is important that issuers consider all aspects of their business when preparing financial reports. • **Importance of transparent and complete disclosures**. Disclosures should explain the material impact on specific assets, liabilities, liquidity, solvency and going concern issues as relevant and any significant uncertainties, assumptions, sensitivities, underlying drivers of results, strategies, risks and future prospects. • **Non-GAAP financial measures** (also referred to as Alternative Perfoming Measures (APMs)) can be useful to investors when they provide additional insight into an issuer's financial performance, financial condition and cash flow. • **Interim reports**. While requirements for interim reports may contain fewer required disclosures tan in the case for anual reports, it will be relevant to include more detailed disclosure on these matters an their material effect on the issuer. • **Implications for the annual audit**. For anual reporting, the external auditor's report may also provide additional information to investors during the COVID-19 pandemic. • **Filing deadlines extended in many jurisdictions**. When considering an extended period to prepare and issue their financial information, issuers should balance the needs of investors with the responsibility for providing timely and comprehensive financial information that includes reasonable and supportable judgements, and on the other hand, investors and other stakeholders are expected to pay more attention to issuers' situation.

3 Measures with implications on the financial sector
European Commission

The EC has published a Banking Package to facilitate bank lending in order to support households and businesses

Regulator	Measures	Details
EC	**Banking Package**	• The EC allows some of the **prudential and accounting rules** (e.g. rules on how banks assess the risk that a borrower will not repay a loan and the effect it has on the amount of money the bank needs to set aside for any possible lossess or prudential rules on the classification of NPLs) to be used in a **more flexible** way during the pandemic so that banks can focus on lending to households and companies. Furthermore, it also **clarifies the rules regarding IFRS 9 flexibility, NPLs and digital payments**. • Additionally, the EC has proposed, among others, the following **changes to Capital Requirements Regulation (CRR)**: ○ Transitional arrangements for mitigating the impact of IFRS 9 provisions on regulatory capital. ○ Deferral on the application of the leverage ratio (LR) buffer. ○ More favorable treatment of publicly guaranteed loans under the NPL prudential backstop. ○ Changes in the calculation of the LR.
ECB	**New Eurosystem repo facility (EUREP)**	• **Eurosystem repo facility for central banks (EUREP)** introduced as precautionary backstop to address pandemic-related euro liquidity needs outside euro area. EUREP will be available until the end of June 2021. • EUREP to allow broad set of central banks to **borrow euro against euro-denominated debt** issued by euro area central governments and supranational institutions.

The ECB has issued a package of temporary colateral easing measures in order to mitigate the tightening of financial conditions across the euro area

Regulator	Measures	Details
ECB	Temporary collateral easing measures	• **Collateral measures**. ○ Accommodating the requirements on guarantees to include government and public sector guaranteed loans to corporates, SMEs and self-employed individuals and households in the ACC[1] frameworks. ○ Enlarging the scope of acceptable credit assessment systems used in the ACC frameworks. ○ Reducing the ACC loan level reporting requirements. • **Temporary measures**. ○ A lowering of the level of the non-uniform minimum size threshold for domestic credit claims to EUR 0 from EUR 25,000 previously. ○ An increase, from 2.5% to 10% in the maximum share of unsecured debt instruments issued by any single other banking group in a credit institution's collateral pool. ○ A waiver of the minimum credit quality requirement for marketable debt instruments issued by Greece for acceptance as collateral in Eurosystem credit operations. • **Risk tolerance level**. A temporary increase in the ECB risk tolerance level in credit operations through a general reduction of collateral valuation haircuts by a fixed factor of 20%. • **Haircuts**. Reduction of the haircuts applied to non-marketable assets around 20%.

1. Additional credit claims (ACCs)

ECB

ECB has provided temporary capital and operational relief. Banks can fully use capital and liquidity buffers, including Pillar 2 Guidance, and will benefit from relief in the composition of capital for Pillar 2 requirements

Regulator	Measures	Details
ECB	**Release of capital and liquidity buffers**	• Banks are allowed to **operate temporarily below the level of capital** defined by the P2G[1], the Capital Conservation Buffer (CCB) and the LCR[2]. • **Partial use of capital instruments** that do not qualify as CET1 capital (e.g. Additional Tier 1 or Tier 2 instruments) to meet P2R[3] is allowed.

	NPLs	• Supervisory **flexibility regarding the treatment of non-performing loans (NPLs)**. Specially, the ECB:
		  ○ Will exercise flexibility regarding the classification of debtors as "unlikely to pay" (UTP). The supervisor will also exercise certain flexibilities regarding loans under Covid-19 related public moratoriums.
		  ○ Loans which become non-performing and are under public guarantees will benefit from preferential prudential treatment.

	IFRS9	• Recommendation to banks to **avoid procyclical assumptions** in their models to determine provisions or to opt for the IFRS 9 transitional arrangments.
	Inspections	• All decisions and measures taken in the context of OSIs, TRIMs and IMIs remain **valid** although it is decided to postpone them for **6 months**.
	Individual measures	• The ECB is additionally discussing with **banks individual measures**, such as adjusting timetables, processes and deadlines.

1. Pillar 2 Guidance (P2G) indicates the adequate level of capital to be maintained to have sufficient capital as a buffer to withstand stressed situations.
2. Liquidity Coverage Ratio (LCR)
3. Pillar 2 Requirements (P2R) covers risks underestimated or not covered by Pillar 1.

3 Measures with implications on the financial sector
ECB

The ECB has issued new measures to increase the bank funding, like the new Pandemic Emergency Purchase Programme

Regulator	Measures	Details
ECB	**Measures to increase the bank funding and temporary collateral easing measures**	• New **temporary asset purchase programme** (PEPP)[1] of private and public sector securities of € 750 bn. Other measures **linked to the PEPP**: o Expansion of the use of <u>credit claims (AAC)</u> as collaterals. o <u>Lowering of the level of the non-uniform minimum size threshold</u> for domestic credit claims to EUR 0 from EUR 25,000. o An increase, from 2.5% to 10%, in the <u>maximum share of unsecured debt instruments</u> issued by any single other banking group in a credit institution's collateral pool. o A waiver of the <u>minimum credit quality requirement</u> for marketable debt instruments issued by the <u>Hellenic Republic</u> for acceptance as collateral. o Increase of ECB <u>risk tolerance</u> level in credit operations through a general reduction of collateral valuation haircuts by a fixed factor of 20%. • Marketable assets and issuers of these assets that met the minimum credit quality requirements for **collateral eligibility** on 7 April 2020[2] will continue to be eligible in case of rating downgrades, as long as their rating remains at or above credit quality step 5 (CQS5), equivalent to a rating of BB. • Adjustment to the **haircuts** applied to non-marketable assets, both in the general collateral framework and for ACCs, by fine-tuning some of the haircut parameters. This leads on average to a further haircut reduction of this type of collateral by around 20%. • Recommendation: at least until 1 October 2020 **no dividends** should paid out.

1. Pandemic Emergency Purchase Programme (PEPP)
2. i.e. BBB- for all assets, except asset-backed securities (ABSs)

The ECB extends recommendation not to pay dividends until January 2021 and clarifies timeline to restore buffers

Regulator	Measures	Details
ECB	**Dividend payment extension and timeline clarification**	• The ECB extended its recommendation to banks on dividend distributions and share buy-backs, and asked banks to be extremely moderate with regard to variable remuneration: o ECB asks banks not to pay dividends and not to buy back shares until January 2021. o ECB expects banks to exercise extreme moderation on variable remuneration to conserve capital in crisis. o ECB clarifies expected pace for banks to restore capital and liquidity positions. • These recommendations are aimed at preserving banks' capacity to absorb losses and support the economy in this environment of exceptional uncertainty.

1. Pandemic Emergency Purchase Programme (PEPP)
2. i.e. BBB- for all assets, except asset-backed securities (ABSs)

The ESAs have published the Final Report on EMIR RTS on various amendments to the bilateral margin requirements in view of the international framework with the aim to introduce some amendments on the implementation regulation

Regulator	Measures	Details
ESAs	**Implementation deferral of EMIR RTS on various amendments to the bilateral margin requirements**	• The ESAs have reviewed the application of the relevant requirements of EC's Regulation on bilateral margining and the amending draft RTS submitted in December 2019, and have identified the amendments necessary in order to extend the deadline for completing the final two implementation phases of the margin requirements for non-centrally cleared derivatives, **by one year**. • The **final implementation phase will take place on 1 September 2022**, at which point covered entities with an aggregate average notional amount (AANA) of non-centrally cleared derivatives greater than €8 billion will be subject to the requirements. As an intermediate step, from 1 September 2021 covered entities with an AANA of non-centrally cleared derivatives greater than €50 billion will be subject to the requirements. • The ESAs postponed the application of **bilateral margin requirements for single-stock equity options** or index options transactions until **4 January 2020**, and proposed to broad the scope on the treatment of physically settled foreign exchange forwards and physically settled foreign exchange swaps. • The ESAs consider that it is proportionate to **extend the temporary exemption for bilateral margin relates to intragroup transactions with a third country entity** in the absence of an equivalence decision adopted by the European Commission.

3 Measures with implications on the financial sector
ESAs

NEW

The ESAs have published the first joint risk assessment report of the financial sector which particularly points to economic and market uncertainty as a key challenge going forward

Regulator	Measures	Details
ESAs	**Risk assessment of the financial sector since the outbreak of COVID-19**	• The risk assessment Report highlights how the pandemic has amplified profitability concerns across the board and heightened liquidity challenges in segments of the investment fund sector. • The ESAs highlighted the need to implement the following policy actions: ○ **Monitor risks and perform stress testing**. The use and adequacy of liquidity management tools in the investment fund sector should be continuously monitored. ○ **Foster flexibility where and when needed**. Supervisors and banks are encouraged to make use of the flexibility in the existing regulatory framework. ○ **Support to the real economy**. Capital relief should be used in support of continued lending to the real economy in the downturn. ○ **Stay prepared**. EU financial institutions need to be well-prepared for any disruptions they and their clients may face at the end of the UK's transition period of leaving the EU. ○ **Supervise digital transformation**. It is key for financial institutions to carefully manage their ICT and security risks, including when outsourcing ICT activities.

3 Measures with implications on the financial sector
EBA

The EBA has decided to postpone EU-wide stress test to 2021 to allow banks to prioritise operational continuity

Regulator	Measures	Details
EBA	**NPE and forborne exposures**	• When there are no concerns in the assessment of the obligor's unlikeliness to pay in the case of **moratoria** permitting suspension or delays in payments, the exposure may remain in **performing status** as this type of restructuring should not be considered as a distressed restructuring. • Moratoria would not necessarily lead to a reclassification of any loan under the definition of **forbearance**[1].
	IFRS 9	• The EBA considers that the **application of public or private moratoria should not be considered by themselves as an automatic trigger to conclude that a significant increase in credit risk** has occurred. • Institutions should **assess individually** the situation of each debtor and distinguish between obligors for which the credit standing would not be significantly affected by the current situation in the long term, from those that would be unlikely to restore their credit worthiness.
	Postponed activities	• The EBA postpones the **EU-wide stress test exercise** to **2021**. • The EBA will carry out an additional **Eu-wide transparency exercise** in **2020** to provide updated information on banks' exposures and asset quality to market participants. • The EBA intends to delay reporting for the **first FRSTB-SA to September 2021**.

1. Guidelines on legislative and non-legislative moratoria in order to provide clarity on the treatment of the moratoria applied before 30 June 2020.

The EBA has issued prudential requirements for market risk and SREP. Further, the EBA has also published specific requirement regarding reporting and disclosure

Regulator	Measures	Details
EBA	**Prudential requirements for market risk and SREP**	• The EBA proposes to introduce the use of a **66% aggregation factor** to be applied until the 31 December 2020. • The EBA recognise the need for a speficic SREP for the 2020 exercise.

	Reporting and disclosure GL	• **Reporting** and **disclosure** requirements for:
		  ○ Monitoring the use of payment moratoria and the evolution of the credit quality of the exposures subject to such moratoria.
		  ○ The new loans subject to specific public guarantees set up to mitigate the effects of the COVID-19 crisis.
		  ○ Other forbearance measures applied in response to the COVID-19 crisis.
		• **Reporting references and remittances dates**:
		  ○ Quarterly reporting reference date: 31 March, 30 June, 30 September and 31 December.
		  ○ Quarterly reporting remittance dates: 12 May, 11 August, 11 November and 11 February.
		• **Technical package**: to facilitate reporting on the basis of these guidelines, the EBA will provide technical package, covering validation rules, the data point model (DPM) and the XBRL taxonomy and will fully integrate the new reporting into the EBA reporting framework.

3 Measures with implications on the financial sector
EBA

The EBA has published different Reports which one provides clarifications on the application of prudential framework raised as a consequence of the pandemic and second provides an overview of public guarantee schemes issued in response to the Covid-19 pandemic

Regulator	Measures	Details
EBA	**Clarity on the implementation of the prudential framework**	• After a significant number of issues have been brought to the attention of the EBA in the context of the Guidelines on payment moratoria and to the prudential framework, a report that provides clarity on the implementation of the Guidelines and presents an overview of the general payment moratoria in place based on notifications sent to the EBA has been provided. This report also includes considerations on the COVID-19 issues, which can arise in applying the operational risk framework, and encourages credit institutions to collect information on data losses.
	List of the public guarantee schemes	• Aims at providing transparency to the public on existence of public guarantees, as well as responding to the EC request for a stock-take of such guarantees. • Provides an overview of the 47 public guarantee schemes (43 are from EU Member States and 4 from EEA members). This list includes factual information about the guarantor, the region or district covered by the scheme, as well as clarifies whether the scheme is targeted to new lending or to existing exposures, the type of obligors or exposures covered by the scheme and the level of coverage of exposures by the guarantee.

1. Guidelines on legislative and non-legislative moratoria in order to provide clarity on the treatment of the moratoria applied before 30 June 2020.

NEW

The EBA has published Guidelines on a pragmatic and flexible approach to the 2020 supervisory review and evaluation process in light of the COVID-19 pandemic

Regulator	Measures	
EBA	**Guidelines that make available a special procedure for the supervisory review and evaluation process (SREP) for the year 2020**	• These **new Guidelines** identifies how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of the Covid pandemic. • The guidelines are addressed to competent authorities and elaborate on **the key aspects of SREP for the year 2020**: ○ Focus of the pragmatic SREP ○ Overall SREP assessment and scoring ○ Supervisory measures ○ Conduct of the SREP in cross-border contexts
	Guidelines on legislative and non-legislative loan repayments moratoria	• These Guidelines **have provided necessary flexibility** as well as certainty on the regulatory framework, in light of significant number of actions taken by banks to support their customers. • The guidelines **help banks**: ○ To <u>manage large amount of requests</u> from customers wishing to participate on payment moratoria. ○ Support their customers with extended payments after <u>30 September 2020.</u>

3 Measures with implications on the financial sector
ESMA

The ESMA has published reports which advices on the crisis of experiences of financial industry and indicates a need to re-equitise the economy and recommends supervisory coordination on accounting for Covid-19 related rent concessions

Regulator	Measures	Details
ESMA	**Own initiative Securities and Markets Stakeholder Group (SMSG) report II on Covid-19 related issues**	• This advice will give an early view on lessons from the crisis on the basis of experiences of financial industry and investors in different segments of capital markets and indicates a need to re-equitise the economy. The main sections of the report are: Lessons from the crisis, Asset Management, OTC-Derivatives Markets, Functioning of Debt Capital Markets, Individual Investors, Corporate disclosure and Re-equitizing the European economy. • The dynamic developments of the health and economic crisis and the reaction of capital markets, promote the need to closely continue coordinating between all stakeholder.
	Supervisory coordination on accounting for Covid-19 related rent concessions	• The International Accounting Standards Board (IASB) issued in May 2020 an amendment to IFRS 16 providing a practical relief for lessees to address difficulties encountered by the issuers when accounting for the large volumes of lease modifications. • ESMA recommends CAs not prioritise supervisory actions on the application of the lease modification requirements contained in IFRS 16 • Coordination of supervisory actions applies exceptionally for financial periods ending on or before 31 July 2020.

3 Measures with implications on the financial sector
ESMA

ESMA issued a temporary requirement on net short positions, expectations regarding SFTR, recommendations to financial market participants and guidance on IFRS 9

Regulator	Measures	Details
ESMA	**Thresholds for reporting net short positions**	• Temporarily requirement to the holders **of net short positions** in shares traded on a EU regulated market to notify the relevant CA if the position reaches or exceeds **0.1% of the issued share capital**.
	Securities Financing Regulation (SFTR)	• **The ESMA expects CAs not to prioritise their supervisory actions** in respect of securities financing transactions (SFT) reporting obligations, under SFTR and MIFIR, as of 13 April and until 13 July 2020. • Not necessary to register any Trade Repository (TR) ahead of 13 April 2020.
	Recommendations to financial market participants	• **Business Continuity Planning**: application of contingency plans to ensure operational continuity in line with regulatory obligations. • **Market disclosure**: disclosing information concerning the impacts of COVID-19 on issuers fundamentals, prospects or financial situation. • **Financial Reporting**: transparency on the impacts of COVID-19, to the extent possible based on a qualitative and quantitative assessment. • **Fund Management** – asset managers should continue to apply the requirements on risk management, and react accordingly. • **Flexibilization on publication deadlines** under the Transparency Directive.
	IFRS 9 guidance	• Supporting programs to be considered in SICR as well as the **use of past due information**; forbearance measures must consider all the **facts/circumstances**. • **Issuers** should consider in their **forcasts for ECL** the nature of economic shock and the expected impact of the economic support and relief measures on credit risk over the expected life of the instruments.

ESMA has issued an statement to draw firms' and clients' attention on these risks and to remind investment firms of their conduct of business obligations under MiFID II

Regulator	Measures	Details
ESMA	**Reminder of firms' MiFID II conduct of business obligations**	• ESMA reminds firms of their obligation to **act honestly, fairly and professionally** in accordance with the best interests of their clients when providing investment or ancillary services and to comply with all relevant **MiFID II** conduct of business and related organisational requirements. In particular, ESMA points to the: o Product governance. o Information disclosure. o Suitability and appropriateness requirements.
	Transparency on COVID-19 effects in half-yearly financial reports	The ESMA provides recommendations on areas of focus and it **highlights**: o The importance of providing relevant and reliable information, which may require issuers to make use of the time allowed by national law to publish half-yearly financial reports while not unduly delaying the timing of publication. o The importance of updating the information included in the latest annual accounts to adequately inform stakeholders of the impacts of COVID-19, in particular in relation to significant uncertainties and risks, going concern, impairment of non-financial assets and presentation in the statement of profit or loss. o The need for entity-specific information on the past and expected future impact of COVID-19 on the strategic orientation and targets, operations, performance of issuers as well as any mitigating actions put in place to address the effects of the pandemic.

Measures with implications on the financial sector

ESMA – European Parliament

The short selling restrictions in some EU countries have been lifted after several weeks due to the stabilization of the stock markets

Regulator	Measures	Details
ESMA	**Non-renewal and termination of short selling bans**	• The ESMA notes the **non-renewal of the emergency restrictions on short selling** and similar transactions by the following national competent authorities (NCAs): o Finanzmarktaufsicht (FMA) of Austria. o Financial Securities and Markets Authority (FSMA) of Belgium. o Autorité des Marchés Financiers (AMF) of France. o Hellenic Capital Market Commission (HCMC) of Greece. o Comisión Nacional del Mercado de Valores (CNMV) of Spain. o Commissione Nazionale per le Società e la Borsa (CONSOB) of Italy.
EP - Economic and Monetary Affairs Committee	**Revised rules to encourage banks to lend to companies and households**	• **Extension by two years** of the transitional arrangements for **IFRS 9**. • Alignment of **minimum coverage requirements for NPLs guaranteed by the public sector** with those guaranteed by official export credit agencies. • **Deferred application of the leverage ratio buffer** by one year to January 2023. • Advanced application of a **more favourable prudential treatment of loans to pensioners** or employees with a permanent contract that are backed by the borrower's pension or salary. • Advanced application of the **SME and infrastructure supporting factors**. • Banks will **no longer be required to deduct certain software assets** from their capital, supporting an accelerated digitalisation of the banking sector. • Liquidity measures provided by central banks in a crisis context will be effectively **channelled by banks to the economy**.

Easing rules temporarily to encourage banks to lend to companies and households supporting the flow of credit and absorbing losses, mitigating the economic consequences of the COVID-19

Regulator	Measures	Details
EP	**Specific temporary changes to the capital requirement regulation (CRR)**	• The **adopted changes include**: ○ Deferred application of the leverage ratio buffer by one year to January 2023. ○ Pensioners or employees with a permanent contract will be able to get a loan under more favourable prudential conditions. ○ Advanced application of both the SME and infrastructure supporting factor, which allows for a more favourable prudential treatment of certain exposures, ensuring credit flows. ○ Banks will now be able to treat some software as their own capital, encouraging banks to invest in software and digitalisation. ○ Liquidity measures provided by central banks.
ESMA	**Clarification on external support under Article 35 of the Money Market Funds (MMF) Regulation**	• The **statement aims** to: ○ Clarify potential interaction between the intermediation of credit institutions and the requirements of Article 35 of the MMF Regulation on external support. ○ Coordinate the supervisory approaches of national competent authorities (NCAs) in light of liquidity challenges for MMFs. • ESMA and NCAs, will **closely monitor the current situation** and will take or recommend the necessary measures to mitigate the impact of COVID-19.

Measures with implications on the financial sector

ESRB

The ESRB has issued a set of actions aimed to ensure that the EU financial system is able to withstand the shock and thus prevent an even sharper loss of economic capacity and jobs

Regulator	Measures	Details
ESRB	**Actions in response to the coronavirus emergency**	• Establish an **EU-wide framework to monitor the financial stability implications of the support measures**. With this framework, the ESRB intends: ○ To complement and enhance what is being done at the national level by fostering the exchange of experiences. ○ Early identification of cross-sectoral and cross-border issues. • The **Pillar 2 provisions in the Solvency II regulatory regime should be enhanced in the medium term** to enable supervisors to require individual (re)insurers with a vulnerable liquidity profile to hold a liquidity buffer. • **Recommendation on distributions** to achieve a uniform approach to restraints on pay-outs across the EU and across different segments of the financial sector. • **Recommendation on liquidity risks arising from margin calls**. This recommendations aims to: ○ Limit cliff effects in relation to the demand for collateral, also including client clearing services and non-centrally cleared markets. ○ Enhance CCP stress test scenarios for the assessment of future liquidity needs. ○ Limit liquidity constraints related to margin collection. ○ Promote international standards related to the mitigation of procyclicality in the provision of client clearing services and in securities financing transactions.
ESMA	**Statement on MiFIR open access**	• The ESMA has issued a public statement to set out a temporarily exempt of the **application of the MiFIR** open access provisions (OAP) for trading venues (TVs) and central counterparties (CCPs). This provision will expire on 3 July 2020.

3 Measures with implications on the financial sector
Bank of Italy

The Bank of Italy, in line with the initiatives taken by the EBA and the ECB, has decided to allow some deferrals for certain regulatory compliance

Regulator	Measures	Details
Bank of Italy	**Release of capital and liquidity buffers**	• **Less significant banks and non-bank intermediaries** may temporarily operate below the level of the target component assigned as a result of the **SREP process (Pillar 2 Guidance - P2G), the capital conservation buffer (CCB) and the liquidity coverage ratio (LCR)**.
	Recommendations	• Less significant banks and other supervised intermediaries are invited to review **business continuity plans** and consider what measures can be taken to minimise the potential adverse effects of the spread of COVID-19.
	Deferrals of deadlines	• **60 days** to comply with **ICAAP/ILAAP** for banks and SIM and ICAAP for financial intermediaries. • **150 days** for transmission of the first report on **operational** and **security** risks of banks. • **60 days for responses to ongoing regulatory consultations** and an extension of the deadline for comments on consultations to be initiated in the next days.

ManagementSolutions
Making things happen

The Bank of Spain has recommended that companies use the flexibility provided in the accounting regulations

Regulator	Measures	Details

Bank of Spain	**Use of flexibility provided by the accounting regulation to deal with the shock caused by the COVID-19**	• It is recommended to make use of the **flexibility provided in the accounting regulations**, without prejudice to the proper identification of the impairment of operations and a reasonable estimate of their **coverage for credit risk**.
		• Regarding the classification and **coverage for credit risk**, it is reminded that:
		  o The existence of overdue amounts exceeding 30 days is a rebuttable presumption for classification in the category of normal on special surveillance (NVE). The amounts suspended by legal moratoria are not considered to be due and therefore are not considered to be overdue.
		  o The obligors classified in normal risk may remain at the same category as long as they are likely be able to repay the rescheduled payments and there are not significant increases in credit risk.
		  o Only those modifications of operations whose obligor has, or is likely to have, financial difficulties should be identified as refinancing or restructuring; otherwise, they would be renewals or renegotiations.
		• The application of relief measures to loans does not imply that they should be reclassified from normal to NVE, provided that there is not any event means the non-compliance of the following considerations:
		  o Holder is up to date with payments.
		  o There is no partial derecognition in existing operations.
		  o Agreed modification term is short (up to twelve months).
		• To determine whether there has been a significant increase in the credit risk of transactions for the purposes of classification as NVE, the **entire duration of the transaction** must be taken into account.

Measures with implications on the financial sector

Bank of Spain

The Bank of Spain has recommended that companies use the flexibility provided in the accounting regulations. In addition, the Government of Spain has adopted supplementary measures related economy or employment, among others

Regulator	Measures	Details
Bank of Spain	**Use of flexibility provided by the accounting regulation to deal with the shock caused by the COVID-19**	• The flexibility of accounting framework means to **avoid** the use of **classification factors** automatically, specially on exceptional situations. • The incorporation of the effect of forecasts on future economic conditions in the estimation of credit risk coverage must be done on the basis of reasonable and well-founded information. • Lacks of reliable forecasts allows banks to **estimate** the **probability of default and expected losses**, giving **larger weights to stable predictions** based on historical information. • Guaranteed loans for public entities enable to recalculate the expected losses, taking into account the recuperation of cash flows from the performance of guarantee claims. • Institutions may continue to use BoS alternative solutions. • BoS will be flexible with institutions that fall below the capital conservation buffer and/or the liquidity coverage ratio.
Government of Spain	**Royal Decree-Law 19/2020 adopting supplementary measures to alleviate the effects of COVID-19**	• Financial institutions that adhere to a Sectoral Framework Agreement to grant payment deferrals will have to submit certain **daily information to the BoS**. • Payment deferrals can be applied to all types of loans, credits and financial leases. • In the conventional payment deferrals, it may be agreed to **redistribute the instalments** without changing the maturity, or to **extend the maturity by a number of months equivalent to the duration of the deferral**. • Financial institutions can **not modify the agreed interest** rate, charge **expenses or commissions**, setting up new **collaterals or commercializing other unit-linked products**.

3 Measures with implications on the financial sector

Bank of Spain

The Bank of Spain extends to the less significant entities under its direct monitoring of the ECB recommendation on profit distribution and variable remuneration

Regulator	Measures	Details
Bank of Spain	**Extention of the ECB recommendation on profit distribution and variable remuneration**	• Given the impact and duration that the Covid pandemic is having on the economy, it is necessary for financial institutions to maintain a level of capital that allows them to reduce systemic risk and contribute to economic recovery. In this context, the ECB has extended until 1 January 2021 its recommendation that credit institutions continue to take prudent decisions regarding their profit distribution and variable remuneration policies. • The BoS has extended these measures to the less significant credit institutions under its direct supervision.

Measures with implications on the financial sector

CNMV – Bank of Spain

The Comisión Nacional del Mercado de Valores (CNMV) has adopted a temporary prohibition on constituting or increasing net short positions on listed shares. The Bank of Spain has recommended that companies use the flexibility provided in the accounting regulations

Regulator	Measures	Details
Bank of Spain	**Use of flexibility provided by the accounting regulation to deal with the shock caused by the COVID-19**	• The application of relief measures to loans does not imply that they should be reclassified from normal to NVE, provided that there is not any event means the non-compliance of the following considerations: ○ Holder is up to date with payments. ○ There is no partial derecognition in existing operations. ○ Agreed modification term is short (up to twelve months). • To determine whether there has been a significant increase in the credit risk of transactions for the purposes of classification as NVE, the **entire duration of the transaction** must be taken into account. • The flexibility of accounting framework means to **avoid** the use of **classification factors** automatically, specially on exceptional situations. • The incorporation of the effect of forecasts on future economic conditions in the estimation of credit risk coverage must be done on the basis of reasonable and well-founded information. • Lacks of reliable forecasts allows banks to **estimate** the **probability of default and expected losses**, giving **larger weights to stable predictions** based on historical information. • Guaranteed loans for public entities enable to recalculate the expected losses, taking into account the recuperation of cash flows from the performance of guarantee claims. • Institutions may continue to use BoS alternative solutions. • BoS will be flexible with institutions that fall below the capital conservation buffer and/or the liquidity coverage ratio.

NEW

The MEF has issued a state credit warranty mechanism for all enterprises and the HCSF has released the CCyB

Regulator	Measures	Details
MEF	**State credit warranty mechanism for all enterprises**	• The French Ministry of the Economy and Finance (MEF) has launched a **state credit warranty mechanism** (PGE) for enterprises so they can ask a new credit to their current banks or other intermediaries[1]: ○ The credit amount is limited to 25% of turnover 2019 or 2 years of payroll for innovative companies or companies created after Jan. 1st 2019. ○ The banks commit to examine all applications and to distribute the state guarantied credits at cost price to relieve the enterprises' treasury. ○ The banks have some eligibility requirements to give the credit ○ The state warranty covers from 70% to 90% of the credit. ○ The validity period of this mechanism is until December 31th 2020. • Besides, in order to enable enterprises that would not have access to the EMP to also be supported, specific intervention tools have been created or strengthened: the Economic and Social Development Fund (FDES), subsidised loans, repayable advances and participating loans.
HCSF	**Release of CCyB**	• The High Council for Financial Stability (HCSF) decided to **fully release the CCyB**, which was at 0.25% and was to increase to 0.5% on April 2nd. The CCyB will remain at 0% until further notice.

1. Since May 8th this loan can be obtained from a loan platform with the status of intermediary in crowdfunding (IFP)

BaFin

NEW

The Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) enforces the measures of the EBA on local level for all Significant Insitutions as well as Less Significant Institutions

Regulator	Measures	Details
BaFin	**Announcement of the supervisor and operational relieves**	• **BaFin** has contacted local institutions to discuss contingency planning. Currently, no systemic risk is identified for the German financial system. • On 12.03 a paper was published emphasizing the contingency planning (**MaRisk AT 7.3**). Special attention goes to contingency measures for trading desk activities, which are remotely allowed in the current situation under conditions. • Also for the less significant institutions, the **operational relieves from the SSM are enforced by the BaFin** (Pillar 2, capital requirements).
	Enforcement of NPL management and IT-security	• The **amendment of MaRisk** implements the guidelines of the European Banking Authority (EBA) on the **management of non-performing and forborne exposures** (NPL-Guidelines) (EBA/GL/2018/06) and on **the guidelines related to outsourcing arrangements** (EBA/GL/2019/02). • **BAIT** will adopt the EBA guidelines on the **management of Information and Communication technologies and security risks** (EBA/GL/2019/04).

3

Measures with implications on the financial sector

Bank of England

The Bank's three policy committees (Monetary Policy Committee, Financial Policy Committee and Prudential Regulation Committee) announced a comprehensive and timely package of measures to help UK businesses and households bridge across the economic disruption

Regulator	Measures	Details
MPC	**Reduction of Bank Rate and asset purchased increased**	• Reduction of **Bank Rate** 50 basis points to **0.25%**. The Bank rate was reduced a second time by 15 bps to 0.1% **and still remains at this point**. • As tighter lockdown rules are coming into force, an increase of the target stock of purchased UK government bonds was increased by an additional £150 billion, financed by the issuance of central bank reserves in order to meet the inflation target in the medium term. The MPC will continue to monitor the situation closely and further easing of monetary policy is warranted.
FPC	**Release the Countercyclical Capital Buffer (CCyB)**	• Reduction of the **UK CCyB to 0%** of banks' exposures to UK borrowers with immediate effect. The rate **had been 1%** and had been due **to reach 2%** by **December 2020**. • FPC expects to maintain the **0% rate for at least 12 months**, so that **any subsequent increase** would not take effect until **March 2022 at the earliest**.

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3

Measures with implications on the financial sector

Bank of England

The Bank's three policy committees (Monetary Policy Committee, Financial Policy Committee and Prudential Regulation Committee) announced a comprehensive and timely package of measures to help UK businesses and households bridge across the economic disruption

Regulator	Measures	Details
PRA	**Statement by the PRA accompanying measures announced by the FPC**	• The PRA **expects firms not to increase dividends** and **other distributions** in response to this policy action and will monitor firms' distributions. Furthermore, the ESRB recommendation on distributions applies to UK authorities during the transition period of the UK's withdrawal from the EU. • 04th June: 'Letter from Sir Jon Cunliffe [Deputy Governor - Financial Stability] to FMIs on distribution of profits': requests the Board to pay **close attention to the additional risks and potential financial and operational demands** arising from Covid-19 when taking decisions on variable remuneration.
BoE & HM Treasury	**Temporary extension to Ways and Means (W&M) facility**	• HM Treasury and the BoE have agreed to extend temporarily the use of the **government's long-established W&M facility**. As a temporary measure, this will provide a short-term source of additional liquidity to the government if needed to smooth its cashflows and support the orderly functioning of markets.

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3 Measures with implications on the financial sector

Bank of England – PRA

The BoE and PRA have issued some policy measures to address the economic challenges of COVID-19 on the financial sector

Regulator	Measures	Details
BoE & PRA	**Stress test**	• **Cancellation of the BoE's 2020 annual stress test** for the eight major UK banks and building societies.
	Biennial exploratory scenario (BES)	• Ammendments on **BES timetable** regarding: **liquidity** (suspended this exercise until further notice the publication of the results of the 2019 BES on liquidity) and **climate risk** analysis on the responses on the DP[1] on the financial risks from climate change as well as the evolving situation).
	IFRS 9	• Covid payment deferrals are made widely available to borrowers requesting a deferral. At the end of the existing guidance on payment deferrals, if the borrowers involved are not able to resume payments in full immediately with all deferred sums either paid in full or capitalised, tailored forbearance arrangements provided in accordance with the draft updated guidance should be considered. • The BoE expects that eligibility for UK Government's policy on the extension of mortgage repayment holidays should not automatically, be a sufficient condition to move participating borrowers into **Stage 2 ECL**.
	Open-ended funds	• **Open-ended funds**. The planned joint BoE - Financial Conduct Authority (FCA) survey into open-ended funds has been delayed until further notice. Other measures will be applicable: ○ <u>Revised supervisory programmes</u> for individual firms and FMIs. ○ Somes <u>changes on Internal Ratings Based (IRB) models</u> will be delayed by one year to 1 January 2022. ○ <u>Basel 3.1 implementation calendar will not be modified</u>.

1. Discussion Paper
2. Expected credit loss (ECL)

Measures with implications on the financial sector

FCA – FRC – PRA

The FCA, FRC and PRA issued several measures to address COVID-19

Regulator	Measures	Details
FCA, FRC & PRA	**Guidance to auditors**	• The FRC continues to issue guidance to auditors intended to provide practical help in obtaining **sufficient, appropriate audit evidence**.
	ECL	• The PRA has made some observations around economic scenarios, probability weights, model adjustments and overlays. • Regarding the **treatment of COVID-19 related payment holidays,** recommends not considering it to trigger the counting of days past due or generate arrears, nor on its own trigger the counting of days past due for the 30 days past due backstop used to determine SICR or the 90 days past due backstop used to determine default.
	Corporate governance and reporting	• The FRC encourages Boards on corporate governance to provide clarity on the use of key forward-looking judgements, and to take the following measures, in order to maintain **effective decision making in the interests of the company**, their workforce and other business partners: ○ Develop and implement mitigating actions and processes. ○ Consider how they will secure reliable and relevant information. ○ Pay attention to capital maintenance.
	Reporting calendar	• The FCA has published a statement permitting a delay in the publication of audited annual financial reports **from four to six months** from the end of the financial year. This policy is intended to be temporary while the UK faces the extreme disruption of the coronavirus pandemic and its aftermath.

3 Measures with implications on the financial sector

FCA

NEW

The FCA has issued further Guidance on November for firms which cover personal loans, overdraft and credit cards (including retail revolving credit) with the aim of protecting consumers

Regulator	Measures	Details
FCA	**Personal loans temporary guidance**	• Firms **should** allow customers to make **no payments** under their regulated **credit agreement** for a specified period without being considered to be in **arrears**. • Borrowers would have **until 31 January 2021** to request an initial payment deferral. A payment deferral under the FCA's proposals would not be reported as missed payments on a borrower's credit file. • **No addit. Interest arising** as result of the deferral **should** be charged to customer and payment deferral **should continue to have no impact on the balance** that was outstanding at the time when the payment deferral was granted. • Borrowers would have **until 31 January 2021** to request an initial payment deferral. A payment deferral under the FCA's proposals would not be reported as missed payments on a borrower's credit file. • **High-cost short-term credit (HCSTC) consumers**, such as those with payday loans, who have not yet had a payment deferral would be eligible for a payment deferral of 1 month.

NEW

The FCA has issued further Guidance on November for firms which cover personal loans, overdraft and credit cards (including retail revolving credit) with the aim of protecting consumers

Regulator	Measures	Details
FCA	**Overdrafts temporary guidance**	• **Interest free overdrafts**. If the overdraft is over £500, firms should not charge interest on the first £500 for at least 3 months. **Lloyds, TSB, Santander, HSBC, Barclays are already on-boarded**. • **Overdraft interest rate pricing**. Firms should review their prices to ensure they are set at a level that is consistent with the obligation to treat customers fairly by not introducing any increase in price, reducing its published interest rates and manual adjustments. • **Finalised Guidance** was designed to continue to provide support for those newly impacted by Covid-19 **until 31 October 2020 –** with customers able to seek an interest free overdraft buffer that could last until 31 January 2021. In any case, This support needs to be tailored and to reflect the uncertainties and challenges that many customers will face in the coming months.

NEW

The FCA has issued further Guidance on November for firms which cover personal loans, overdraft and credit cards (including retail revolving credit) with the aim of protecting consumers

Regulator	Measures	Details
FCA	**Credit cards (including retail revolving credit) temporary guidance**	• **Payment deferrals**. Firms **continue to** permit customers to make no payments under their credit card or revolving credit agreement without being in arrears for 3 months. If this payment deferral is not considered appropriate, firms should offer other ways of temporary relief. • **Expectations in relation to credit card rates**. Firms should review their prices to consider whether they are consistent with the obligation to treat customers fairly. • **Draft Guidance indicates** that where a customer's **initial payment deferral expired in the period between 30 October 2020** and the date before the updated guidance came into force on (not settled- Nov 2020), firms should review the treatment applied to the customer, and make reasonable efforts to contact the customer and give them an opportunity to take up any further help.

Measures with implications on the financial sector

FCA

NEW

The FCA has issued temporary Guidances for firms which cover High-cost short-term credit (HCSTC) loans, motor finance, rent-to-own (RTO), buy-now pay-later (BNPL) and pawnbroking agreements with the aim of protecting consumers

Regulator	Measures	Details
FCA	**HCSTC loans temporary guidance**	• Firms **should** allow customers to make **no payments** under their regulated **credit agreement** for a specified period without being considered to be in **arrears**. • Borrowers would have until 31 January 2021 to request an initial payment deferral. A payment deferral under the FCA's proposals would not be reported as missed payments on a borrower's credit file. • **No addit. interest arising** as result of the deferral **should be** charged to customer and payment deferral **should continue to have no impact on the balance** that was outstanding at the time when the payment deferral was granted. • High-cost short-term credit (HCSTC) consumers, such as those with paydays loans, who have not yet had a payment deferral would be eligible for a payment deferral of 1 month.

3 | Measures with implications on the financial sector

FCA

NEW

The FCA has issued temporary Guidances for firms which cover High-cost short-term credit (HCSTC) loans, motor finance, rent-to-own (RTO), buy-now pay-later (BNPL) and pawnbroking agreements with the aim of protecting consumers

Regulator	Measures	Details
FCA	**Motor finance agreements temporary guidance**	• Borrowers would have until 31 January 2021 to request an initial payment deferral. A payment deferral under the FCA's proposals would not be reported as missed payments on a borrower's credit file. • Firms should **not by any means seek to modify**, or seek to unilaterally alter, any aspect of the original agreement in a way that takes advantage of the customer's necessity or lack of experience that leads to unfair outcomes. • Where a customer wishes to retain the vehicle, but does not have funds to cover the balloon payment due to coronavirus related financial difficulties, firms should **continue to work with the customer to find an appropriate solution**. • Where a customer wishes to return the vehicle, but this is impractical due to the coronavirus situation, firms **should inform the customer that they are unable to use the vehicle once the agreement has been terminated or come to an end**.

3 Measures with implications on the financial sector
FCA

The FCA has issued temporary Guidances for firms which cover High-cost short-term credit (HCSTC) loans, motor finance, rent-to-own (RTO), buy-now pay-later (BNPL) and pawnbroking agreements with the aim of protecting consumers

Regulator	Measures	Details
FCA	**RTO, BNPL and pawnbroking agreements temporary guidance**	• Firms should **continue to** permit customers to make **no payments** under their credit card or revolving credit agreement without being in arrears for **3 months**. • Borrowers would have until 31 January 2021 to request an initial payment deferral. A payment deferral under the FCA's proposals would not be reported as missed payments on a borrower's credit file. • Firms **aren't prevented from continuing to charge interest** during deferral period. • If **customer is unable to resume payments** at the end of the payment deferral period because of payment difficulties, the firm should **continue to work** with the customer to **resolve these difficulties** in advance of payments being missed.

The FCA has issued Guidance for firms on mortgages and coronavirus which addresses the problems arising for customers that have to resume payments at the end of a payment deferral period…

Regulator	Measures	Details
FCA	**Guidance for firms on mortgages**	• For the cases explained below, a firm **should give customers adequate information to understand the implications of any support offered**, to enable them to make an informed decision. This should, where possible, include personalised information on the impact on their monthly payments and/or the term of their mortgage. • **Customers who have not yet had a payment deferral**. Where a customer wishes to receive a full payment deferral or partial payment deferral to reduce payments to an amount they believe are currently affordable, a firm should agree to this for 3 monthly payments. The firm can agree with the customer a different option that the firm reasonably considers to be in the best interests of the customer. • **Customers who have had a payment deferral**. Firms should take reasonable steps to contact their customers in good time before the end of a payment deferral period about resuming payments and to engage with them about their options when it expires. Firms should distinguish between those customers who: o Can resume full payments immediately. o Are unable to resume full payments due to circumstances arising from Covid o Payment shortfall. • Alternatives to a full or partial payment deferral for 3 monthly payments:offering a payment deferral of fewer than 3 months. o offering the customer a sustainable longer-term solution, such as an extension of the term or an alternative product o offering more favourable forms of assistance to the customer, such as reducing or waiving interest The June Guidance will continue to provide support for those newly impacted by Covid-19 until at least 31 October 2020 – with consumers able to receive an initial or further 3 month payment deferral from that date that would last until 31 January 2021.

3 Measures with implications on the financial sector
BoE - FCA

… as well as setting out some monitoring and recording actions which firms should carry out. Further guidance has been provided on mortgages and should be followed until the 31/10/2020

Regulator	Measures	Details
FCA	**Guidance for firms on mortgages**	• The FCA has **finalised additional guidance** setting out how firms should provide tailored support to mortgage borrowers who have benefitted from payment deferrals under the current guidance and who continue to face financial difficulties, as well as those whose financial situation may be affected by coronavirus after 31 October, applying from 16th September. The FCA is keeping its position under regular review and will update or amend the guidance, if it is required.
BoE	**Covid Corporate Financing Facility (CCFF)**	• The CCFF provides funding to businesses by **purchasing commercial paper** of up to one-year maturity, issued by firms making a material contribution to the UK economy. The CCFF offers financing on terms comparable to those prevailing in markets in the period before the Covid-19 economic shock, and is open to firms that can demonstrate they were in **sound financial health prior to the shock**. • As of 22nd July: **199 businesses are currently approved as eligible to access the CCFF**. The facility has provided £88 bn of loans to a variety of different businesses and UK households, as part of the short Term Funding scheme, making a significant contribution to the UK economy. • The **Market Notice on CCFF** has been updated as of September 22. • Unless otherwise stated, the CCFF will **close to new counterparties and issuers on 31 December 2020**. Likewise, unless otherwise stated, the Bank intends to close the CCFF to new purchases on 23 March 2021.

NEW

The FCA has issued a temporary Guidance for insurance, premium finance ad payment firms to help qualifying customers to reduce the impact of temporary financial distress

Regulator	Measures	Details
FCA	**Guidance for insurance and premium finance firms**	• A firm should consider what **options it can give customers in temporary financial difficulties** that will serve as relief in light of their changed circumstances. These actions could result in a **reduction in the monthly premium** for customers paying by instalments and for customers who have paid up front, this could result in a partial refund of the premium. An updated guidance (on the one initially published on 14 May 2020) has been published as of August 2020 and came into force on 11 August 2020 expiring on 31 Oct 2020. • The **aim of the guidance** is 1) to prompt firms to help qualifying customers, where possible, to: reduce the impact of temporary financial distress, and 2) ensure that customers continue to have insurance that meets their demands and needs. • On **16th October FCA proposed** to extend part of the measures set to expire on 31st Oct 2020 so that customers that had payment deferrals from the August guidelines or are in financial difficulty are continued to be supported. New guidelines ensure further **risk reassessments**, **product revisions and recommendations for clients, waiving any cancellation fees or other fees** to help customers facing financial difficulties due to Covid-19. • Firms are expected to review their product lines and act where products have not delivered the intended value to customers. This could include **providing alternative benefits, reducing premiums or partial refunds of premiums paid**. Firms should complete their coronavirus related review of product lines and decide on their actions by the 3rd Dec 2020.

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1. Electronic Money Regulations 2011 (EMRs)
2. Payment Services Regulations (PSRs)

NEW

The FCA has issued a temporary Guidance for insurance, premium finance ad payment firms to help qualifying customers to reduce the impact of temporary financial distress

Regulator	Measures	Details
FCA	**Guidance for payment firms and e-money firms**	• The requirement to **safeguard** applies to 'relevant funds' in EMRs[1] and PSRs.[2] • The finalized guidance established best practices for safeguarding and managing prudential risks in this time of economic distress. • **Wind-down plans** are needed by firms to manage their liquidity and resolution risks under different scenarios.

1. Electronic Money Regulations 2011 (EMRs)
2. Payment Services Regulations (PSRs)

3

Measures with implications on the financial sector

FCA - PRA

NEW

The FCA has issued a temporary Guidance for insurance, premium finance ad payment firms to help qualifying customers to reduce the impact of temporary financial distress

Regulator	Measures	Details
BoE	**Covid-19 regulatory reporting and disclosure amendments**	• The PRA set out in a statement that it would accept **delayed submission** of certain regulatory returns with deadlines on or before Sunday 31 May 2020. However, the PRA has concluded that it would not be appropriate to continue to apply the reporting measures set out in the previous statement to future submissions. • The PRA will therefore, in general, **expect on time submission** for future regulatory reporting. • The PRA would be flexible in its expectations of firms' publication timeline for **Pillar 3 disclosures** in light of Covid19. While the PRA will continue to take a flexible approach to this, it expects that going forward the publication timeline for Pillar 3 disclosures should not be affected by Covid-19 in most cases.

NEW

The FCA has issued a temporary Guidance for insurance, premium finance ad payment firms to help qualifying customers to reduce the impact of temporary financial distress

Regulator	Measures	Details
BoE	**Covid-19 regulatory reporting and disclosure amendments**	• On Tuesday 2 June 2020 the European Banking Authority (EBA) published its Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19. The guidelines are designed to promote consistent and robust application of the **definition of default in the Capital Requirements Regulation**, specifically in the context of Covid **payment holidays, moratoria or deferrals**. PRA expects relevant firms should make disclosures in accordance with this letter on a biannual basis. Firms may disclose **at 30th June** and **31st December**, or may disclose at the half-year and year-end dates. • PRA made further proposals in light of the PRA's decision to alleviate operational burdens on firms due to the impact of Covid-19. This would **amend the dates** in the PRA Rulebook as follows: 1**)** **Resolution Assessment 3.1(1)**, to reflect that the date by which firms must submit a report of their assessment would change from the first Friday in October 2020, to the first Friday in October 2021; and 2) **Resolution Assessment 4.1(1)**, to reflect that the date by which firms must publish a summary of the most recent report would change from the second Friday in June 2021 to the second Friday in June 2022.

3 Measures with implications on the financial sector
BoE - PRA

NEW

The BoE and PRA have issued some policy measures to address the economic challenges of COVID-19 on the financial sector

Regulator	Measures	Details

PRA	**Application of regulatory capital and IFRS 9 requirements to payment holidays**	• The eligibility for, and use of, Covid-19 related payment deferrals or extensions **would not automatically result in a loan**:
		    ○ being regarded as having suffered a SICR or being credit-impaired.
		    ○ triggering a default under CRR.
		• This statement set out the **definition of default** distinguishing between borrowers able to resume full payments and borrowers unable to resume full payments.
		• The **implementation, forward-looking and assumptions of IFRS 9's ECL** requirements should be well and on the basis of the most robust, reasonable and supportable assumptions in the current environment.
		• Firms should apply materiality in the normal way to these assessments. This probably means, for example, limited analysis where there is no material difference between 12-month and lifetime ECL for customers that have received a payment holiday and more detailed analysis where there is a material difference.
		• FCA published draft guidelines on 26th August for forbearance arrangements if the borrowers involved are not able to resume payments in full immediately with all deferred sums either paid in full or capitalized.

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The BoE and PRA have issued some policy measures to address the economic challenges of COVID-19 on the financial sector

Regulator	Measures	Details
BoE & PRA	**Electronic signatures**	• BoE **confirms that firms may use electronic signatures** for submission of regulatory documents.
	Changes to the provision of US dollar repo operations	• In co-ordination with other central banks, the BoE has decided to **reduce the frequency of 7-day maturity operations** which provide liquidity via the standing US dollar liquidity swap line arrangements. • The Bank of England, the Bank of Japan, the European Central Bank and the Swiss National Bank, in consultation with the Federal Reserve, have jointly decided to further reduce the frequency of their 7-day operations from three times per week to once per week because of the low demand.

The Bank of England has extended the CTRF and updated theTFSME in order to support the BBLS

Regulator	Measures	Details
BoE	TFSME[1]	• Introduction of a new **TFSME** with additional incentives financed by the issuance of central bank reserves, at € **10 bn**. • Maintenance of the **stock of UK government bond purchase**, financed by the issuance of central bank reserves, at **€ 435 bn**. • To further support lending through the BBLS2, **TFSME participants will in future be able to extend the term of some of the cheap funding they access via the TFSME to align with the 6-year term of loans made through the BBLS**. • The Bank will also in future allow TFSME participants to extend part of their borrowings again, out to a total term of up to ten years. • The amount of TFSME drawings that can be extended is expected to be determined in the first half of **2021**, based on the quantity of BBLS loans outstanding at that time. TFSME documentation will be updated in due course to reflect this change and to provide further operational details.

1. Term Funding Scheme with additional incentives for Small and Medium-sized Enterprises (TFSME) / 2. Bounce Back Loans Scheme (BBLS)

The Bank of England has extended the CTRF and updated theTFSME in order to support the BBLS

Regulator	Measures	Details
BoE	**Statement by the PRA on EBA Guidelines on reporting and disclosure of exposures subject to measures applied in response to the Covid-19 outbreak**	• PRA does not consider necessary to extend supervisory reporting elements of the Guidelines to UK institutions, therefore these are not expected to prepare the reporting templates within the Guidelines on Covid reporting and disclosure. • PRA is exercising the options available in the EBA Guidelines to ensure that the disclosures are implemented in a proportionate manner, including by: o Waiving the application of the disclosure templates for firms that are not identified as G-SIIs or O-SIIs o Applying disclosure templates at highest level of consolidation in their jurisdiction • The PRA expects that UK banks and building societies which (i) are, or are controlled by, G-SIIs or O-SIIs designated by the PRA in the most recent list and (ii) have retail deposits equal to or greater than £50 billion on an individual or consolidated basis, should make disclosures similar to those prescribed by the EBA Guidelines, but incorporating some modifications. • The EBA Guidelines require firms to make disclosures in three templates. Templates one and two relate to moratoria, while Template three relates to public guarantee schemes.

1. Contingent Term Repo Facility (CTRF) / 2. Term Funding Scheme with additional incentives for Small and Medium-sized Enterprises (TFSME) / 3. Bounce Back Loans Scheme (BBLS)

NEW

The Bank of England updates the TFSME to reflect changes to HMT's Bounce Back Loans Scheme (BBLS)

Regulator	Measures	Details
BoE	**Measures to ensure TFSME funding can continue to support lending to SMEs through the BBLS**	The objectives of the Term Funding Scheme (TFSME) are to: • **Help reinforce the transmission of the reduction in Bank Rate** to the real economy to ensure that businesses and households benefit from the MPC's actions; • **Provide participants with a cost-effective source of funding** to support additional lending to the real economy, providing insurance against adverse conditions in bank funding markets; • **Incentivise banks to provide credit to businesses** and households to bridge through a period of economic disruption; and • **Provide additional incentives** for banks to support lending to SMEs, which typically bear the brunt of contractions in the supply of credit during periods of heightened risk aversion and economic downturns.

Measures with implications on the financial sector

BoE - PRA

The PRA has published a Statement on credit risk mitigation eligibility and leverage ratio treatment of loans under the BBLS with the aim of setting out the PRA's observations on the risk-weighted treatment of exposures under the UK Government's BBLS

Regulator	Measures	Details
PRA	**Credit risk mitigation eligibility and leverage ratio treatment of loans under the BBLS**	• Firms are encouraged to **review relevant articles of the CRR**, and any relevant **PRA rules** and guidance to confirm that all the **applicable requirements and expectations have been satisfied**. • The PRA considers that the terms of the **guarantee provided by the BBLS do not contain features that would render these guarantees ineligible for recognition as unfunded credit risk protection**, and the effects of these guarantees would appear to justify such treatment. It implies that if the guarantee meets the conditions in CRR, it may allow a firm to adjust risk weights and expected loss amounts. • The PRA is offering a **modification** by consent for banks subject to the UK **Leverage Ratio Part** of the PRA Rulebook to exc**lude the government guarantees in full loans** from banks to small and medium-sized businesses under BBLS from the leverage ratio total exposure measure, if they choose to do so. It also allows firms to **exclude loans** made pursuant to schemes of a similar character which are **100% guaranteed by a government** or central bank of an EEA state or the ECB provided that such loans do not exceed €60,000 per loan.

NEW

The PRA and FCA have issued some policy measures to address the economic challenges of COVID-19 on the financial sector

Regulator	Measures	Details

PRA	**Coverage extension**	• Proposal to extend coverage under the (FSCS) for Temporary High Balances (THBs) from six months to twelve months from the date of deposit, or the first date the THB becomes legally transferable to the depositor.
		• THB coverage would revert back to six months from Monday 1 February 2021.
		• **A consultation paper (CP)** has been published by the **BoE.** This consultation closed on Thursday 23 July 2020.
		• PRA reviewed feedback provided welcoming the proposals. The PRA considered that the responses to the CP raised issues that would lead to any alteration of the proposal as consulted (04/08/2020).
		• PRA included the final policies in the form of amendments to the annexes to:
		  o the Depositor Protection Part of the PRA Rulebook ; and
		  o the updated Statement of Policy ‘Deposit Guarantee Scheme’
		• The policy set out has been designed in the context of the UK’s withdrawal from the European Union (EU) and entry into the transition period, during which time the UK remains subject to European law.

NEW

The PRA and FCA have issued some policy measures to address the economic challenges of COVID-19 on the financial sector

Regulator	Measures	Details
FCA	**Feedback on draft guidance and rules (motor finance and high cost credit products)**	• Proposals set out the additional support expected to be provided to motor finance, buy-now pay-later (BNPL), rent-to-own (RTO), high-cost short-term credit (HCSTC) and pawnbroking customers coming to the end of a payment deferral. These rules and guidance are designed to protect consumers by providing them with temporary support during the development of the policy, considering responses, market integrity and competition objectives. • The rules and guidance come into effect on 17 July and expire on 31 October 2020. • On the 2nd of October new measures came into effect to supplement the previous guidelines which expired on the 31st October 2020. The new guidelines will be valid until further notice and aim to further support customers that experience payment difficulties due to Covid or due to previous payment deferrals from the July guidelines. • The new guidelines supplement the previous ones by establishing clear escalation paths for dealing with deferred payments, in regards to **communications, customer protection and re-financing guidance.**

The PRA and FCA have issued some policy measures to address the economic challenges of COVID-19 on the financial sector

Regulator	Measures	Details
FCA	**Implementation of the European Single Electronic Format (ESEF)**	• Due to the exceptional circumstances caused by the Covid-19 crisis, the FCA has to postpone by 1 year the mandatory ESEF requirements for annual financial reporting under the Transparency Directive (TD). • Under the policy statement which was published on November 5th: ○ Publish annual financial reports in XHTML format, replacing the current PDF format. ○ Requirement for issuers who prepare consolidated annual financial statements will be pushed back to financial years starting on or after 1 January 2021. ○ Requirement for issuers who prepare IFRS consolidated annual financial statements will be pushed back to financial years starting on or after 1 January 2023.

3 | Measures with implications on the financial sector

FCA - PRA

The PRA published a statement clarifying its approach to IFRS 9 and capital requirements in response to FCA guidance on retail mortgage payment deferrals

Regulator	Measures	Details
PRA	**PRA statement on Covid-19: IFRS 9 and capital requirements**	• The PRA's guidance explained, under the terms of the FCA's guidance, Covid related payment deferrals being made widely available to borrowers and were therefore not based on the individual financial circumstances of the borrower. As a result, they were not necessarily good indicators of significant increases in credit risk (SICR), credit impairments, or defaults. • The published updated guidance explains that, widely available Covid specific payment deferrals, if the borrowers involved are not able to resume payments in full immediately with all deferred sums either paid in full or capitalised, tailored forbearance arrangements provided in accordance with the draft updated guidance should be considered.

Measures with implications on the financial sector

US agencies

In US the Agencies have encouraged financial institutions to meet the financial needs of customers and members affected. Further, the Federal Financial Institutions Examination Council (FFIEC) have issued an Interagency Statement Pandemic Planning

Regulator	Measures	Details
Fed, FDIC, OCC, CFPB NCUA	**Loan modifications and reporting**	• If a loan modification is not eligible under Coronavirus Aid, Relief, and Economic Security Act, or if the institution elects not to account for the loan modification under that Act, it should evaluate whether the modified loan is **a troubled debt restructuring** (TDR). The loan might not be considered as TDR if the modification is in response to the National Emergency, the borrower was current on payments at the time the modification program is implemented and the modification is short-term. Restructured loans will generally continue to be **eligible collateral** at the Fed Board's discount window.
	Real estate appraisal	• The agencies encourage entities to make use of the exceptions to the requirement for an appraisal by a certified or licensed appraiser. • It has been issued a guidance providing **temporary flexibility in the appraisal standards for loans**. Its application is limited to certain qualifying principal or second residences loans, investment properties and limited cash-out refinancing regarding LTV of mortgages and some additional requirements. • There is also a measure to make the **physical property inspections more flexible**. Uniform Standards of Professional Appraisal Practice (USPAP) allows an appraiser to determine the characteristics of a property through a asset records or photographs among them, as long as its results is a credible analysis. • The agencies have **deferred** certain appraisals and evaluations for up to **120 days after closing** of residential or commercial real estate loan transactions.
	Examinations and inspections	• The regulators will work with affected financial institutions in scheduling **examinations** or **inspections** to minimize disruption and burden.

US agencies

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Regulator	Measures	Details
FFIEC (Fed, FDIC, NCUA, OCC, CFPB, SLC)	**Statement on Pandemic Planning**	• This guidance identifies actions that financial institutions should take to minimize the **potential adverse effects of a pandemic**. The institution's business continuity plan(s) (BCP) should address: ○ A preventing program (e.g. monitoring of potential outbreaks). ○ A documented strategy that provides for scaling the institution's pandemic efforts. ○ A comprehensive framework of facilities, systems or procedures to provide the organization the capability to continue its critical operations. ○ A testing program. ○ An oversight program to ensure ongoing review and updates to the BCP
Fed and FDIC	**Extension of resolution plan deadlines**	• First, the agencies extended the submission date by 90 days, to **September 29, 2020**, for the resolution plans from Barclays, Credit Suisse, Deutsche Bank, and UBS. These plans are required to remediate certain weaknesses—deemed "shortcomings"—previously identified by the agencies. • And second, the agencies extended the submission date by 90 days, to **September 29, 2021**, for the targeted resolution plans from the large foreign and domestic banks in Category II and Category III of the agencies' large bank regulatory framework. • Targeted **resolution plans** for the eight global systemically important banking organizations will remain due by **July 1, 2021**. The agencies will monitor conditions and may adjust this deadline if warranted.

3 Measures with implications on the financial sector

Fed – FDIC – OCC – SEC

The Fed, FDIC and OCC have made capital exemptions for the Money Market Liquidity Facility (MMLF), the OCC has amended the short-term investment fund (STIF) rule and the Fed has issued an statement on supervisory activities

Regulator	Measures	Details
Fed, FDIC and OCC	**Changes on Money Market Liquidity Facility (MMLF)**	• The interim final rule would permit banking organizations to **exclude non-recourse exposures acquired as part of the MMLF** from a banking organization's total leverage exposure, average total consolidated assets, advanced approaches-total risk-weighted assets, and standardized total risk-weighted assets, as applicable.
Fed, FDIC, OCC	**CECL**	• The final rule provides banking organizations that adopt CECL during the 2020 calendar year with the option to **delay for two years the estimated impact of CECL** on regulatory capital, followed by a three-year transition period to phase out the aggregate amount of the capital benefit provided during the initial two-year delay.
	SAA-CCR	• The agencies allowed banking organizations **to implement immediately the SA-CCR** rule, including the SA-CCR methodology and the other amendments for the reporting period ending March 31, 2020. A banking organization that elects to adopt the SA-CCR methodology must adopt it for all derivative contracts. • Although the financial institutions do not choose early adopt SA-CCR methodology, they may adopt **other amendments** included on this rule such as a 2 percent or a 4 percent risk-weight for cash collateral posted to a qualifying central counterparty (QCCP) or the ability of a clearing member banking organization to recognize client collateral posted to a central counterparty.
	Leverage ratio	• Beginning in the 2Q 2020 and until the end of the year, a banking organization that has a LR ≥ 8% and meets certain other criteria **may elect to use the community bank LR framework**. Specifically, the threshold would be 8% for the remainder of this year, 8.5% for 2021, and 9% beginning January 1, 2022. This final rule is effective as of October 1, 2020.

3 Measures with implications on the financial sector

Fed – FDIC – OCC – SEC

The Fed, FDIC and OCC have made capital exemptions for the Money Market Liquidity Facility (MMLF), the OCC has amended the short-term investment fund (STIF) rule and the Fed has issued an statement on supervisory activities

Regulator	Measures	Details
Fed, FDIC and OCC	**Final rule for Paycheck Protection Program (PPP) Facility**	• The PPP was established by the Coronavirus Aid, Relief, and Economic Security Act, and provides **loans to small businesses** so that they can keep their workers on the payroll during the disruptions caused by the coronavirus. • The interim final rule modifies the agencies' capital rules to **neutralize the regulatory capital effects** of participating in the Federal Reserve's PPP facility because there is no credit or market risk in association with PPP loans pledged to the facility.
OCC	**Changes on Short-Term Investment Funds (STIF)**	• The OCC STIF Rule is amended to add a **reservation of authority provision addressing the rule's limits** on weighted average portfolio maturity, weighted average portfolio life maturity, and the method for determining those limits. • The interim final rule sets out a **framework** under which the OCC's reservation of authority will be exercised in the format of an **OCC administrative order**.
SEC	**Investment scams alert**	• Be **cautious of claims that a company's products or services can help stop the coronavirus**, especially claims that involve microcap stocks. These claims may be made as part of fraudulent "pump-and-dump" schemes. • You may lose significant amounts of money if you invest in a company that makes **inaccurate or unreliable claims**. You may not be able to sell your shares if trading in the company is suspended. • **Submissions of tips, complaints, or referrals relating to suspected securities fraud or wrongdoing** can be made online at SEC website.

The Fed, FDIC, OCC and the Treasury adopted flexibility measures regarding the application of certain regulations and provided further liquidity facilities

Regulator	Measures	Details
Fed, FDIC, OCC and Treasury	**Consolidated financial statements calendar**	• The Fed will not take action against a financial institution with $5 billion or less in total assets for submitting its March 31, 2020, Consolidated Financial Statements **after the official filing deadline, as long as the applicable report is submitted within 30 days of the official filing due date**.
	Control Framework	• The Fed delays by 6 months (until September 30) the effective date of the Final Rule for determining whether a company controls another company for purposes of the BHCA or the HOLA.
	FIMA Repo Facility	• Establishment of a temporary **FIMA Repo Facility**.
	Provide $2.3 trillion in loans to support the economy	• The Fed took additional actions to provide up to **$2.3 trillion in loans to support the economy**. This funding will assist **households and employers** of all sizes and bolster the ability of state and local governments to deliver critical services during the coronavirus pandemic.
	Delete the six-per-month limit on convenient transfers from the "savings deposit"	• The Fed announced an interim final rule that allows **depository institutions to suspend enforcement of the six transfer limit** and to allow their **customers to make an unlimited number of convenient transfers and withdrawals** from their savings deposits at a time.
	Temporary actions to increase the availability of intraday credit	• The Fed **suspended uncollateralized intraday credit limits** (net debit caps) and waived overdraft fees for institutions that are eligible for the primary credit program and permitted a streamlined procedure for secondary credit institutions to request collateralized intraday credit (max caps).

The Fed has slashed interest rates to near zero, pledged massive asset purchases and backstopping foreign authorities with the offer of cheap dollar financing

Regulator	Measures	Details
Fed	**Bank rates**	• The new fed funds rate will now be targeted at **0% to 0.25%** down from a previous target range of 1% to 1.25%. • The Fed slashed the rate of **emergency lending** at the discount window for banks by 125 basis points to **0.25%**, and lengthened the term of loans to 90 days.
	General measures to support the economy	• The Federal Open Market Committee (FOMC) will **purchase Treasury securities and agency mortgage-backed securities in the amounts needed**. • **Supporting the flow of credit to employers, consumers, and businesses** establishing new programs that will provide up to $300 billion in new financing. • **Establishment of three facilities to support credit**: the Primary Market Corporate Credit Facility (PMCCF), the Secondary Market Corporate Credit Facility (SMCCF) and the Term Asset-Backed Securities Loan Facility (TALF). • Pricing in the PMCCF will be **issuer-specific and informed by market conditions**. Prices will also be subject to minimum and maximum spreads over comparable maturity Treasury securities. • The Fed published an Interim Final Rule to **revise TLAC Rule** that will facilitate the use of firms' buffers to promote lending activity to households and businesses.
	Examination and inspection	• The Fed announced that it **will resume examination activities for all banks**, after previously announcing a reduced focus on exam activity in light of the coronavirus response. Exams will continue to be conducted offsite until conditions improve and will continue to work with banks to understand any specific issues they may be facing.

In light of economic fallout from the COVID pandemic, in addition to the regular stress test the Fed conducted additional sensitivity testing using various hypothetical recession scenarios

Regulator	Measures	Details
Fed	**COVID Stress Tests**	• On **June 25, 2020**, the Fed released results of stress tests for 2020 and additional sensitivity analyses conducted in light of the coronavirus event. • In addition to its normal **stress test,** the Board conducted a sensitivity analysis to assess the resiliency of large banks under three hypothetical recessions, or downside scenarios, which could result from the coronavirus event. • The **scenarios included a V-shaped** recession and recovery; a slower, U-shaped recession and recovery; and a W-shaped, double-dip recession. In the three downside scenarios, the unemployment rate peaked at between 15.6 percent and 19.5 percent, which is significantly more stringent than any of the Board's pre-coronavirus stress test scenarios. • In aggregate, loan losses for the 34 banks ranged from $560 billion to $700 billion in the sensitivity analysis and aggregate capital ratios declined from 12.0 percent in the fourth quarter of 2019 to between 9.5 percent and 7.7 percent under the hypothetical downside scenarios. Under the U- and W-shaped scenarios, most firms remain well capitalized but several would approach minimum capital levels. • In addition to performance of the stress test, the Federal reserves issued new regulations regarding preservation of capital, and required banks to resubmit their capital plan to reflect the corresponding effect on the economy.
New York Department of Financial Services	**Regulatory relief for New York-regulated mortgage servicers**	• The Department Order grants New York-regulated mortgage servicers a **60-day extension**, from June 15th, 2020 to August 14th, 2020, to comply with the periodic statement requirements of the recently adopted 3 NYCRR 419.4(c), which becomes effective on June 15th.

NEW

The Fed required banks to resubmit capital plans reflecting the onset of the COVID pandemic. In addition, the Fed issued regulations restricting share repurchases and dividend issuance

Regulator	Measures	Details
Fed	**Re-evaluation of Capital Plans**	• To recognize that the capital plans submitted by the firms on **April 6**, 2020 were based on macroeconomic scenarios that were no longer relevant due to the rapid onset of the COVID event, each bank subject to the Board's capital plan rule will be required to resubmit and update their capital plans later this year to reflect current stresses • Each firm **is required to update** and resubmit its capital plan within 45 days after the Board provides updated scenarios.
	Share repurchases	• The Federal Reserve is requiring banks to preserve capital by suspending share repurchases. During the third quarter, no share repurchases will be permitted. • The Federal Reserve authorized firms to make share repurchases relating to issuances of common stock related to employee stock ownership plans during 2020 third quarter.
	Dividends	• The Federal Reserve is also capping dividend payments to the amount paid in the second quarter and is further limiting them to an amount based on recent earnings. As a result, a bank cannot increase its dividend and can pay dividends if it has earned sufficient income. • The Federal Reserve authorized each firm, provided that the firm does not increase the amount of its common stock dividends, to pay common stock dividends that do not exceed an amount equal to the average of the firm's net income for the four preceding calendar quarters. • The Federal Reserve will extend into Q4 2020 the dividend issuance and share repurchase to ensure that large banks maintain a high level of capital resilience.

3 Measures with implications on the financial sector

Fed

The Fed announces modification to rule preventing favoritism in PPP and modifies Main Street Lending Program to provide greater access to credit for nonprofit organizations.

Regulator	Measures	Details
Fed	**Federal Reserve Board announces of rule change to bolsterextension effectiveness of the Small Business Administration's Paycheck Protection Program**	• On July 15, 2020, the Federal Reserve Board announced a modification to the Board's rules so that certain bank directors and shareholders can apply to their banks for PPP loans for their small businesses. • To **prevent favoritism**, the Board limits the **types** and **quantity** of loans that bank directors, shareholders, officers, and businesses owned by these persons can receive from their affiliated banks. However, these **limits** have **prevented** some small business owners from accessing PPP loans—especially in **rural areas**. • The SBA clarified in April that PPP lenders can make PPP loans to businesses owned by their directors and certain shareholders, subject to certain limits, and **without favoritism**. The Board's rule change will allow those individuals to apply for PPP loans, consistent with SBA's rules and restrictions. The change only applies to PPP loans.
	Fed Begins Purchasing Loans Through Main Street Lending Program; Opens Program to Non-Profits	• On July 17, 2020, the Federal Reserve Board modified the Main Street Lending Program to provide **greater access** to **credit** for **nonprofit organizations** such as educational institutions, hospitals, and social service organizations. • The **minimum employment threshold** for nonprofits was lowered from **50** employees to **10**, the limit on donation-based funding was eased, and several financial eligibility criteria were adjusted to accommodate a wider range of nonprofit operating models.

The Fed announces modification to rule preventing favoritism in PPP and modifies Main Street Lending Program to provide greater access to credit for nonprofit organizations

Regulator	Measures	Details
Fed	**Fed Extends All Emergency Lending Programs Through 2020**	• On July 28, 2020, the **Fed extended all emergency lending programs** that would otherwise have expired on September 30 through December 31, with the result that all nine programs will be in operation throughout 2020. The extensions apply to the Primary Dealer Credit Facility, the Money Market Mutual Fund Liquidity Facility, the Primary Market Corporate Credit Facility, the Secondary Market Corporate Credit Facility, the Term Asset-Backed Securities Loan Facility, the Paycheck Protection Program Liquidity Facility, and the Main Street Lending Program.

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3 Measures with implications on the financial sector

Fed – NY DFS

The Fed has expanded the MSLP in order to facilitate the granting of loans to SME's during the pandemic

Regulator	Measures	Details
Fed	**Expansion of the Main Street Lending Program (MSLP)**	• Creation of a **third loan option**, with increased risk sharing by lenders for borrowers with greater leverage. Under this loan option, **lenders would retain a 15 percent share on loans** that when added to existing debt do not exceed six times a borrower's income, adjusted for interest payments, taxes, and depreciation and other appropriate adjustments. • **Expansion the pool of businesses eligible to borrow** (i.e. businesses with up to 15,000 employees or up to $5 billion in annual revenue). • **Lower the minimum loan size for certain loans to $250,000** from $500,000. • **Increase the maximum loan size** for all facilities. • **Increase the term of each loan option to five years**, from four years; • **Extend the repayment period for all loans** by delaying principal payments for two years, rather than one. • Raising the **Reserve Bank's participation to 95%** for all loans.
	Federal Open Market Committee (FOMC) statement	• The Fed will increase its **holdings of Treasury securities** and agency residential and commercial mortgage-backed securities at least at the current pace to sustain smooth market functioning. • The Open Market Desk will continue to **offer large-scale overnight and term repurchase agreement** operations.
	Modification of (MSLP) to provide greater access to credit for nonprofit organizations	• Approval of two new loan options to provide support to a broad set of nonprofit organizations: **Nonprofit New Loans** and **Nonprofit Expanded Loans**. • The MSLP was established with the approval of the Treasury Secretary and with $75 billion in equity provided by the Treasury Department from the CARES Act.

1. Small Business Administration's (SBA)

The Fed has expanded the MLF and PPPLF, and it has made changes to the SLR in order to support households and businesses affected by COVID-19

Regulator	Measures	Details
Fed	**Expansion in the number and type of entities eligible to directly use Municipal Liquidity Facility (MLF)**	• All U.S. states will be able to have at least **two cities or counties eligible** to directly issue notes to the MLF regardless of population. • Governors of each state will be able to designate **two issuers in their jurisdictions** whose revenues are generally derived from operating government activities to be eligible to directly use the facility.
	Expansion of the access to the Paycheck Protection Program Liquidity Facility (PPPLF)	• All **PPP lenders approved by the SBA**[1], including non-depository institution lenders, will be eligible to **participate in the PPPLF**. In particular, SBA-qualified PPP lenders include banks, credit unions, Community Development Financial Institutions, members of the Farm Credit System, small business lending companies licensed by the SBA and some financial technology firms. • Eligible borrowers will be able to **pledge whole PPP loans** that they have purchased as collateral to the PPPLF.
	Change of SLR to help FIs support households and businesses affected by COVID-19	• Large consolidated institutions may **temporarily exclude US Treasury securities & deposits** at FRB from the calculation of the SLR. ○ Banks who elect to use this exclusion will be <u>required to get the approval</u> of primary regulatory body prior to making capital distributions (e.g. dividends).

1. Small Business Administration's (SBA)

3 Measures with implications on the financial sector
Fed

NEW

The Fed clarifies the Board and Department of Treasury's expectations regarding lender underwriting for the Main Street Lending Program

Regulator	Measures	Details
Fed	**Clarification of the Board and Department of Treasury's expectations regarding lender underwriting for the Main Street Lending Program**	The program supports the following: • **Supports lending to small and medium-sized for-profit businesses** and nonprofit organizations that were in sound financial condition before the COVID-19 pandemic but lack access to credit on reasonable terms. • **Offers several five-year loan options**, with deferred principal and interest payments for qualified businesses and nonprofits to allow borrower's time to recover from the pandemic. • **The Main Street program will begin accepting loans made to multiple co-borrowers when that functionality is deployed.** • The program **includes three facilities that lend to for profit businesses**, each of which was authorized by the Board of Governors of the Federal Reserve System.

NEW

The Fed has adjusted the terms of the Main Street Lending Programing two importantways to better targetsupport to smaller businesses that are facing continued revenue shortfalls due to the pandemic

Regulator	Measures	Details
Fed	**Terms of Main Street Lending Program to better target support to smaller businesses**	• The agencies are adopting as **final the revisions to the capital and LCR rules** unchanged from the interim final rules. • A **banking organization** may continue to exclude assets acquired as part of the MMLF and PPP covered loans pledged under the PPPLF from its total leverage exposure, average total consolidated assets, advanced approaches total risk-weighted assets, and standardized total risk-weighted assets. • A **banking organization must continue to apply a zero percent risk** weight to all PPP covered loans that are not pledged to the PPPLF. • A **banking organization subject to the LCR rule is required** to continue excluding from its total net cash outflow amount outflow amounts associated with advances from the MMLF and PPPLF and inflow amounts associated with collateral securing the advances. • **The minimum loan size** for three Main Street facilities available to for-profit and non-profit borrowers **has been reduced from $250,000 to $100,000** and the fees have been adjusted to encourage the provision of these smaller loans.

The US Treasury has published a Quarterly refunding statement where it offers $96 billion of Treasury securities to refund approximately $57 billion of privately-held Treasury notes and bonds maturing on May 15, 2020

Regulator	Measures	Details
US Treasury	**Quarterly refunding statement**	• The U.S. Treasury is offering $96 billion of **Treasury securities** to refund approximately $57 billion of privately-held Treasury notes and bonds maturing on May 15, 2020. This issuance will raise new cash of approximately $39 billion. The securities are: ○ A <u>3-year note</u> in the amount of $42 billion, maturing May 15, 2023. ○ A <u>10-year note</u> in the amount of $32 billion, maturing May 15, 2030. ○ A <u>30-year bond</u> in the amount of $22 billion, maturing May 15, 2050. • Treasury intends to **increase auction sizes** across all nominal coupon tenors over the May-to-July quarter. The increase in coupon issuance will be larger in longer tenors. Treasury also intends to modestly increase auction sizes for **floating-rate notes**. Meanwhile, auction sizes for TIPS will remain unchanged.
Fed, FDIC and OCC	**Temporary change on the supplementary leverage ratio**	• The Fed, FDIC and OCC have issued an interim final rule that permits depository institutions to choose to **exclude U.S. Treasury securities and deposits at Federal Reserve Banks from the calculation of the supplementary leverage ratio**. • If a depository institution does change its supplementary leverage ratio calculation, it will be required to **request approval** from its primary federal banking regulator **before making capital distributions**, such as paying dividends to its parent company, as long as the exclusion is in effect. • This temporary exclusion will enable depository institutions to **expand their balance sheets** as appropriate to serve as financial intermediaries.

3 Measures with implications on the financial sector
Fed – FDIC – OCC – Treasury

Five federal regulatory agencies finalized a rule modifying the Volcker rule's prohibition on banking entities investing in or sponsoring hedge funds or private equity funds—known as covered funds

Regulator	Measures	Details
Fed, OCC, FDIC, SEC, Treasury	**Changes to Volcker Rule**	• On June 25, 2020, U.S. banking regulators eased restrictions from the Volcker rule. The new Volcker Rule will go into effect Oct. 1
	Covered funds	• Previously, the Volcker rule restricted banks from taking an ownership stake in a covered fund, such as a hedge fund or private equity firm. The new rules allow banks to more easily make investments into venture capital and similar funds. • The amended rule would allow banks to invest in most venture capital funds that do not engage in proprietary trading, credit funds, and family wealth management and customer facilitation vehicles. • Public welfare investment funds (investments designed primarily to promote the public welfare, including that of low- and moderate-income communities or families), Rural Business Investment Companies (RBICs) and Qualifying Opportunity Funds (QOFs) will also be excluded from the definition of covered funds going forward.
	Margin requirements on internal swap trades	• Additionally, federal regulators eased capital requirements on swap trades made between subsidiaries within the same banking organization. Banks often swap out interest rates (fixed to floating or vice versa) in order to hedge against interest rate volatility. Under the current Volcker Rule, banks have to maintain margin, or collateral, for those trades, even those made within its own organization. Under the amended rule, they will not have to maintain that margin. However, if the margin under the old or current rule would have exceeded 15% of a division's tier 1 capital, initial margin would still be required.

The NY DFS has published a guidance to help regulated entities address the cybersecurity challenges posed by the pandemic

Regulator	Measures	Details
New York Department of Financial Services (NY DFS)	**Guidance on Cybersecurity Awareness**	• The NY DFS has issued a **Guidance for its regulated entities regarding cybersecurity awareness** during COVID-19 pandemic. The heightened risks identified are related to: ○ Remote working: Companies should make remote access as secure as possible under the circumstances, and ensure that corporate computers, phones and video-conferencing applications are properly secured. ○ Increased phising and fraud: Regulated entities should remind their employees to be alert for phishing and fraud emails, and revisit phishing training and testing at the earliest practical opportunity.
	Medical Scams Advisory	• FinCEN has identified red flag indicators to assist financial institutions in detecting, preventing, and reporting suspicious activities. The typology of the red flags have been organized into the following categories: ○ Medical-Related Frauds, Including Fraudulent Cures, Tests, Vaccines, and Services. ○ Non-Delivery Fraud of Medical-Related Goods Scams. ○ Price Gouging and Hoarding of Medical-Related Items.
Fed	**Updates to Secondary Market Corporate Credit Facility (SMCCF)**	• The SMCCF will purchase corporate bonds to create a corporate bond portfolio that is based on a broad, diversified market index of U.S. corporate bonds. This index is made up of all the bonds in the secondary market that have been issued by U.S. companies that satisfy the facility's minimum rating, maximum maturity, and other criteria. This indexing approach will complement the facility's current purchases of exchange-traded funds.

The Fed announces modification to rule preventing favoritism in PPP and modifies Main Street Lending Program to provide greater access to credit for nonprofit organizations

Regulator	Measures	Details
Fed	**Federal Reserve Board announces extension of rule change to bolster effectiveness of the Small Business Administration's Paycheck Protection Program**	• On July 15, 2020, the Federal Reserve Board announced a modification to the Board's rules so that certain bank directors and shareholders can apply to their banks for PPP loans for their small businesses. • To **prevent favoritism**, the Board limits the **types** and **quantity** of loans that bank directors, shareholders, officers, and businesses owned by these persons can receive from their affiliated banks. However, these **limits** have **prevented** some small business owners from accessing PPP loans—especially in **rural areas**. • The SBA clarified in April that PPP lenders can make PPP loans to businesses owned by their directors and certain shareholders, subject to certain limits, and **without favoritism**. The Board's rule change will allow those individuals to apply for PPP loans, consistent with SBA's rules and restrictions. The change only applies to PPP loans.
	Fed Begins Purchasing Loans Through Main Street Lending Program; Opens Program to Non-Profits	• On July 17, 2020, the Federal Reserve Board modified the Main Street Lending Program to provide **greater access** to **credit** for **nonprofit organizations** such as educational institutions, hospitals, and social service organizations. • The **minimum employment threshold** for nonprofits was lowered from **50** employees to **10**, the limit on donation-based funding was eased, and several financial eligibility criteria were adjusted to accommodate a wider range of nonprofit operating models.

3 Measures with implications on the financial sector
Fed

The Fed announces modification to rule preventing favoritism in PPP and modifies Main Street Lending Program to provide greater access to credit for nonprofit organizations

Regulator	Measures	Details
Fed	**Fed Extends All Emergency Lending Programs Through 2020**	• On July 28, 2020, the Fed **extended all emergency lending programs** that would otherwise have expired on September 30 through December 31, with the result that all nine programs will be in operation throughout 2020. The extensions apply to the Primary Dealer Credit Facility, the Money Market Mutual Fund Liquidity Facility, the Primary Market Corporate Credit Facility, the Secondary Market Corporate Credit Facility, the Term Asset-Backed Securities Loan Facility, the Paycheck Protection Program Liquidity Facility, and the Main Street Lending Program.

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3 Measures with implications on the financial sector
Fed

The Fed has created the facilities under the section 13(3) of the Federal Reserve Act, established with the approval of the Treasury Secretary and with equity investments provided by the Treasury

Regulator	Measures	Details
Fed	**Expansion of counterparties in the TALF, SMCCF and CPFF**	• **Extension of the set of firms** eligible to transact with and provide services in three emergency lending facilities, encouraging a broader range of agents for the Term Asset-Backed Securities Loan Facility (TALF) and counterparties for the Commercial Paper Funding Facility (CPFF) and Secondary Market Corporate Credit Facility (SMCCF). These facilities are created to help support the flow of credit to households, businesses, and the broader economy.
	Extension of Fed lending facilities	• Extension through **December 31** of Fed lending facilities that were scheduled to expire on or around September 30 that will facilitate planning by potential facility participants and provide certainty that the facilities will continue to be available to help the economy recover from the pandemic. • The extensions apply to the Primary Dealer Credit Facility, the Money Market Mutual Fund Liquidity Facility, the Primary Market Corporate Credit Facility, the Secondary Market Corporate Credit Facility, the Term Asset-Backed Securities Loan Facility, the Paycheck Protection Program Liquidity Facility, and the Main Street Lending Program.
	U.S. dollar liquidity swap lines and repurchase agreement facility	• Extensions of Fed temporary U.S. dollar liquidity swap lines and the temporary repurchase agreement facility for foreign and international monetary authorities (FIMA) through March 31, 2021. This action will help sustain recent improvements in global U.S. dollar funding markets by maintaining important liquidity backstops. • Extension of the temporary swap lines applies to all nine central banks.

The OCC and FDIC have issued final rules to lower assessments and mitigate the effect of participation in COVID-19 credit facilities

Regulator	Measures	Details
OCC	**Assessment reduction**	• Assessments due on September 30, 2020, for national banks, federal savings associations, and federal branches and agencies of foreign will be calculated **using the December 31, 2019, "Consolidated Reports of Condition and Income"** (call report) for each institution, rather than the June 30, 2020, call report. • The change will result in **lower assessments** for most OCC-supervised banks. • If a bank's assets as reported on the June 30, 2020, call report are **lower than on its December 31, 2019,** report, the OCC will calculate the assessment due on September 30 for the bank using the June 30 call report. This ensures all banks pay the lower of the two options.
FDIC	**Mitigation of the Deposit Insurance Assessment Effect of Participation in the PPP, PPPLF and MMMFLF**	• Remove the effect of participation in the PPP and borrowings under the PPPLF on various **risk measures used to calculate an IDI's assessment rate**. • Remove the effect of participation in the PPP and MMLF program on certain **adjustments to an insured depository institution's assessment rate**. • Provide an **offset to an insured depository institution's assessment** for the increase to its assessment base attributable to participation in the PPP and MMLF. • Remove the effect of participation in the PPP and MMLF **when classifying insured depository institutions as small, large, or highly complex** for assessment purposes.

3 Measures with implications on the financial sector
FDIC

The FDIC has issued an interim final rule (IFR) to provide relief for such insured depository institutions (IDIs) that, absent regulatory action, would be required to incur substantial costs on a temporary basis

Regulator	Measures	Details
FDIC	**Provide relief for IDIs from Part 363 Audit and Reporting requirements**	• This IFR **is applicable to all FDIC-insured institutions with $500 million or more in consolidated total assets**. The main measures are the following: o The IFR will allow **IDIs to determine whether they are subject to the requirements of Part 363 of the FDIC's regulations for fiscal years ending in 2021** based on the lesser of their (a) consolidated total assets as of December 31, 2019, or (b) consolidated total assets as of the beginning of their fiscal years ending in 2021. o Part 363 requires IDIs with **assets of $500 million or more to obtain annual independent audits and meet related reporting requirements**, and requires assessments of the effectiveness of internal control over financial reporting for IDIs with consolidated total assets of $1 billion or more. o The intent of the IFR is to **neutralize burdens that IDIs may incur or have incurred because of temporary increases in their consolidated total assets resulting from participation in recent COVID-19-related stimulus activities**. o The FDIC in the IFR **reserves the authority to require an IDI to comply with one or more Part 363 requirements** if the FDIC determines that asset growth was related to a merger or acquisition.

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Making things happen

OCC issues rule creating exception to withdrawal period requirement for Collective Investment Funds

Regulator	Measures	Details
OCC	**OCC Issues Rule Creating Exception to Withdrawal Period Requirement for Collective Investment Funds**	• OCC regulations permit a **national bank or federal savings association** (a bank) administering a collective investment fund (CIF) that is invested primarily in real estate or other assets that are not readily marketable to require a prior notice period, not to exceed one year, for withdrawals from the fund. • The OCC **interprets this notice provision** as requiring the bank to withdraw an account within the prior notice period or, if permissible under the CIF's written plan, within one year after prior notice was required (standard withdrawal period). • The OCC has issued an **interim final rule** to codify the standard withdrawal period and create a limited exception that allows a bank, with OCC approval, to withdraw an account from the CIF up to one year beyond the standard withdrawal period, with opportunities for further extensions, provided that certain conditions are satisfied. • The exception is **intended to enable a bank to preserve the value of the CIF's** assets for the benefit of fund participants during unanticipated and severe market conditions, such as those resulting from the current national health emergency concerning the COVID-19 outbreak.

NEW

The OCC has reported the key issues facing the federal banking system and the effects of the COVID-19 pandemic on the federal banking industry in its report Semiannual Risk Perspective for Fall 2020

Regulator	Measures	Details
OCC	**Semiannual Risk Perspective 2020 which reports the key issues facing the federal banking system**	In a context where the **COVID-19** pandemic and efforts to contain its spread in the United **States caused a historic economic downturn in early 2020**. Economic activity rebounded in the third quarter, but there is significant ongoing financial risk. The Semmiannual Risk Perspective reported the following key risk themes: • **Credit risk is increasing** as the economic downturn affects customer ability to service debts. • **Strategic risk is an emerging issue** due to the impact on bank profitability from a historically low-rate environment and potential credit stress. • **Operational risk** is elevated as banks respond to altered work environments and an evolving and complex operating environment. Cybersecurity threats are a key driver of the heightened operational risk environment. • **Compliance risk** is elevated due to a combination of altered work environments and the requirement to quickly implement new federal, state, and proprietary programs designed to support businesses and consumers.

NEW

FRB to maintain current schedule of prices for most Federal Reserve Bank payment services

Regulator	Measures	Details
FRB	**FRB to Maintain Current Schedule of Prices for Most Federal Reserve Bank Payment Services**	• The FRB announced its intent to maintain the current schedule of prices for most payment services that the Federal Reserve Banks provide to depository institutions (priced services) in 2021 in order to support the business planning of users and providers of payment services. • This approach recognizes the uncertainties created by the COVID-19 pandemic and the difficulty in applying standard forecasting tools in this environment. The Board normally communicates information about pricing schedules near the end of the year. • The Board remains committed to establishing fee schedules in accordance with the Monetary Control Act of 1980, which requires that, over the long run, fees for priced services be established to fully recover all direct and indirect costs, including certain imputed costs that would be borne by private sector providers of payment services.
	Federal Reserve Board releases scenarios for second round of bank stress tests	• On September 17, the FRB released its scenarios for a second round of bank stress tests. Earlier this year, the Board's first round of stress tests found that large banks were well capitalized under a range of hypothetical events. • Large banks will be tested against two scenarios featuring severe recessions to assess their resiliency under a range of outcomes. The two scenarios also include a global market shock component that will be applied to banks with large trading operations. Those banks, as well as certain banks with substantial processing operations, will also be required to incorporate the default of their largest counterparty. • The Board will release firm-specific results from banks' performance under both scenarios by the end of this year.

CFPB issues interim final rule on loss mitigation options for homeowners recovering from pandemic-related financial hardships

Regulator	Measures	Details
CFPB	**CFPB Issues Interim Final Rule on Loss Mitigation Options for Homeowners Recovering from Pandemic-Related Financial Hardships**	• The CFPB issued an interim final rule intended to make it easier for consumers to transition out of financial hardship caused by the COVID-19 pandemic and easier for mortgage servicers to assist those consumers. • The rule clarifies that servicers do not violate Regulation X by offering certain COVID-19-related loss mitigation options based on an evaluation of limited application information collected from the borrower. • The loss mitigation option must meet certain criteria to qualify for an exception from the typical requirement to collect a complete application. • Among other things, the option must allow the borrower to delay paying all principal and interest payments that were forborne or became delinquent as a result of a financial hardship due, directly or indirectly, to the COVID-19 emergency. • Servicers may not charge any fees to borrowers in connection with the option, and the borrower's acceptance ends any preexisting delinquency. • The IFR also provides servicers relief from certain requirements under Regulation X that normally would apply after a borrower submits an incomplete loss mitigation application. • Servicers still must comply with Regulation X's other requirements after a borrower accepts a loss mitigation offer.

FHFA requires multifamily property owners in forbearance to inform tenants of eviction suspension and tenant protections and extends COVID-related loan processing flexibilities for Fannie Mae and Freddie Mac customers

Regulator	Measures	Details
FHFA	**FHFA Requires Multifamily Property Owners in Forbearance to Inform Tenants of Eviction Suspension and Tenant Protections**	• The FHFA announced that multifamily property owners with mortgages backed by Fannie Mae or Freddie Mac who enter into a new or modified forbearance agreement must inform tenants in writing about tenant protections during the multifamily property owner's forbearance and repayment periods. Landlords with Enterprise-backed mortgages can enter new, or if qualified, modified forbearance if they experienced or continue to experience a financial hardship due to the COVID-19 emergency. While in forbearance, the property owners must agree not to evict tenants solely for the nonpayment of rent. FHFA previously announced additional tenant protections that apply during the repayment periods including: ○ Giving tenants at least a 30-day notice to vacate; ○ Not charging tenants late fees or penalties for nonpayment of rent; and ○ Allowing tenants flexibility to repay back rent over time and not in a lump sum
	FHFA Extends COVID-Related Loan Processing Flexibilities for Fannie Mae and Freddie Mac Customers through August	• The FHFA directed Fannie Mae and Freddie Mac to delay the implementation date of their Adverse Market Refinance Fee until December 1, 2020. The fee was previously scheduled to take effect September 1, 2020. FHFA is also announcing that the Enterprises will exempt refinance loans with loan balances below $125,000, nearly half of which are composed of lower income borrowers at or below 80% of area median income. Affordable refinance products, Home Ready and Home Possible, are also exempt. According to the FHFA, the fee is necessary to cover projected COVID-19 losses of at least $6 billion.

3 Measures with implications on the financial sector
FHFA

FHFA extends buying loans in forbearance & COVID-related loan processing flexibilities. Adverse market refinance fee implementation delayed to December 1, 2020.

Regulator	Measures	Details
FHFA	**FHFA Further Extends Buying Loans in Forbearance & COVID-Related Loan Processing Flexibilities**	• The FHFA announced that Fannie Mae and Freddie Mac (the Enterprises) will extend buying qualified loans in forbearance and several loan origination flexibilities until September 30, 2020 to ensure continued support for borrowers during the COVID-19 national emergency. The flexibilities were set to expire on August 31, 2020. Extended flexibilities include: o Buying qualified loans in forbearance; o Alternative appraisals on purchase and rate term refinance loans; o Alternative methods for documenting income and verifying employment before loan closing; and o Expanding the use of power of attorney to assist with loan closings.
	Adverse Market Refinance Fee Implementation Delayed to December 1, 2020	• The FHFA announced that Fannie Mae and Freddie Mac will extend several loan origination flexibilities until August 31, 2020 to ensure continued support for borrowers during the COVID-19 national emergency. The flexibilities were set to expire on July 31, 2020. Extended flexibilities include: o Alternative appraisals on purchase and rate term refinance loans; o Alternative methods for documenting income and verifying employment before loan closing; and o Expanding the use of power of attorney and remote online notarizations to assist with loan closings.

3 Measures with implications on the financial sector
BCRA

The Central Bank of Argentina (BCRA) has issued some measures to ban the commissions for ATM operations and created and special line of credit for MiPyMEs

Regulator	Measures	Details
BCRA	**Reduction of commissions**	• The BCRA ruled that until September 30, financial **entities may not charge fees or commissions for the operations** (deposits, withdrawals, consultations, etc.) carried out **through all ATMs**, without limits on the amount or the number of withdrawals, nor any distinction between clients and non-clients, regardless of the type of sight account on which the operation is carried out. • **Compensatory interest rate reduction for credit cards**.
	Special line of credit to micro, small and medium-sized enterprises (MiPyMEs)	• All the financial entities of the system may offer a special line of credit to micro, small and medium-sized enterprises (MiPyMEs) at a **maximum annual interest rate of 24%**. In order to increase its loanable capacity, the BCRA established that entities must divest themselves of part of their position in LELIQ.
	Application of IFRS9	• Application of the provisioning using IFRS 9 (expected loss) impairment models for smaller financial institutions (Group B) **is postponed until 01/01/21**. • **Classification of debtors is modified,** making the triggers more flexible. • **Minimum forecast percentages are amended** by adding a category of customers "under special treatment". • **Add 60 days to the arrears** for levels 1 (0 to 31 ddm), 2 (31 to 60 ddm) and 3 (61 to 90 ddm) in financial system debtor classification.

The BCRA has banned the distribution of results and modified certain conditions of loans for businesses and households

Regulator	Measures	Details
BCRA	**Disclosure requirements**	• Undefined **delay in the delivery of the business plan, stress test and capital** by the entities. • Suspension of the **distribution of results**.
	Special conditions for loans	• Special **Provisioning Conditions** for MiPyMEs Financing. • Changes in **installment and interest due dates** for loan payments until 30/09/2020. Postponement of due dates for credit card statements until 30/04. • **Compensatory interest rate reduction** for credit cards. • **Refinancing unpaid credit card balances** until August. • Establishment of **special zero-rate financing** for single- and self-employed persons, financed by the State and backed by State guarantees.

3 Measures with implications on the financial sector
CMF

The Comisión para el Mercado Financiero (CMF) have adopted measures to monitor the financial market during COVID-19 spread and to facilitate the flow of credit to businesses and households

Regulator	Measures	Details
CMF	**Measures to monitor the financial market during the coronavirus spread**	• **Contingency plans** to ensure the operative continuity. • Coronavirus information **disclosure** on financial and operational effects. • **Third Party Fund Administrators and Securities Intermediaries**. These entities have been instructed to continue applying the risk management frameworks required by the regulations in force, in order to be able to meet the requirements of the participants or investors in the funds managed in a timely manner. • These measures also apply to the **insurance** sector.
	Package of measures to facilitate the credit flow to businesses and households	• The CMF will facilitate the possibility of postponing up to three payments on mortgage loans for those debtors who were up to date with their obligations at the time the state of emergency was declared. The constitution of **provisions** associated with mortgage loans that are postponed **will not be treated as renegotiations** for the constitution of provisions. The relaxation in provisions will be granted for the rescheduling of up to three dividends that are added after the original term date of the credit. • **Credit flexibility** for SMEs. • Use of **surplus mortgage collateral**. • **Extension of terms** for the disposal of Assets Received in Payment • Treatment of the **variation margin of derivatives**. • **Basel III banking capital standards** implementation will be postpone until December 2021.

3 Measures with implications on the financial sector
CMF

The Central Bank of Chile has issued measures to support the credit flow to businesses and households and to support the functioning of financial markets

Regulator	Measures	Details
BCCh	**Support the credit flow to businesses and households**	• **Creation of the Conditional Credit Facility for Increasing Bank Placements** (FCIC), which aims to promote credit to households and businesses. • Extend the institutions to which the BCCh can **provide non-bank services** such as Credit Unions, Central Counterparty Entities (CCPs), Securities Clearing Houses (SCCs) and High Value Payment Systems.
	Measures to support the functioning of financial markets	• Inclusion of **corporate bonds** within the eligible collateral for all peso liquidity operations offered by the Bank, including the FCIC and the LCL. • Extension of the **foreign exchange sale program** until January 9, 2021.Extension of terms in the liquidity management programs in pesos and dollars through REPO, FX-Swap operations. • Transitional **modification of the legal reserve rules**, extending the constitution of the legal reserve in foreign currency obligations from US dollars to euros, yens and Chilean pesos. • Temporary adjustment of the **liquidity requirements for banking companies**, suspending compliance with the requirements for term mismatches (30 and 90 days) and making the regularization and compliance with the short-term liquidity limit (LCR) more flexible, in coordination with the CMF, which will continue to be 70% of the limit for 2020.
CMF	**Treatment of provisions and reporting requirements for loans**	• For those loans granted under the **FOGAPE COVID-19 program**, the **provisions of the debtor's rescheduled quota loans**, which meet the established conditions, **may remain constant** during the grace or rescheduling period granted by the financial institution. This may be for up to six months.

(*) Last update: April 8, 2020

BACEN (1/5)

The Central Bank of Brazil have issued measures to prevent volatility on the financial sector and measures to combat the effect of COVID-19

Regulator	Measures	Details
BACEN	Financial measures	• Additional reduction of the **Principal Capital Conservation** from **2.5% to 1.25%** • **Resumption of purchase transactions** with commitment to sell (repo) Brazilian sovereign bonds denominated in dollars. • Exemption for banks and cooperatives from **increasing the provisioning in case of renegotiation for 6 months**. • **Improvements in LCR rules**: reduction of approximately R$ 86 bn is expected in the need for IFs to carry other high quality liquid assets. • **NDPGE**[1]. Banks will be able to increase their funding with the guarantee of the FGC[2] by 1 x their Net Worth, limited to R$ 200 bn. • **Additional Release of Compulsory Deposits**: rate reduction[3] from 31% to 17% • **Flexibilization of Agribusiness Credit Bills (LCA) rules.** In order to more Financial Institutions be able to raised funds from LCAs. • **Loans covered by bonds.** It employs compulsory deposits as collateral for new purchases of debentures, encouraging the secondary market. • **Expansion of the repurchase limit of Financial Bills issued by the company itself**. To allow banks S1 to increase the volume of repurchase of Financial Bills issued by them from 5% to 20% of their issue. It may be deducted from the reserve requirement of Compulsory. • No **capital deduction of tax effects** arising from overhedge in foreign investments. • **Federal government bond repo operations** to allow institutions to lengthen their liquidity in contrast to the agents' demand for very short term liquidity.

1. New Time Deposit with Special Guarantees (NDPGE)
2. Credit Guarantee Fund (FGC)
3. On term resources

3 Measures with implications on the financial sector
BACEN (2/5)

The Central Bank of Brazil have issued measures to prevent volatility on the financial sector and measures to combat the effect of COVID-19

Regulator	Measures	Details
BACEN	**Financial measures**	• **Reduction of the liquidity levelling spread from +65 bps to +10 bps**. • A USD 60 bn **liquidity swap** line established with Federal Reserve for at least 6 months. • Postponement of **changes to credit portability rules**. • The **disclosure date of the "Pillar 3 Report",** referring to the data bases of March 31, 2020 and June 30, 2020, increased from 60 to 90 days. • **The 'Credit, Financing and Investment Companies' were authorized to issue Bank Deposit Certificates (CDB),** expanding their fundraising instruments options. • A 40 bn emergency line of which 85% is funded by the National Treasury and 15% is funded by private banks aims at **supporting the payroll costs of SME**. The proportion of 85% funded by the National Treasury will not be computed as an exposure for the purposes of calculating the Leverage Ratio and the capital requirement for credit risk using the standardized approach. • **The minimum capital requirement for credit for SME was reduced**, fostering credit provision for the segment. Precisely, the amount of risk-weighted assets (RWA) relative to credit risk exposures of these operations goes from 100% to 85%. • **Postpones the implementation date** of the regulation of the practice of crimes of "laundering" or concealment of assets, copyrights and values and CFT.

3

Measures with implications on the financial sector

BACEN (3/5)

The Central Bank of Brazil have issued measures to prevent volatility on the financial sector and measures to combat the effect of COVID-19

Regulator	Measures	Details
BACEN	**Financial measures**	• **The financial institutions licensed by BACEN are temporarily suspended** from i) paying interest on their own capital; ii) increasing top managerial compensation; and iii) distributing dividends above the mandatory minimum established by their bylaw's provision. • BC authorizes cooperatives to issue a **Real Estate Credit Bill** (LCI). • **Extends terms of FOREX contracts related to foreign trade** from 750 days to 1500. • Financial institutions are allowed to purchase DGPE issued by other institutions. • **Temporary reduction of capital requirement for smaller fin. institutions, S5 segment**. I)From 12% to 10,5% for cooperatives[1] II)Other Fin. Institutions from 17% to 15%. • **Prohibitions** to the remuneration of own capital, increase of the remuneration of administrators, repurchase of shares and reduction of capital stock, to be observed by financial institutions and other institutions authorized to operate by BACEN. • Additional countercyclical principal capital related to Brazil (ACCPBrasil) keeps 0% for at least one year more which represents ACCPBrasil amounts won't be required for 2 years.

1. Singular credit cooperative affiliated to central cooperative

3 Measures with implications on the financial sector

BACEN (4/5)

The Central Bank of Brazil have issued measures to prevent volatility on the financial sector and measures to combat the effect of COVID-19

Regulator	Measures	Details
BACEN	**Financial measures**	• **Disclosure of the regulations** regarding the definitions, objectives, principles, scope of implementation, operating rules, the responsibilities of the participants and operational procedures **related to the implementation of Open Banking**. • **Disclosure of governance structure rules for the implementation of Open Banking**. • **Institution of the Instant Payments System** (SPI) and the **Instant Payments Account** (PI Account) and approval of its regulations. • **Authorization of purchases of private securities by BACEN in the secondary market**, aiming improvements in the price formation of those securities and to provide liquidity to the private credit market, in line with the actions of other central banks, such as FED and ECB. • **Compulsory on savings deposits**: deduction on reserve requirement on savings deposits conditional on credit provision to micro and small companies. For up three years, financial institutions are allowed to deduct up to 30% of their reserve requirements on savings deposits provided that the deducted amount is used in credit operations for micro and small companies, resulting in a expected expansion of R$ 55.8 bn in credit for micro and small companies. • **Reduction f**rom 50% to 35% of the **Risk Weighting Factor for DPGE[1]**, whereas the depositor is an institution associated with the FCG[2], resulting in a increase of 12.7 bn in credit capacity.

1. Time Deposit with Special Guarantees (DPGE)
2. Credit Guarantee Fund (FGC)
3. Working Capital for Business Preservation (CGPE)

BACEN (5/5)

The Central Bank of Brazil have issued measures to prevent volatility on the financial sector and measures to combat the effect of COVID-19

Regulator	Measures	Details
BACEN	**Financial measures**	• **Authorization to use a property as collateral for more than one loan**. The measure provides that people who have paid part of their real estate financing can use the same property as collateral in other credit operations. The measure has potential of generating a credit volume of up to R$ 60 bn. • **Optimization of capital use:** capital transfer of assets arising from temporary differences (provisions for contingent liabilities) to support a new loan line (CGPE[3]). • Bacen has published, on Jul 16th, a preliminary overview of the evolution of credit regarding the measures adopted, since May'20, to mitigate Covid-19 impacts. The main conclusions are: o Increase in Credit Concessions for both Retail +7.1%) and Wholesale (+21.8%) vs the same period in 2019. o Decline in interest rate trend continues, despite the crisis, for Retail and Wholesale credits. o New credit concessions have been offered by all types of institutions (S1-S4) reaching companies of all sizes and individuals (R$ 765 bn new credits and R$ 301 bn of credit renovations). o The extension of installments on credits already represents relief of R$ 96.2 bn for the next 2 to 6 months. o Emergency Employment Support Program (PESE) has granted loans up to R$4.5 bn, benefiting 1.9 million employees from mora than 113k companies.

1. Singular credit cooperative affiliated to central cooperative

The National Monetary Council (CMN) has issued further measures to support financial institutions and fintechs

Regulator	Measures	Details
CMN	**Loans to financial institutions through the issue of Guaranteed Financial Bills**	• The **Special Temporary Liquidity Line (LTEL)** has been launched with the objective of providing the necessary liquidity for the national financial system to remain stable facing the increase in demand observed in the credit market. The CMN has authorized BACEN to loan to Financial Institutions. • In order to provide greater security to the operation, the loans to financial institutions will be backed by Guaranteed Financial Letter (LFG) collateralized by loan pools or securities. • **Credit with risk levels evaluated as AA, A and B will be accepted**, subject to the requirement of guarantee in an amount greater than the loan, in proportion to the risk of the credit operations offered as guarantee. It is estimated that the eligibility of credits for the operation will be of the order of R$670 billion.
	Modifications on fintechs	• Authorization for SCD[1] to **issue credit cards and receive onlending** from Brazilian Development Bank. • Broad the scope of funds with which the SEP[2] and the SCD can assign their portfolios. Originally, these operations could only be made with FIDC[3] whose quotas were held by qualified investors. With the change, **operations may be made with other types of funds, provided that the restriction that their quotas are exclusively for qualified investors is maintained**. • Under the new regulation, the **shareholder control of the fintechs may be exercised by the investment funds indirectly**, through a legal entity located in Brazil, which has as its exclusive corporate purpose the participation in financial institutions.

1. Direct Credit Society (SCD)
2. Loan Partnership Between People (SEP)
3. Investment Fund of Credit Rights (FIDC)

The National Monetary Council (CMN) has issued further measures to support financial institutions and fintechs

Regulator	Measures	Details
CMN	**Institutional Credit Line Program towards the preservation of SMEs**	• The temporary measure, regulated by the CMN in the Resolução 4.838, creates the **Institutional Credit Line Program Towards the Preservation of SMEs - CGPE** (Portuguese's acronym). • The regulator projects, at the presentation of the program, that **a maximum amount of R$ 120 B until the end of the year** will be destined to the CGPE. In the definition of this limit the CMN has taken into account the preservation of the country's financial stability as well as avoiding the jeopardize of fiscal balances within the country. • The measure's objective is to **ease the access to credit to both SMEs and micro-companies as a response to the observed decrease in credit concessions** to this segment during the end of may. Only companies with an annual revenue of less than R$300 M will benefit of this measure, and it is intended that at least 80% of the CGPE program will reach companies with annual revenues inferior to R$100 M. • The scope of the measure **is limited to credit lines with a minimum life of 36 months and also a minimum grace period of six months**.
	Shared Financial Alienation of Real State Collateral	• The CNM has passed the Resolução 4.837 enabling new operations **to share the same fiduciary alienation of collateralized real state**, that has already been constituted as a guarantee in another credit operation. • As result the new credit operations submitted within the scope of this regulation shall **neither have higher interest rate than the original operation nor higher term than the remain term of the original operation**. With the purpose of creating the most **favorable environment for the potential collateral taker**.

The Financial Superintendence of Colombia (SFC) has issued several circular notes to address the financial uncertainties on credit institutions

Regulator	Measures	Details
SFC	**Minimum elements that must characterise modifications to the conditions of the loans**	• **Interest rates**: For all types of credit, the interest rate of the obligation being modified cannot be increased. • **Fees and terms for loans to individuals and microenterprises**: The term may be adjusted so that the value of the client's fee does not increase except for items associated with insurance, among others, and for changes resulting from indexed interest rates, for which they may only vary according to the respective index. In addition, SFC has defined policies that credit establishments may take for commercial, consumer, housing and microcredit portfolios. • **Quotas and term of credits to companies**: In the case of commercial credits, financial institutions may evaluate case by case and establish the effect on the quota and/or term as appropriate. The institution must always keep the client informed.
	Measures to ensure the efficient functioning of credit institutions (1/2)	• Postpone the **submission of the resolution plans** requested to the entities classified as systemic until April 2020 (SFC 010). • Postpone the **submission of the results of the stress tests** required by the SFC until the last working day of July 2021.

The Financial Superintendence of Colombia (SFC) has issued several circular notes to address the financial uncertainties on credit institutions

Regulator	Measures	Details
SFC	**Measures to ensure the efficient functioning of credit institutions (2/2)**	• Collective investment trust's (CIT) management companies may invest in shares of CITs that they administer or manage, up to 15% of the value of the fund. • Collective investment trust's (CIT) management companies may carry out, for the funds they manage, CDs operations whose issuer or buyer is an entity related to the managed party. • Preparation and implementation of **contingency plans** valid for 120 days, in addition to informing SFC of any problems they may have with the application of such plans. Likewise, an emergency attention committee must be in continuous session and inform all consumers about the measures taken that have an impact on them. • Need to **strengthen technological infrastructure**, cyber security controls and monitoring capacity, and digital channels for serving financial consumers is highlighted. • Maintain a percentage of open offices of at least 85%, and a capacity of 92% answered calls in available call centers. • Provide preferential care for the elderly, people with disabilities, medical personnel and members of the police, in compliance with biosafety protocols issued by the Minister of Health and Social Protection. • Credit establishments must adopt a program that allows establishing structural payment solutions by redefining debtor's credit conditions.

3 Measures with implications on the financial sector
Mexico

The ABM, CNBV and Banxico have taken measures to prevent volatility and increase liquidity on the financial sector

Regulator	Measures	Details
ABM	**Deferral of bank loans**	• Total or partial **deferral of bank loans**, 4-6 months: ○ Applicable to housing, automotive, personal, payments, card and microcredit loans. ○ Possibility of expanding to other financial sectors. ○ Applies only to borrowers with a current portfolio at the end of February.
CNBV	**Bank measures**	• **Support for banks' initiatives** through special temporary accounting criteria, which are basically: certain temporary exceptions in the classification of past-due loans, consideration of restructuring, deferral of provisions and certain disclosure or reporting requirements.
Banxico	**Bank rates**	• **50 basis point reduction** in the overnight interest rate target to 6.5%.
	Measures to increase liquidity	• **Auction of US$ 2 billion in foreign exchange hedges** to be settled in local currency. • Establishment of **swap lines with the US Federal Reserve (Fed)**. • **Decrease in the Monetary Regulation Deposit** (DRM) for an amount of 50 billion pesos.
	Provisional operating measures and cash correspondents	• The Bank of Mexico will **abstain from initiating administrative proceedings** to impose sanctions for infractions committed on or after **March 19, 2020**, until the Bank of Mexico makes the date known by means of a resolution.

The Bank of Mexico has issued measures to provide liquidity to Multiple Banking and Development Banking institutions

Regulator	Measures	Details
Banxico	**Measures to provide liquidity to Multiple Banking and Development Banking institutions**	• Multiple Banking and Development Banking institutions (institutions) are able to enter into **securities lending transactions** with the Bank of Mexico so that they receive from the bank Certificates from the Federation's Treasury (CETES) and Development Bonds (BONDES) on loan, subject to the granting of a guarantee constituted by means of a pledge of eligible securities. ○ Institutions must **guarantee** the obligations they assume by establishing a pledge on government securities or debt securities that meet national or global credit quality criteria. ○ At the **end of the term** of the securities loan in question, each institution must pay the Bank of Mexico a **commission**. • Institutions may obtain funds through **loans guaranteed by deposits, repurchase agreements, and corporate securities repurchase agreements**. • The term for all these liquidity facilities shall be **three months**, which may not exceed 93 calendar days. The institutions may request an extension, for a period equal to that originally agreed.

The Bank of Mexico has issued measures to provide liquidity to Multiple Banking and Development Banking institutions

Regulator	Measures	Details
Banxico	**Adjustments to strengthen facilities to provide resources**	• Measures to provide liquidity to banking institutions in order to strengthen credit granting channels, improve the functioning of domestic markets and promote the orderly behavior of debt and exchange markets. These measures include: o Providing resources to banking institutions to facilitate credit to micro, small, and medium-sized enterprises (MiPyME) as well as to individuals affected by the pandemic. o Providing financing to banking institutions secured by corporate loans to finance MiPyME.

The CNBV has issued an special accounting criteria (EC) to be applied in certain conditions

Regulator	Measures	Details
CNBV	**Restructuring or Renovation**	• **Loans with a single payment of principal** at maturity and periodic payment of interest or single payment of principal and interest at maturity **will not be considered as overdue portfolio**. • **Loans with periodic payments of principal** and interest may be considered to be in force when these transactions are carried out without the application of paragraphs 82 and 84 of CC B-6. • **Credits stipulated as revolving** from the beginning will not be considered as overdue portfolio. • **Modifications to original credit conditions that modify the risk profile** and **do not differ in principal or interest will not be considered as restructuring**.
	Refinancing, condemnations, bonuses and discounts	• If they are included in **restructurings or renewals**, in order to strengthen the liquidity of the borrowers, the provisioning of these items may be deferred. • If the amount of this benefit exceeds the balance of the estimate associated with the loan, an estimate must be constituted **only for the difference**.
	Information to be submitted to the CNBV	• **General conditions** for support programmes. • **Detailed credit report**: Original conditions and benefits granted. • The information must be submitted within **10 working days after closing**, starting in March.

The CNBV has issued an special accounting criteria (CE) to be applied in certain conditions

Regulator	Measures	Details
CNBV	**Disclosures**	• **Need to disclose** in notes to the financial statements, public financial statements and internet-based information during 2020 and 2021, **the impacts of the established CE** and the information corresponding to the 4Q of 2020 and the first Q of 2021. • As a **minimum**, the following must be reassessed: ○ Mention of the application of the CE and the reasons for doing so. ○ Details of the CE and the rules that must be applied in accordance with the provisions in force. ○ Amounts obtained in the Balance Sheet and Results by type of portfolio if the CE has not been applied. ○ Concepts and amounts by type of portfolio affected by the CE. ○ Subtraction of the amounts obtained in section C from profits.
	Other Considerations	• Benefits do not apply to credits located within the "**Permanent Support Program for Areas Affected by Natural Disasters**" or that are part of another benefit. • Additional support is suggested, such as **cancellation of principal or interest or deferment of debt repayment**. • Criteria that can be **extended** to other Multiple Purpose Financial Companies.

3 Measures with implications on the financial sector
Mexico

The CNBV has made the requirements of capital more flexible and issued liquidity measures in order to facilitate the credit flow in the market

Regulator	Measures	Details
CNBV	**Flexibilization of capital requirements**	• Between 1 April 2020 and 31 March 2021 **banks can use the capital conservation supplement** without deteriorating their minimum solvency. • The **coming into force of IFRS9** and the recalibration of the commercial loan portfolio will be on January 1, 2022, which was originally scheduled for January 1, 2021. • The **Business Indicator Method** for calculating capital requirements for operational risk remains with an undetermined date. It will be published when there is stability in the system. • The **standard relating to the TLAC remains with an undetermined date**. It will be published when there is stability in the system. • The **Major Exposures standard** will come into force on 1 January 2021, instead of 1 October 2020. This standard only applies to Systemic Banks.
	Liquidity measures	• Those that could have been considered before February 28, 2020 are allowed to continue to be considered as **eligible liquid assets for the CCL**. • **March information shall be excluded** for the calculation of liquidity reserves. • An exception is made to the **corrective measures** that must be considered when the CCL is below 100%, in the same way it will not be considered a breach of the CCL if an institution is classified in Scenarios III, IV or V.

The SBS and the BCRP have issued financial measures related to flexibility of liquidity coverage ratios or reduction of the interest rate to keep the stability of the financial sector

Regulator	Measures	Details
SBS	**Financial measures**	• **Financial institutions may modify credit agreements** (debtors must not be in default at the time of the declaration of the emergency). • **Facilitate the renegotiation of credits**. Extension of the term of the credits up to 6 months (without being considered refinancing) when the debtors do not present default or this is less than 15 days to 29/02/2020. The aforesaid does not generate an increase in the weightings applied for the calculation of Capital Requirement due to Credit Risk. • **Liquidity coverage ratios**. The limits of the liquidity coverage ratios in national and foreign currency that apply to SF. Additionally, the inclusion of certain operations in the Liquidity Contingency Plan is allowed. • SF entities are authorized to use additional cash equity for the business cycle component. • The limits of simplified e-money accounts are increased (tripling or even quintupling).
BCRP	**Bank rates**	• **Reference interest rate 0.25%**
	Measures to increase liquidity	• **Injection of liquidity into the market**. Repos at 1 day, 6 months, 1 year and 2 years (being the last one the longest in history) for a total of S/ 4,000 Million. • **Flexibility in reserve requirements** in national and foreign currency as of April, thus releasing the equivalent of S/ 2,000 Million.

The SBS have issued measures on the constitution of provisions and calculation of the effective equity requirement for credit risk

Regulator	Measures	Details

SBS	**Constitution of provisions and calculation of the effective equity requirement for credit risk**	• Establish a **provision rate for credit risk of 0%** for the part of the loans covered by the FAE-MYPE guarantee.
		• Establish a **0% weighting factor** for the purposes of calculating the effective equity requirement for credit risk under the standard method, to the part of the exposures covered by the FAE-MYPE guarantee.
		• A credit risk **provision rate of 0%** will be applied to the part of the credits that are guaranteed by the REACTIVA PERU Program:
		  ○ The provisions for credit risk, to the part of the credit guaranteed by the National Government, corresponds the provision of corporate credits classified in Normal category, whose minimum rate of provision is 0.7%.
		  ○ For purposes of calculating the effective equity requirement for credit risk, to the part of the credit covered by the guarantee granted by the National Government, corresponds the risk weighting of 0%.

	Basic accounts modifications	• The **transaction amounts** of the basic accounts are changed as follows:
		○ Each transaction is subject to the limit of S/. 3,000.
		  ○ It is expressed in national currency and the consolidated balance of basic accounts of the same holder, in the same company, cannot be higher than S/. 10,000.
		  ○ The accumulated monthly transactions of a single holder in the same company cannot exceed S/. 15,000.

Index

3 Measures with implications on the insurance sector
Global - IAIS

The IAIS, which groups those in charge of monitoring the insurance industry in more than 200 countries around the world, will launch a survey among its members to begin to understand the effects that the coronavirus is having on the sector in each of their respective jurisdictions

In the coming days, the entity will launch a survey among its members to begin to know the effects that the coronavirus is having on the insurance sectors and also seeks to understand the different supervisory measures that have been implemented or are being considered.

Measures	• The entity will **launch a survey** among its members to begin to know the **effects that the coronavirus** is having on the insurance sectors of their respective jurisdictions. • The project also seeks to understand the different supervisory measures that have been implemented or are being considered. • **Cancel all face-to-face meetings** that were going to be held until the end of April (replaced by phone calls). • **Delay the start of registration** for the Committee and the Global Seminar scheduled in June. • The organization does not dismiss that the crisis of the coronavirus could alter the goals that had been set for this year.
Scope of application	• Global

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EIOPA has delayed the deadline for the Holistic Impact Assessment for Solvency Review II 2020, which will limit requests for information to the industry and indicates that it is ready to implement tools to mitigate risks and impacts in the sector to guarantee the protection of financial stability

The **European Insurance and Occupational Pensions Authority (EIOPA)**, in close communication and cooperation with the other European Supervisory Authorities (ESAs) and the European Systemic Risk Board (ESRB), has been monitoring the COVID-19 situation very closely as the outbreak continues to cause disruption to households and businesses.

Measures	• **Extending the deadline of the Holistic Impact Assessment for the 2020 Solvency II Review** by two months, to 1st of June 2020. • **Limiting its requests of information** and the consultations to the industry to essential elements needed to assess and monitor the impact of the current situation in the market. • EIOPA and the National Competent Authorities (NCAs) stand **ready to implement tools to mitigate risks** and impacts to the sector to ensure that financial stability is safeguarded.
Recommendations And Others	• **NCAs should be flexible** regarding the timing of supervisory reporting and public disclosure regarding end 2019. • Under Solvency II, **EU insurance companies are required to hold sufficient eligible own funds** on an on-going basis to cover their Solvency Capital Requirement. • Solvency II framework includes a ladder of supervisory intervention between the SCR and the MCR. This allows for flexibility in cases of extreme situations. • Recent stress tests have shown **the sector is well capitalised** and able to withhold severe but plausible shocks to the system. • EIOPA supports the views expressed by the ESRB regarding the importance of **improving the monitoring of liquidity risks in the insurance sector** with the aim to enhance Europe's preparedness to potential future shocks. In addition to the development of a liquidity monitoring framework by EIOPA, the ESRB noted that the Pillar 2 provisions in Solvency II need to be enhanced in the medium term to enable supervisors to require individual re(insurers) with a vulnerable liquidity profile to hold a liquidity buffer.

1. EIOPA - Actions to mitigate the impact of Coronavirus/COVID-19 on the EU insurance sector

The EIOPA has published an statement on principles to mitigate the impact of COVID-19 on the occupational pensions sector

Regulator	Measures	Details
EIOPA	Principles using a risk-based and proportionate approach	• **Business continuity and operational risks**. ○ Prioritizations of the continuity of key operational activities and allow them flexibility in the collection of contributions from employers facing liquidity pressures. ○ Consideration and effectively management of the increased risk exposure to fraud, other criminal activity, cyber security and data protection. ○ Flexibility with respect to deadlines for publication of documents and data considered less urgent and the national reporting requirements. • **Liquidity position**. NCAs should monitor the liquidity position of IORPs carefully and proportionately regarding liquidity pressures. • **Funding situation and pro-cyclicality**. NCAs should closely monitor the impact of financial market developments on the financial position of IORPs providing defined benefit (DB) schemes and their compliance with national funding requirements. • **Protection of members and beneficiaries**. NCAs should encourage flexibility to safeguard members' pension rights and, particularly in defined contribution (DC) schemes, allow plan members to choose delayed application of lump sum payments or of mandatory annuitisation. • **Communication**. NCAs should expect IORPs to comunícate the impact of the COVID-19 developments on the IORP's service continuity, economy and the future financial situation regarding retirement income.

EIOPA clarifies supervisory expectations on product oversight and governance requirements in the context of COVID-19

Regulator	Measures	Details
EIOPA	**Ensuring continuous fair treatment of customers**	• **Identification of affected products as a result of COVID-19**. If such products no longer offer value to the target market, insurers should **assess whether there is the risk of possible unfair treatment**. In those scenarios where there is a possibility of unfair treatment, **remedial measures** must be taken. While taking **remedial measures**, insurance manufacturers should aim at both mitigating the situation and preventing further occurrences of detriment.
	Impact of ultra-low yields	• The low interest rate environment in addition to the COVID-19 outbreak has severely affected macroeconomic and market conditions worldwide, challenging insurers in terms of asset allocations, profitability, solvency and business model adaptation. The response measures from central banks to alleviate the impact on the economic activity, will contribute to the continuation of the low interest rate environment, which affect the sector through the balance sheet channel both on the assets and liabilities side and will impact on insurers' profitability in the medium to long-term.
	Supervisory Statement on the Solvency II recognition of schemes	• Identification of significant differences in the way that national schemes in the area of credit insurance are implemented through the Temporary Framework. To ensure a level playing field and consistent treatment of schemes with the same economic consequences as reinsurance, the published statement outlines a number of supervisory recommendations for national competent authorities. Through this Statement, EIOPA aims to support supervisory convergence.

EIOPA publishes Statements to comply with the Solvency II framework and Issues Paper for developing shared resilience solutions for the pandemic

Regulator	Measures	Details
EIOPA	**Statement on Solvency II supervisory reporting**	• Insurance and reinsurance undertakings should be in condition to comply with the deadlines provided in the Solvency II framework. • The general objective of this Statement is to foster convergence and consistent supervisory approaches across Member States, ensuring that all competent authorities and EIOPA receive timely quarterly information. • Competent authorities shall submit the information received quarterly to EIOPA no later than 2 weeks upon receipt.

	Issues Paper highlighting options for developing shared resilience solutions for pandemic risk	• Public and private sector involvement will be necessary to protect society against the financial consequences of future pandemics.
		• The Issues Paper highlights the following four key elements to find solutions for future pandemic risks:
		  ○ Proper risk assessment.
		  ○ Risk prevention and adaptation measures.
		  ○ Appropriate product design.
		  ○ Risk transfer.

	Key financial stability risks of the European insurance and pensions sector	• The insurance sector has a solid and comfortable capital buffer (median SCR ratio of 213%) which helped to withstand the initial severe market shocks experienced with the Covid crisis. However, a high level of uncertainty on the magnitude of economic disruption increases downside risks going forward. • The shock has also increased credit risk, challenging the asset side valuations of insurers and their solvency positions.

The German Insurance Association (GDV) and the Commission de Surveillance du Secteur Financier (CSSF) have issued declarations regarding implications on the financial sector

Regulator	Details
Germany	• As a result of the arrival in Germany of the Covid 19, the regulator is maintaining a close dialogue with banks and other actors in the financial markets on possible reactions and **Emergency plans**. • According to the industry trade body, the **insurance sector is little directly affected by the moment**.
Italy	• Has reduced the requirements for applying the country-specific volatility adjustment (VA), a move that will strengthen Italian insurers' regulatory Solvency II ratios. IVASS also relaxed deadlines for responding to consultations, compliance with a new home insurance law and training requirements.
UK	• The PRA has considered EIOPA's recommendations and will accept delays for the following aspects of harmonised regulatory reporting: ○ Solo and group level annual Quantitative Reporting Templates up to 8 weeks delay with exceptions. ○ Solvency & Financial Condition Report (SFCR) and Own Risk & Solvency Assessment (ORSA) up to 8 weeks delay. ○ Regulatory Supervisory Report (RSR) Not required for year-end 2019. ○ Quarterly reporting (Q1 2020-end occurring 31 March or after that date but before 30 June 2020). ○ Solo and group level Q1 2020 Quantitative Reporting Templates and Quarterly Financial Stability reporting up to 4 weeks delay.
Luxembourg	• Luxembourg's financial regulator urged insurers to allow workers who request it to work remotely due to the exceptional and temporary situation, as long as satisfactory IT security conditions allow. • The CSSF adds, that if necessary, professionals should activate their business continuity plan and use, if necessary, other production sites inside or outside the Grand Duchy of Luxembourg.

3 Measures with implications on the insurance sector
Spain - DGSFP

The Spanish insurance supervisory, Directorate-General for Insurance and Pension Funds (DGSFP) has adopted urgent measures to address the economic impact of COVID-19 during the state of alarm

Regulator	Measures	Details

DGSFP	• **Royal Decree 11/2020**[1]
	• **Information note on EIOPA publication of the Recommendations on supervisory flexibility**[2]
	• **Supervisory Note on the distribution of** [3]
		• **Availability of pension plans** in case of unemployment or cessation of activity derived from the health crisis situation caused by COVID-19.
		• **Commitment to comply with the recommendations regarding the flexibility of deadlines** proposed by EIOPA regarding the deadline for the submission of supervisory reports and public disclosure. The Recommendations offer operational relief to the insurance sector in the current environment, allowing certain deferrals, both in the presentation of documentation and in its public disclosure, in the following cases:
		  ○ The annual reporting corresponding to December 31, 2019.
		  ○ The quarterly quantitative information corresponding to the first quarter of 2020.
		  ○ The report on the financial and solvency situation corresponding to December 31, 2019.
		• **The DGSFP publishes its recommendation** to the insurance entities and their groups, subject to their supervision, so **that they do not make dividend distributions, assume irrevocable payment commitments** or carry out operations that, such as share repurchases, may have a materially equivalent effect, as long as the direct consequences of the coronavirus / COVID-19 health crisis persist.

3 Measures with implications on the insurance sector

Spain - Spanish Government

The Spanish Government has adopted Royal Decree 15/2020 that makes it easier for policyholders to rescue pension plans and gives the DGSFP more maneuverability regarding delivery times

Regulator	Measures	Details
Spanish Government	• **Royal Decree 15/2020** [1]	• **The Insurance Compensation Consortium may accept as reinsurance the risks assumed by the private insurance entities authorized to operate in the credit and surety insurance branches,** that request it and that subscribe or adhere to the corresponding agreement with said public entity. • **The participants in the pension plans may request to enforce their consolidated rights** in the cases of the aforementioned twentieth additional provision of Royal Decree-Law 11/2020, of March 31, for those defined contingencies under the defined contribution regime. • The General Directorate of Insurance and Pension Funds may agree to the extension of the following terms and deadlines for the years expressly indicated below: **1. Insurance and reinsurance entities** o Financial Situation and Solvency Report referring to the end of the 2019 financial o Quantitative, or statistical-accounting, information. **2. Managing entities and depositaries of pension plans and funds** o Report on the degree of compliance with the separation rules between the managing entity and the depositary. o Report on the effectiveness of the internal control procedures of pension fund management entities o Actuarial Financial Review and the statistical, financial and accounting information, for the purposes of supervision, of the pension funds.

NEW

The MEF announced an insurance state-guarantee of 12 billions to preserve the cash flows of small and medium businesses

Regulator	Measures	Details
ACPR	**Extension of deadlines**	• Temporarily **relaxation on submission dates** of European prudential reporting statements and the publication of information intended for the public. • It is also temporarily relaxed the submission dates for additional national requirements, as well as for reports on non-compliance and unpaid rights. • Recommendation to financial and insurance entities of not paying dividends.
MEF	**Launch of the public support mechanism for credit insurance**	• The MEF announced the launch of the public support mechanism for credit insurance which is the result of the **mobilization of several institutions** such us the Government, the French Insurance Federation (FFA), insurers, the Caisse Centrale de Réassurance (Central Reinsurance Institution) and BPI France. • The mechanism enables **companies that have contracted a cover**, and which would be notified of reductions or denials of cover for certain customers due to the deterioration of the economic situation, **to continue to be covered**. • This support mechanism takes the form of credit insurance cover offered by insurers to all their French policyholders, via four products (Cap, Cap+ and Cap FranceExport and Cap FranceExport +). • **The insurers benefit from state-guaranteed public reinsurance to the amount of 12 billion euros**. • In order to enhance the effectiveness of these measures, on June 9th a new mechanism is agreed (Cap Relais) which will initially cover the domestic market and risks concerning SMEs and ETIs.

NEW

Insurance companies play a key role within the financial sector and are expected by regulators to collaborate accordingly through the pandemic

Regulator	Measures	Details
EIOPA / PRA	**Recommendations on supervisory flexibility regarding deadlines of supervisory reporting and public disclosure by insurers**	• The PRA has considered EIOPA's recommendations and accepts the following delays for the following aspects of harmonised regulatory reporting: ○ Solo level annual Quantitative Reporting Templates – up to 8 weeks delay ▪ Except for the following which allow up to 2 weeks delay: ▪ Contents of submission (S.01.01) ▪ Basic Information (S.01.02) ▪ Balance sheet (S.02.01) ▪ Cash-flow projections for life business (S.13.01) ▪ LTG (S.22.01) ▪ Own funds (S.23.01) ▪ SCR calculation (S.25.01 to S.25.03) • The PRA considers that the existing RSR cycle (namely, a full report at least every three years and in summary every year) will continue. Therefore, firms with year-ends Tuesday 31 December 2019 or after that date but before Wednesday 1 April 2020 that were due to submit a full report for year-end 2019 will be required to submit summary reports for year-end 2020 and year-end 2021, and a full report for year-end 2022.

3 | Measures with implications on the insurance sector

UK

NEW

Insurance companies play a key role within the financial sector and are expected by regulators to collaborate accordingly through the pandemic

Regulator	Measures	Details
FCA	**Expectations of the FCA**	• Finalised guidance on Coronavirus and customers temporary financial difficulty has been published in August 2020 coming into force on 11 August 2020 expiring initially on 31 October 2020. However, on 16th October FCA proposed to extend part of the measures so that customers that had payment deferrals from the August guidelines or are in financial difficulty are continued to be supported. • The aim of the guidance is to prompt firms (insurance and premium finance firms) to help qualifying customers, where possible, to: 1) reduce the impact of temporary financial distress, and 2) ensure that customers continue to have insurance that meets their demands and needs.

3 Measures with implications on the insurance sector
UK

The FCA has published a Guidance for insurance firms on product value and coronavirus which sets out its expectations for insurers and insurance intermediaries to consider the value of their products in light of the exceptional circumstances arising from COVID-19

Regulator	Measures	Details
PRA	**Distribution of profits considerations**	• The PRA has published a 'Dear CEO' letter from Sam Woods, Deputy Governor, to the CEOs of UK insurers **regarding distribution of profits and has further released a statement.**
FCA	**Guidance for insurance firms on product value**	• The UK's FCA has published finalised guidance for insurance firms on how they should consider product value in light of the circumstances arising from the coronavirus pandemic. The FCA continues to make clear that firms must treat customers fairly at this time and consider the needs of anyone potentially affected by coronavirus. • The guidance lays out the FCA's expectations for firms when considering the fair treatment of all customers for an insurance product, not just those in financial difficulties due to coronavirus, and applies to all firms carrying on regulated activities relating to all non-investment insurance products for both individual and business customers. • Firms are expected to review their product lines and act where products have not delivered the intended value to customers. This could include **providing alternative benefits, reducing premiums or partial refunds of premiums paid**. Firms should complete their coronavirus related review of product lines and decide on their actions by the 3rd Dec 2020.

NEW

The FCA has published a Guidance for insurance firms on product value and coronavirus which sets out its expectations for insurers and insurance intermediaries to consider the value of their products in light of the exceptional circumstances arising from COVID-19

Regulator	Measures	Details
BoE / PRA	**Regulatory reporting - insurance sector**	• 4 September 2020: BoE published Policy Statement 20/20 'Responses to Chapters 2 to 7 of CP3/20 'Occasional Consultation Paper'', relevant to all PRA-authorised firms. For the insurance sector, this includes amendments to: ○ The Insurance Company – Mathematical Reserves Part of the PRA Rulebook; ○ The Reporting Part of the PRA Rulebook; ○ Supervisory Statement 7/17 'Solvency II: Data collection of market risk sensitivities'; ○ Changes to the Market risk sensitivities template and its instructions; and ○ Changes to a number of National Specific Templates (NSTs) and LOG files. ○ the Senior Managers Regime (SMR) application forms and the Senior Managers Regime – Applications and Notifications Part of the PRA Rulebook (effective from Sunday 25 October 2020). • **23 September 2020**: The FCA has announced that the first firms will start moving to the new data collection platform, RegData, which replaces Gabriel. Firms will be moving gradually in stages, and PRA firms are not expected to migrate to the new system until 2021.

Insurance companies play a key role within the financial sector and are expected by regulators to collaborate accordingly through the pandemic

Regulator	Measures	Details
PRA	**Clarifications Matching adjustment (MA) to ensure consistency in firms' interpretation of the PRA's policy.**	The PRA issued a statement with guidance on the application of regulatory capital and IFRS 9 requirements to payment holidays granted to address the challenges of Covid-19, after firms indicated that their approach to managing the MA portfolio (MAP) would include occasionally removing certain assets despite their continued eligibility. In particular, firms would reconsider their strategies for managing the MAP in the face of the current global pandemic and its effect on financial markets. Although the statement is not targeted at insurers, some of the points may be relevant to them, particularly when they engage in direct lending (e.g. ensure that the credit quality step (CQS) on granting of a payment holiday or loan modification).

3 Measures with implications on the insurance sector
US

Over the past week, state and federal regulators have issued guidance and imposed requirements on health insurance companies and managed care plans to broaden and tailor coverage to COVID-19

Regulator	Measures	Details
Ohio Department of Insurance	**Access to coverage for ohioans impacted by the covid-19 virus**	• Notifying to companies of the request of the Superintendent of Insurance that companies ensure members have access to needed health care services to test for and treat COVID-19 by promoting access to coverage. • **Issuers of travel insurance** are reminded that unless a specific exclusion applicable to COVID-19 applies, a travel insurance policy that covers sickness, accident, disability, or death occurring during travel **must cover such risks related to COVID-19** according to the terms of the policy.
Federal	**Medicare advantage plans**	• The Centers for Medicare & Medicaid Services (CMS) issued guidance to Medicare Advantage Organizations (MA Plans) as to their obligations and permissible flexibilities related to the emergency caused by COVID-19.
Federal	**Medicaid and chip**	• Medicaid currently offers a range of benefits that would include the testing and treatment of COVID-19, including testing, diagnostics and lab services, immunizations, inpatient and outpatient hospital services, prescription drugs, nursing and rehabilitation facilities, emergency services, child health services and telehealth.
California's Insurance Comm.	**Medicare advantage plans**	• California's insurance commissioner also issued an emergency declaration to all health insurers requiring them to submit emergency plans detailing how they will ensure continued access to medically necessary health care services for the duration of the declared Covid-19 state of emergency.

Measures with implications on the insurance sector
US

Over the past week, state and federal regulators have issued guidance and imposed requirements on health insurance companies and managed care plans to broaden and tailor coverage to COVID-19

Regulator	Measures	Details
California Department of Insurance	**Covid-19 Screening and testing**	• The California Department of Insurance issued a bulletin to all insurers requiring them to take the following measures: ○ Providing commercial health coverage, to waive cost-sharing for Covid-19 testing. ○ Ensuring enrollees have timely access to care. ○ Acting proactively to ensure that consumers can access all medically necessary screening and testing of Covid-19.
California Department of Insurance	**Premium Refunds, Credits, and Reductions in Response to COVID-19 Pandemic**	• CA DOI orders insurers to make an initial premium refund for the months of March and April to all adversely impacted California policyholders in the following lines of insurance, as quickly as practicable, but in any event no later than 120 days after April 13th, 2020: ○ Private passenger automobile insurance ○ Commercial automobile insurance ○ Workers' compensation insurance ○ Commercial multiple peril insurance ○ Commercial liability insurance ○ Medical malpractice insurance ○ Any other line of coverage where the measures of risk have become substantially overstated as a result of the pandemic.

Measures with implications on the insurance sector
US

Over the past week, state and federal regulators have issued guidance and imposed requirements on health insurance companies and managed care plans to broaden and tailor coverage to COVID-19

Regulator	Measures	Details
New York Department of Financial Services	**Medicare advantage plans**	• The New York Department of Financial Services (NYDFS) has issued a series of measures to be taken by health insurers. These include: ○ Devoting resources to inform consumers of available benefits, quickly respond to consumer inquiries, and consider revisions needed to streamline responses and benefits for consumers. ○ Remove barriers to testing for Covid-19, including waiving cost-sharing for Covid-19 testing. ○ Verify adequacy of provider network and make exceptions to provide access to out-of-network services. • The NYDFS has also adopted a new emergency regulation requiring New York State insurance companies to waive cost-sharing, including, deductibles, copayments, or coinsurance for in-network telehealth visits. • In addition, the NYDFS has issued a letter to all property and casualty insurers instructing all P&C insurers that provide business interruption and related coverage in New York to send a "clear and concise explanation of benefits" to commercial policyholders.
FASB	**Proposal to delay long-duration insurance standard and ease early adoption provisions**	• Proposed Accounting Standards Update (ASU) that provides insurance companies affected by the pandemic with an additional year to implement Accounting Standards. This proposal will also reduce complexity and allow companies to remain on track to make a successful transition to the standard. For those insurers that may not need the extra time, this proposal would make it easier and cost-effective to maintain their current timelines and early adoption.

3 | # Measures with implications on the insurance sector
Latam (1/5)

The spread of COVID-19 has been unequal in the different Latin American countries, and with it the measures that each country has taken to address the situation

Regulator	Details
Argentina	• In compliance with the provisions established by the Presidency of the Nation and with the objective of preserving the well-being of our community regarding the coronavirus COVID-19, the Superintendency of Insurance of the Nation (SSN) has resolved to suspend the continuing training courses for the Insurance Advisory Producers corresponding to the first four-month period of 2020.
Bolivia	• The Pension and Insurance Control and Inspection Authority (APS) instructed the Pension Fund Administrators (AFP), Insurance Entities (EA) and the Long-term Social Security Public Manager on Monday to adopt preventive measures such as virtual attention and by telephone to customers and the general population, facing the national coronavirus emergency.
Brasil	• ANS decided to anticipate the effects of the solvency margin freeze for operators who demonstrate the option of early adoption of risk-based capital (CBR). Therefore, for operators that are in a staggered constitution (increasing requirement every month), the solvency margin will stabilize and at a fixed percentage of 75%. • The Agency also moved from 2020 to 2021 the start of the liability provisions for Insufficiency of Consideration / Premium (PIC) and for Events / Claims occurred and not reported in SUS (PEONA SUS). With the postponement, the requirement for the constitution of guarantee assets is also postponed, resources that operators must maintain to guarantee, in the same proportion, these new liability provisions.

Measures with implications on the insurance sector

Latam (2/5)

The spread of COVID-19 has been unequal in the different Latin American countries, and with it the measures that each country has taken to address the situation

Regulator	Details
Chile	• The Financial Market Commission promote between citizens and taxpayers to make an intensive use of digital platforms. The customer service offices will remain closed for the duration of the health emergency.
Colombia	• The SFC will require a monthly report from the insurance companies in which the calculation of the underwriting risk component is detailed according to the guidelines established in the calculation of this type of risk. • Instructions are provided to adjust the guidelines for reporting the classification of capital instruments in technical equity according to the mentioned decree. • Insurance institutions must establish internal policies and methodologies in order to identify products on which there is a decrease in the insured risk as a result of preventive isolation measures, quantify the decrease in risk and the corresponding reduction in premiums, in order to reimburse money, extend insurance coverage or any other defined mechanism. • The National Government launched a life insurance coverage for 585 thousand workers in the health sector. (It will be administered by Fasecolda).
Honduras	• Insurance institutions may grant a grace period for the payment of premiums, which shall not exceed June 30, 2020 and may be applied at the discretion of the insurance institution or at the request of the insured. Insurance institutions must keep the coverage of their policies active and may require the payment of the premium due, in the event of a claim or event.

The spread of COVID-19 has been unequal in the different Latin American countries, and with it the measures that each country has taken to address the situation

Regulator	Details
Peru	

- The Superintendency of Banking, Insurance and AFP issued SBS Resolution No. 1259-2020 (Resolution No. 1537-2020) by which it **suspends for 15 calendar days (until 06/30) the computation of administrative deadlines related to the functions and powers that correspond to it**. In addition, the management of claims with health and death coverage is prioritized.
- The extraordinary retirement of the pension fund in the SPP is established as a **measure to mitigate the economic effects of the obligatory social isolation**. Those members who do not register accreditation of compulsory contributions at the respective CIC will be benefited for the months whose accruals correspond between September 2019 and February 2020. Affiliates may submit their request for extraordinary retirement under the channels and formats enabled by the AFP until April 27, 2020. Payments are made in one installment up to S/ 2000 in the month of April.
- The operating procedure for the extraordinary withdrawal of pension funds up to 25% of the total accumulated funds is the following:

Quantity of the individual capitalization account (CIC)	Rule of assignment	1st payment	2nd payment
Up to S/ 4,300	Up to S/ 4,300	100% of the CIC	Does not apply
From S/ 4,300 to S/ 17,200	S/ 4,300	S/ 2,150	S/ 2,150
From S/ 17,200 to S/ 51,600	Up to 25% CIC	12.5% of the CIC	12.5% *of the rest of the CIC*
Higher than S/ 51,600	Up to S/ 12,900	Up to S/ 6,450	Up to S/ 6,450

- Approve return of 100% of contributions to ONP to people over 55 years old and who did not contribute for 20 years. In addition, they provide that active contributors of the ONP can request the extraordinary withdrawal of up to S/ 4,300.

3 | Measures with implications on the insurance sector
Latam (3/5)

NEW

The spread of COVID-19 has been unequal in the different Latin American countries, and with it the measures that each country has taken to address the situation

Regulator	Details
Peru	• The plenary session of Congress approved the withdrawal of funds from the former pensioners of the Pension Fund Administrators (AFP) for up to S /. 17,200, in the context of the situation due to the presence of the coronavirus (covid-19) in the country. The approved text authorizes the withdrawal of 4 UITs in an extraordinary way to those affiliated to the private pension system who, until October 31 of this year, do not have proof of pension contributions to the individual capitalization account, for at least 12 months in a row.

3 Measures with implications on the insurance sector
Latam (4/5)

The Comisión Nacional de Seguros y Fianzas (CNSF) has issued an agreement suspending deadlines for the attention of institutions and persons subject to supervision due to the COVID-19

Regulator	Measures	Details
CNSF	**Agreement suspending deadlines for the attention of institutions and persons subject to supervision by the CNSF, due to the COVID-19**	• **From May 9th until 30th June 2020 deadlines are suspended** in respect of formalities and procedures that are in progress with the following exemptions: ○ Regularization Plans and Self-Correction Programs ○ The attention to the notifications and requirements that may be made by the administrative units that have initiated inspection visits before April 7, 2002, when the requirements are formulated for the processing of the files that have not been completed on the occasion of those visits.

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Measures with implications on the insurance sector
Latam (5/5)

The spread of COVID-19 has been unequal in the different Latin American countries, and with it the measures that each country has taken to address the situation

Regulator	Details
Panamá	• The companies that offer Health policies will continue to offer coverage for medical expenses, due to an Epidemic or Pandemic period officially declared by the competent Authorities, for the treatment of CORONAVIRUS (COVID-19) to all their Health customers who are compliance with the established protocol.
Paraguay	• From Monday 16 to March 24 the documentation normally presented at the entrance table must be delivered in a scanned form to an email address. • Regarding the next presentation of Technical Accounting reports, these reports must be sent only by electronic means.
Uruguay	• In the framework of the health emergency declared by the government due to the advance of the coronavirus and in order to avoid crowds, the Central Bank of Uruguay has resolved until further notice to suspend all scheduled events (Seminars, Congresses, Meetings). Including meetings with members of the different financial markets on March 17, 18 and 19 for the purposes of presenting the Standards Plan for 2020.

Index

Index

Measures taken by governments and financial supervisors and regulators represent significant impacts on the general economy

The governments of most affected **countries** by the COVID-19 outbreak are carrying out very **restrictive measures** in order to address or avoid the collapse of the health system and protect the heath of their citizens (contingency measures). These measures are expected to have significant impact on the economy at local and global level. Therefore additional measures are being adopted to mitigate the social impact (socioeconomic measures).

Expected impact of contingency measures

- **Consumption reduction**
- **Liquidity constraints** for companies, and increase of **defaults from customers**
- **Unemployment** increase
- **Tourism** and **export markets sectors activity reduction**
- **GDP** might take longer that initially expected to **return to its pre-COVID level** due to the very gradual pace on lifting social distancing restrictions

Expected impact of socioeconomic measures

- Mitigation of the consumption reduction with measures such as **suspension of mortgages payments**
- A **mitigation in the expected rise in unemployment rates** due to the economical measures to help companies
- **Reducing pressure** on the business sector with a focus on SMEs
- **Promotion of loans granting and reduction of funding costs** leveraged on the **interest rates downgrade**
- An **increase in the risk premium** of the countries, as many governments are increasing its public debt

Expected implications on the financial sector

COVID-19 outbreak crisis represents a severe stress scenario for banks capital and liquidity

Financial institutions are particularly affected by the measures and consequences of the COVID-19 crisis. Regulators and supervisors are trying to mitigate this impact, like the **ECB**, which has made a **lax enforcement on the capital buffers**.

Expected implications on the financial sector

- **Lower quality of the regulatory capital**
- **Lower capital and liquidity ratios**. Once this crisis is over, banks will have to rebuild capital buffers.
- **Lending margins** are likely to remain low as a result of central banks' monetary stimulus.
- **General increase on financial risks and non-financial risks:**
    - Increase in credit risk: the downgrade of credit quality of the exposures will impact on: an increase on NPLs at the end of the year, stock of provisions and credit risks capital requirements. The increase in credit risk could have an average impact of around -380 bps in CET1.
    - Increase in market risk due to the high volatility in financial markets (Trading Book).
    - Increase in ALM risk due to maturity mismatches between assets and liabilities cashflows (Banking Book).
    - Increase in liquidity risk: severe stress on short-term liquidity ratios and higher costs of funding
    - Increase in operational risk: losses arising from disruption of business or system failures (e.g. telecommunications failure or related to employment practices and workplace safety).

Index

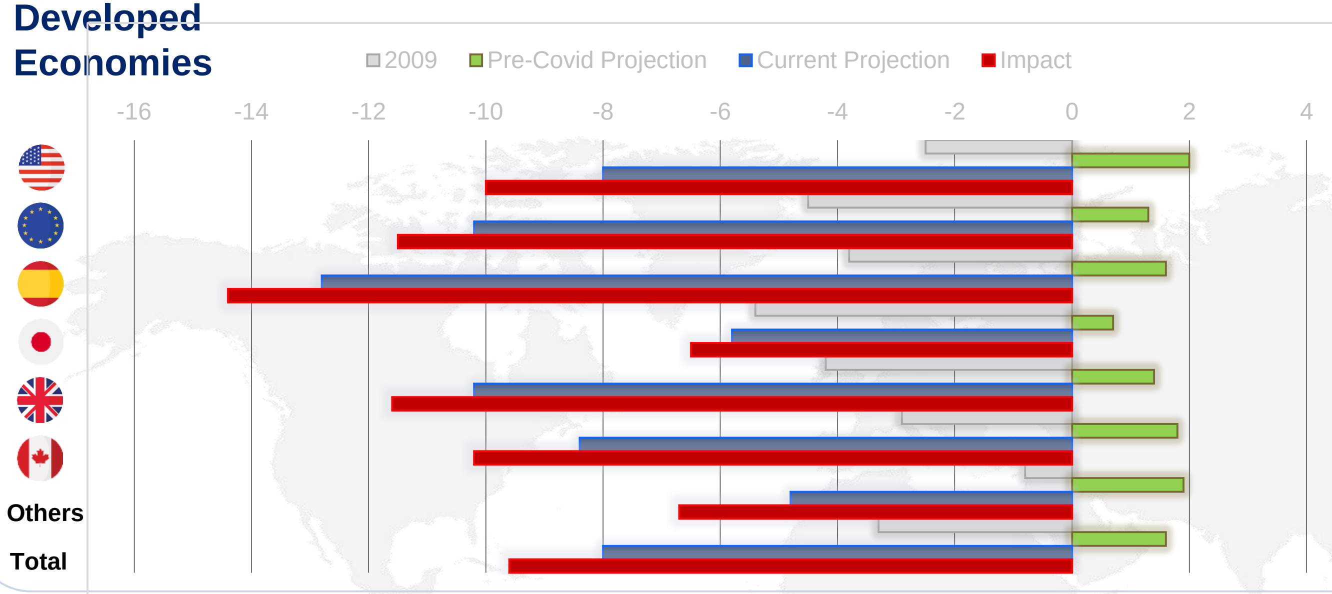
COVID Scenarios: exploratory analysis for the next 36 months

Introduction and context

As of June, the impact[1] of the COVID-19 is estimated at -9.6 points of GDP in developed economies, as a result, estimated growth falls from 1.6% to -8%. In the case of emerging economies, the impact is also high, with growth dropping from 4.4% to -3% by 2020

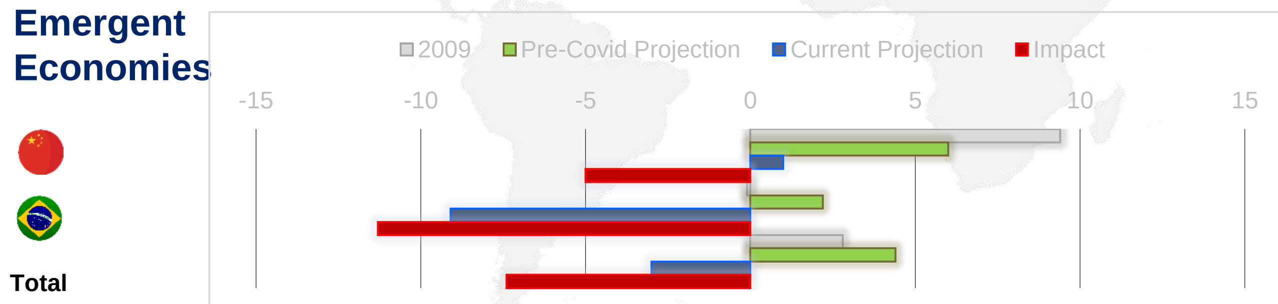
General Overview

Developed Economies



- In the case of the developed economies, the impact recorded is about 9.6 points, expecting an **aggregate decrease** in these economies of **8%** by 2020.
- The **greatest impact and decrease are recorded in Spain**, these being 14.4 points and -12,8% respectively.
- Japan, despite having a baseline scenario with lower growth prospects, is the economy with the least impact. The **expected GDP contraction is -5.8%.**

Emergent Economies



- In emerging economies the impact **contrasts** with the performance observed in the **2008** crisis.
- In this case, the total of emerging economies shows a decrease in GDP, with **Brazil being the economy that shows the greatest impact.**

1. Bibliography on impact and scenarios can be found in the annex

Source: IMF

Scenarios: approaches and limitations

The development of scenarios in this context is based on the application of shocks to the main macro-magnitudes of health effects, changes in expectations and the political response

Assumptions and limitations

Approach

- The models developed for pandemic stress test exercises are based on unsophisticated approaches. The approaches are generally based on historical relationships, trying to include prospective information through shocks in the labor supply curve, as well as consumption and investment.
- In this way**, the possible scenarios in terms of direct impact, agents' expectations and the political response** are translated into **economic shocks on specific magnitudes:**

Short and Medium term

- The factors that have an impact depend on the time frame of the projection. In the short term, measures directly affect consumption and labor supply. In the medium term, measures related to fiscal and monetary policy as well as investment have a greater impact than in the short term**.**

Impact spread

Underlying factors

Impact on health

Impact on the expectations of economic operators

Political response

Economic Shock

Consumption

Investment

Labor supply

Monetary Policy

Fiscal Policy

Limitations

- In general, models suffer from some key indicators, such as exchange rates or sovereign bond spreads.

COVID Scenarios: exploratory analysis for the next 36 months

Reference Scenarios: ECB scenarios

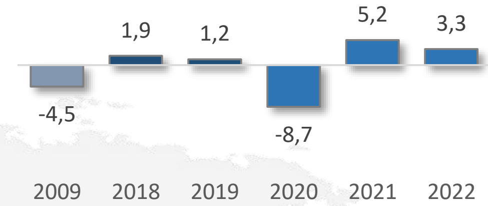
The ECB has released the projections for June along with two new scenarios to represent the range of the probable impacts as consequence of the COVID-19 pandemic in the Euro area

Projections and Scenarios

June Projections

- **Adaptation level:** Substantial support from monetary, fiscal and labor market policies helps maintain incomes and limit the economic fallout.
- **Epidemiological evolution:** Partial progress in virus containment, with some resurgence in the coming quarters, requiring persistent containment measures.
- **Impact on the economy:** June projections show much higher budget deficits than March 2020 projections due to the macroeconomic effects of the pandemic.

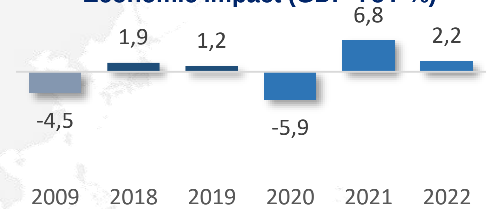
June Projections: Economic impact (GDP YoY %)



Mild Scenario

- **Adaptation level:** Successful containment of the spread of the virus during the post-lockdown transition period paves the way for a gradual return to normal activity.
- **Epidemiological evolution:** There is no resurgence of the virus and the economic responses by the authorities and the economic agents are very favorable.
- **Impact on the economy:** Labor markets are recovering, as policies largely succeed in preventing the effects of the crisis. Job losses are expected to be reabsorbed.

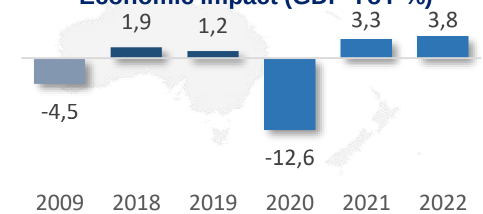
Mild Scenario: Economic impact (GDP YoY %)



Severe Scenario

- **Degree of adaptation:** Containment measures remain in place after confinement, which has a negative effect on the economy.
- **Epidemiological evolution:** New epidemic outbreaks increasing uncertainty but with measures that imply a lower economic cost.
- **Impact on the economy:** The alleged persistent economic damages continue to weigh on economic activity.

Severe Scenario: Economic impact (GDP YoY %)



ManagementSolutions Making things happen

Source: European Central Bank

4 COVID Scenarios: exploratory analysis for the next 36 months

Reference Scenarios: Bank of Spain scenarios

The Bank of Spain suggests three different scenarios as a consequence of the COVID-19 in which GDP is reduced by between 9 and 15.1 percent

Scenarios

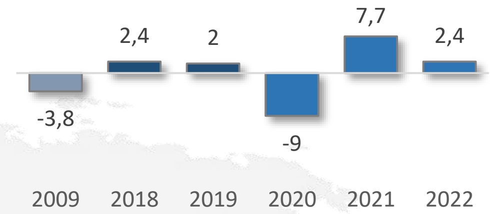
Early Recovery

Adaptation level: Adaptation of services in the second quarter resulting in lower associated losses than those recorded at the beginning of the confinement.

Epidemiological evolution: Significant outbreaks can be prevented after the lockdown is lifted and no further containment measures are needed.

Economic impact: Economic policy measures prevent the destruction of businesses and make the increase in unemployment only temporary.

Early Recovery: Economic impact (GDP YoY %)



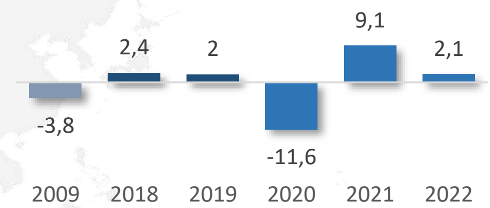
Progressive Recovery

Adaptation level: The possible learning of the agents hardly increases the activity and the losses follow the same pattern as at the end of March.

Epidemiological evolution: New epidemic outbreaks but less virulent than the original episode requiring measures that are less costly.

Economic impact: Persistent damage to the productive fabric concentrated in the sectors most exposed to social interaction, where recovery is delayed.

Progressive Recovery: Economic impact (GDP YoY %)



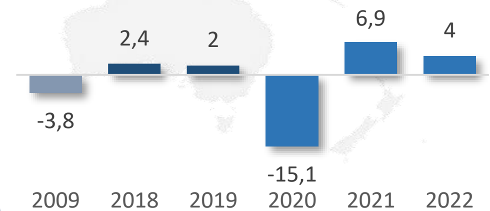
Risk Scenario

Adaptation level: There is no adaptation because additional strict confinements are required with a high economic cost.

Epidemiological evolution: Adverse situation with intense episodes of new infections by the virus.

Economic impact: Business liquidity strains leading to solvency problems such as business destruction and long-term unemployment.

Risk Scenario: Economic impact (GDP YoY %)



Source: Bank of Spain

COVID Scenarios: exploratory analysis for the next 36 months

Reference Projections: European Commission forecast

The EC summer interim forecast reflects that the Euro area economy will experience a deep recession this year due to the coronavirus pandemic, despite the swift and comprehensive policy response at both Euro area and national level

Projections

Overview

Lockdown: The lifting of the of lockdown measures has proceed at a more gradual pace than assumed initially and differently across all Member States.

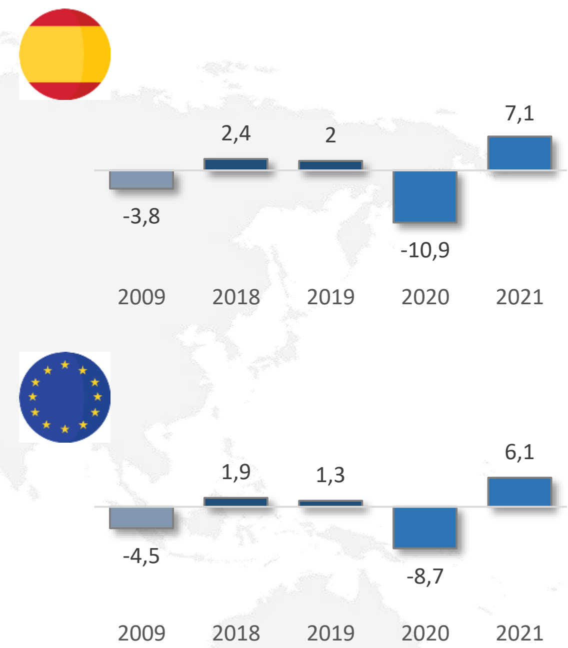
Output losses: The contraction will be focused during 2020 with notable expected growths in 2021 although these two impacts are anticipated to be different for all Member States.

Recovery: Early data for May and June suggest that the worst may have passed an the recovery is expected to gain traction in the second half of the year, albeit remaining incomplete and uneven across Member States.

Sector Adaptation: Continued social distancing measures are factored in with repercussions on sectors requiring interpersonal contact (services, entertainment, transport, etc.).

Health Indicators: These projections assume that social distancing measures will continue to ease and that there will not be a 'second wave' of infections.

Economic Impact
(GDP YoY %)



Source: EC

COVID Scenarios: exploratory analysis for the next 36 months

Complementary Scenarios: ING W-shaped

In the W-shaped scenario, economies do not recover until the end of 2021 due to the relapse of GDP during 2020

W-shaped Scenario

Political Response

Confinement: Ends in summer (with country differences), but returns in winter.

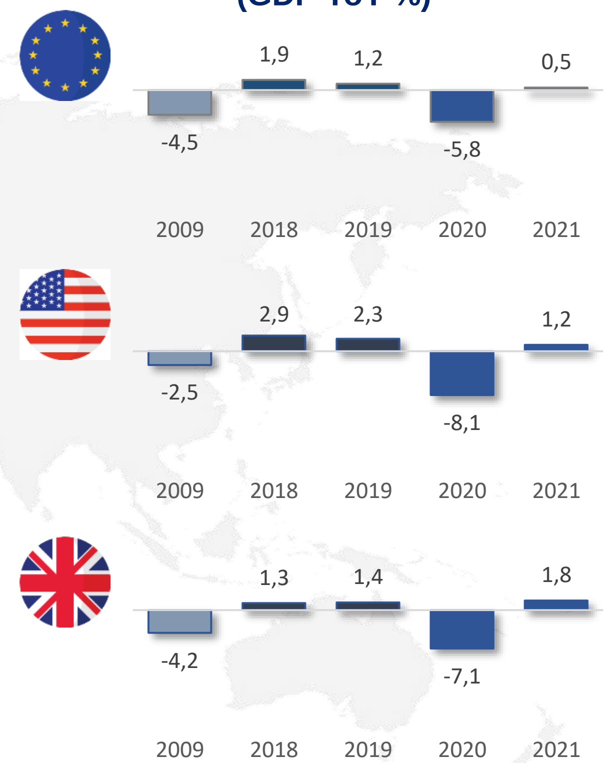
Physical Distancing: Continues for 6-12 months after the end of the confinement.

Tourism and Travel: Restrictions remain in place after confinement.

Labor Activity: Teleworking remains after the end of the confinement.

Health Indicators: In some countries the chain of infection cannot be tested or tracked properly, hospital capacity and treatments are improving, but in some areas it is not enough.

Economic Impact
(GDP YoY %)



Source: ING

Complementary Scenarios: ING Worst case

In contrast, in the Worst Case Scenario, the economy does not begin to improve until 2021 and growth is weaker, so that it is not expected to recover completely until 2023

Worst Case Scenario

Political Response

Confinement: Extended until the end of the year.

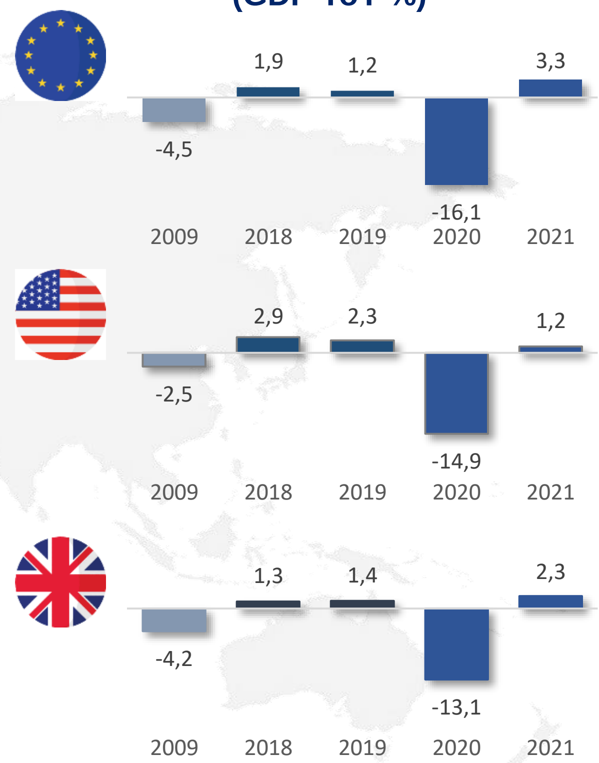
Physical Distancing: Continues for 12-18 months after the end of the confinement.

Tourism and Travel: Restrictions remain in place after confinement.

Labor activity: Teleworking remains after the end of confinement.

Health Indicators: In some countries the chain of infection cannot be tested or tracked properly. The vaccine is delayed and/or the virus shows signs of mutation.

Economic Impact (GDP YoY %)



Source: ING

COVID Scenarios: exploratory analysis for the next 36 months

Complementary Scenarios: 2 Degrees Overview

For the development of the scenarios in the medium term they are based on the combination of different scenarios on some drivers on the penetration of the virus, its mortality and morbidity, the expectations of the agents and the type of political response given

General Overview

Penetration

- **Low:** It remains below 20% by 2020 and reaches 40% by December 2021.
- **High:** It reaches 40% by 2020 and reaches 80% by 2021.

Expectations

- **Low:** The effects of the framework on agents' expectations are limited
- **High:** The impact is high, doubling the expected effect of the pandemic

Mortality and Morbidity

- **Low:** Remains below 1% per year.
- **High:** It reaches 3% per year.

Policies

- **Aggressive:** Political intervention compensates for 50% of the loss of demand.
- **Limited:** Interventions are ineffective and do not compensate for the drop in demand
- **Isolation:** The intervention limits the circulation of goods, services and people.

Scenarios/ Impact	Benign and managed	Benign and not managed	Malignant and managed	Malignant and managed (low mortality)	Malignant and not managed	Malignant and aggravated
Penetration	Low	Low	High	High	High	High
Mortality	Low	Low	High	Low	High	High
Expectations	Low	High	Low	Low	High	High
Policies	Aggressive	Limited	Aggressive	Aggressive	Limited	Isolation

Source: 2 Degrees Investing Initiative.

Complementary Scenarios: 2 Degrees GDP and Prices

In terms of production, the cumulative impact can reach deterioration of over 22%. Prices, on the other hand, have deteriorated, except in the case of the health sector

General Overview

World GDP

Scenarios/Impact	2020	2021	2022	Cumulative
Benign and managed	-0,7%	-1,4%	-1,4%	-3,5%
Benign and unmanaged	-1,1%	-2,1%	-2,1%	-5,3%
Malignant and managed	-3,4%	-6,8%	-1,4%	-11,6%
Malignant and managed (low mortality)	-1,4%	-2,9%	-1,4%	-5,7%
Malignant and unmanaged	-5,2%	10,3%	-2,1%	-17,6%
Malignant and aggravated	-6,6%	-11,8%	-3,6%	-22,0%

World Inflation

Scenarios/ Impact	Health-care	Food industry	Air transport	Fuels	Other transports	Others	Aggregate	Base (EU)
Malign	+10%	-10%	-10%	-25%	0%	0%	-1,8%	1,4%
Benign	+10%	0,5%	0,5%	0,5%	0,5%	0,5%	1%	1,4%

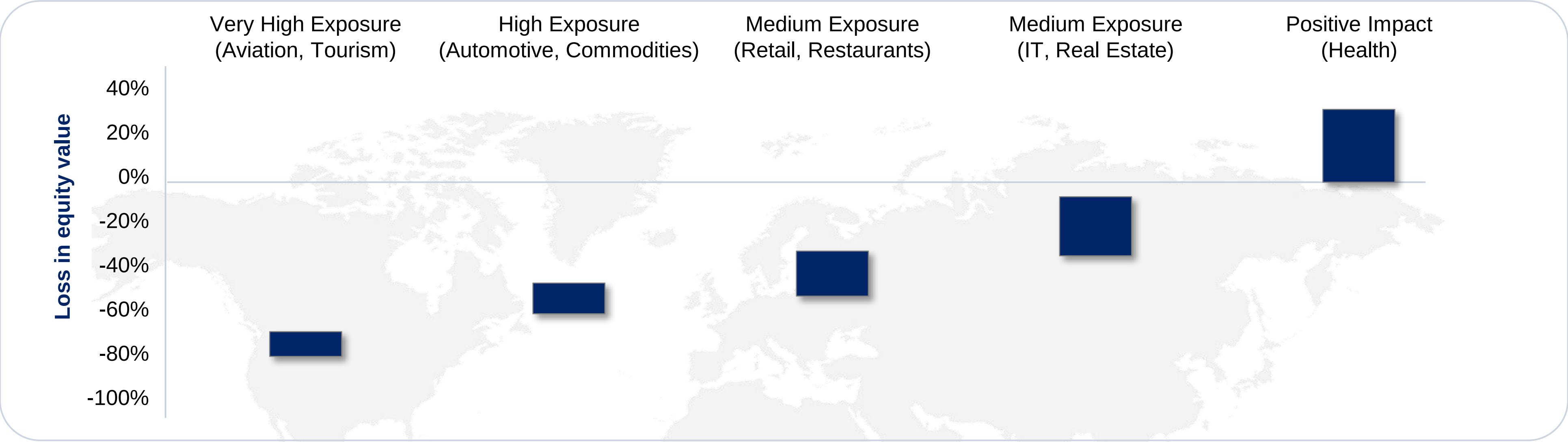
Source: 2 Degrees Investing Initiative. Global data.

COVID Scenarios: exploratory analysis for the next 36 months

Complementary Scenarios: 2 Degrees Sectorial analysis

The sectors most affected will be tourism and aviation, followed by the automobile and commodity sectors. A significant case can be the scenario of restriction of movements, which would lead to the loss of 70%-80% of the asset value of the aviation sector

General Overview



Source: 2 Degrees Investing Initiative. Global data.

COVID Scenarios: exploratory analysis for the next 36 months

Complementary Scenarios: 2 Degrees Default rate

The default rate grows above 100% in malignant and unmanaged or aggravated scenarios. In the remaining cases, there is an increase between 15%-35% that reverts to the base value in 2022

General Overview

Low Default Portfolios/Countries: Base 1,2%

Scenarios/Impact	2020	2021	2022
Benign and managed	1,3%	1,4%	1,2%
Benign and unmanaged	1,5%	1,9%	1,2%
Malignant and managed	1,4%	1,6%	1,2%
Malignant and managed (low mortality)	1,4%	1,6%	1,2%
Malignant and unmanaged	1,9%	2,6%	1,2%
Malignant and aggravated	1,9%	2,6%	1,2%

High Default Portfolios/Countries: Base 6,0%

Scenarios/Impact	2020	2021	2022
Benign and managed	6,5%	7,0%	6,0%
Benign and unmanaged	7,7%	9,5%	6,0%
Malignant and managed	7,0%	8,1%	6,0%
Malignant and managed (low mortality)	7,0%	8,1%	6,0%
Malignant and unmanaged	9,5%	12,9%	6,0%
Malignant and aggravated	9,5%	12,9%	6.0%

Source: 2 Degrees Investing Initiative. Global data.

4 COVID Scenarios: exploratory analysis for the next 36 months
Action points

In this context, if there is great uncertainty, it is necessary to develop and strengthen certain tools such as stress test exercises, the use of advanced analytics techniques and the review of early warning systems

Action points

Areas	Action points
Stress Test	• Stress tests are necessary to evaluate the impact on the portfolios, as well as on the other elements of the balance sheet and the P&L. • To do this, it is essential to have contrasting scenarios (Third Party Scenarios) • On the other hand, it is important to increase the frequency of calculation as well as the scenario maintenance
Advanced Analytics	• Analytical tools should be used to add granularity to top-down and expert analyses, allowing both short-term impact and remaining long-term risk and exposure value to be assessed.
Early Warning Systems	• Early identification systems should be developed to find warnings about possible changes in scenarios, regulatory response, industry trends or specific events affecting certain customers.

Index

Italy - Measures no longer in force

Italy was the first European country to impose lockdown due to the COVID-19 outbreak

Contingency measures

- The **retail trade, restaurant and leisure activities, are suspended**, with the exception of the food and basic necessities sales activities.
- The Government recommends regarding production and professional activities to **suspend the activities of the company departments not indispensable for production.**

Economic measures

NEW

Italy has defined 6 groups of countries with different kind of traveling limitations depending on the health situation on these countries

[1] DPCM 7TH September identifies six groups of countries, for which there are different limitations:

- **Republic of San Marino and Vatican City.** No limitations
- **EU countries (except Croatia, Greece, Malta, Spain, Romania and Bulgaria), Schengen, United Kingdom and Northern Ireland, Andorra, Principality of Monaco.** Movements are allowed for any reason, but a self-declaration is still required.

  Obligation to undergo ***coronavirus testing*** for those who intend to travel to Italy and have stayed in or transited through **Spain, Croatia, Greece or Malta** (presenting a test within 72 hours prior to the entrance, or within 48 hours of entering but staying in isolation until the results of the test are received)

- **Bulgaria e Romania**. Movements are Allowed for any reason, but, upon return to Italy, there is an obligation of fiduciary isolation and health surveillance, it is necessary to fill in a self-declaration.
- **Non-UE Countries (Australia, Canada, Georgia, Giappone, Nuova Zelanda, Ruanda, Repubblica di Corea, Tailandia, Tunisia, Uruguay).** Movements are allowed for any reason, but, upon return to Italy, there is an obligation of fiduciary isolation and health surveillance, it is necessary to fill in a self-declaration.
- **Rest of Non-UE Countries.** Movements to/from the rest of the world are only allowed if there are precise reasons, such as: work, health or study reasons, absolute urgency, return to one's home, residence or residence.
- **Armenia, Bahrein, Bangladesh, Bosnia Erzegovina, Brasile, Cile, Kuwait, Macedonia del Nord, Moldova, Oman, Panama, Perù, Repubblica Dominicana.** Entry into Italy is not allowed.

(1) See Annex III DPCM 7th September

A | Annex I
De-escalation plan

NEW

Italy's de-escalation plan started on May 4th with the reopening of most of the non-essential productive activities. The reopening of its frontiers is scheduled for June 3rd

From March 9th to May 3rd (55 days) the Italian Government declared a state of emergency, including borders restriction, total confinement of the population, forced closure of non-essential businesses and on March 23rd paralyzed non-essential productive activities. It extended the end of the confinement, scheduled for April 13th, until May 3rd, but **allowed the reopening of bookstores, children's clothing stores and some forestry services**.

- <u>Construction, wholesale trade and manufacturing industry</u> have been allowed to reopen on May 4th.
- The Government allowed on May 18th, the general <u>opening of bars, restaurants, museums, exhibitions, libraries and cultural spaces</u>, although requiring special measures regarding capacity, hygiene and social distancing.
- <u>Starting from June 3rd, movements between regions will be allowed without any restrictions</u>, and the frontiers with other EU countries will be reopened, without requiring self-quarantine.
- <u>The use of masks is compulsory in indoor environments</u> (i.e. shops, public transport, etc.), and recommended outdoors, especially if there is a risk of agglomeration. In Piedmont, Sicily and the city of Genova, the use of masks is compulsory in all public spaces, except for children under six years old.
- According to the School Decree, recently converted into law, <u>from 1st September, schools will be able to reopen</u>.
- **From 7th October, the capacity of buses, subways and regional trains will be able to reach 80% of passenger seats, but with the obligation to guarantee effective ventilation and air exchange systems.**

Spain - Measures no longer in force

Spain has lifted some lockdown measures

Contingency measures	Economic measures
• **Restriction on the free movement** with some exceptions (e.g. moving to credit institutions and insurance undertakings). • **Restraint measures** in the field of commercial activity, cultural facilities, recreational establishments and activities, hotel and restaurant activities, and in relation to places of religious assembly and civil and religious ceremonies. Since March 30, all the **non-essential activities are banned** and workers should work from home, with some exceptions like special industries[1].	

1. The workers that are unable to develop their work from home will receive their salary but with the duty to recover the non-worked hours before December 31, 2020.

Spain - Measures no longer in force

The Comisión Nacional del Mercado de Valores (CNMV) adopted a temporary prohibition on constituting or increasing net short positions on listed shares

Regulator	Measures	Details
CNMV	**Temporary prohibition on constituting or increasing net short positions on listed shares**	• **Prohibition** for to carry out **operations on securities** and **financial instruments**, with certain exceptions, that involve the constitution or increase of net short positions on shares admitted to trading in Spanish trading centers. **<u>This prohibition is no longer in force</u>**.

Spain has designed a phased de-escalation plan called "the Plan for transition to a new normality" which has been already completed

Spanish plan for lifting the lockdown has four phases with a two-week interval between them. The phases are not applied equal to all the regions as it depends on how the virus is controlled in each of them. The plan started the 4th of May and it is expected to be completed by the end of June in most regions, however regions like Madrid or Barcelona are behind schedule.

Phase Zero (from 4th May)

- It is allowed to go out for a walk or to play sports once a day and during certain hours.
- Opening of restaurants and bars that can serve take-away orders.

Phase One (from 11th May for most regions)

- Meetings of up to 10 people maintaining a safety distance of two meters are allowed.
- Opening of bar and restaurant terraces at 50% of their capacity.
- Opening of shops of up to 400 square meters without prior appointment.

Phase Two (from 25th May for most regions)

- Opening of cinemas, theatres, auditoriums and similar spaces with pre-assigned seats and capacity limitation of one third.
- Bars and restaurants will start serving food on their premises, with a maximum of 40 % of the capacity.
- Shopping centres will open, with a maximum capacity of 40%.

Phase Three (from 8th June for most regions)

- Protocols will be drawn up for the on-site return to companies for work activities.
- In the commercial area, the capacity will be limited to 50% and a minimum distance of two meters will be set.
- All public transport services will be operating at 100%.

New Normality (from 21st June for all the country)

- Economic and social activity returns to normality, with some contingency measures still in force (mask, social distancing).

France - Measures no longer in force

The French Government has lifted some lockdown measures

Contingency measures

- **Restriction on the free movement** the movement is allowed only within a 100 km perimeter
- **Restraint measures** in the field of commercial activity, cultural facilities, recreational establishments and activities, hotels, bars and restaurant activities, and in relation to places of religious assembly and civil and religious ceremonies.
- **Prohibition to access certain public places** such as: beaches, parks, nautical bases.
- ***Guidelines regarding professional activities:*** *employees can return to work, but rather remotely or in shifts.*
- **Public transport** is reduced to 50% of its traffic. In Île-de-France, during peak hours (6:30 a.m. to 9:30 a.m. and 4 to 7 p.m.), it is reduced to 70% to limit overcrowding.
- **No gatherings of more than ten people is allowed**
- **Shopping for non-essential goods is now allowed in places** < 40 000 square meters.

Economic measures

A | Annex I

France - Measures no longer in force

The French Government has adopted several measures like restrictions on the free movement and suspensions of some payments for the SMEs

Contingency measures

- The French government advises to **avoid public gathering** as much as possible and therefore they will be closing monitored.
- Wearing a **mask is compulsory**:
  - in public transport for users from 11 years old
  - in schools for teachers and for students when physical distancing is not possible.
- **Go to Overseas territories**, except Antilles and Reunion, without imperative reason; **outside European territory**: the borders are closed, except for a few national repatriation links.
- The government also announced that, **depending on the health situation**, perhaps from **September 1st fairs and shows could reopen.**

Economic measures

- Change in payment deadlines for **social and / or tax**.
- **Direct tax rebates** can be decided.
- Support from the Government and the Bank of France (credit mediation) to **negotiate with the banks a rescheduling of bank credits**.
- **Business financing support** (State Solidarity funds, State guaranteed loans or public mechanism for credit insurance).
- **Maintaining employment** (simplified and reinforced partial unemployment system).
- Support for **dealing with a conflict with customers** or suppliers by the business mediator.
- Recognition of coronavirus as a case of ***force majeure* for their public contracts**. Late payment penalties will not be applied.
- The **suspension of water, gas, electricity and rent bills for the small businesses that suffer the economic consequences of the virus**.
- Support plan for French exporting companies.

France - Measures no longer in force

NEW

The French Government has adopted several measures like restrictions on the free movement and suspensions of some payments for the SMEs

Contingency measures

- As of **June 30th** the main restrictions announced by the French government are the following, french people cannot:
  - **Travel outside the European** Union if the frontiers are closed.
  - **Go on a big international cruise**.
  - **Meet more than 10** in public areas, except if it is a professional gathering or if they participate in a guided tour led by a guide-lecturer;
  - Go to clubs.
  - Attend an event with more than 5,000 people, at least until 30 October.
- Masks are mandatory in closed and shared spaces regardless of physical distance. Outdoors, the mask must be used in case of grouping and when it is not possible to keep the distance of one meter.
- The government also announced that, in the event of more active circulation of the virus or the non-compliance with sanitary rules, local measures can be taken.

Economic measures

- Change in payment deadlines for **social and / or tax**.
- **Direct tax rebates** can be decided.
- Support from the Government and the Bank of France (credit mediation) to **negotiate with the banks a rescheduling of bank credits**.
- **Business financing support** (State Solidarity funds, State guaranteed loans or public mechanism for credit insurance).
- **Maintaining employment** (simplified and reinforced partial unemployment system).
- Support for **dealing with a conflict with customers** or suppliers by the business mediator.
- Recognition of coronavirus as a case of ***force majeure* for their public contracts**. Late payment penalties will not be applied.
- The **suspension of water, gas, electricity and rent bills for the small businesses that suffer the economic consequences of the virus**.
- Support plan for French exporting companies.

France - De-escalation plan

The reopening plan has evolved in the last weeks

May 11th opens a new chapter with the implementation of the reopening plan. The objective is to maintain a balance between the need to **restart economic activity** and that of preserving the **health** of the French.

A gradual reopening by region

- A first phase will last from May 11th to June 2nd with the gradual opening of certain establishments or places welcoming the public or the permission to move within a limit of 100km (see the contingency measures of the previous slide).
- If there is no return of the pandemic, a second phase will be implemented until the summer (plan not yet released).
- Depending on the sanitary situation, the reopening plan is not the same in all departments and regions of France.

A map of the red and green departments

- The departments are classified as green or red zones with regard to their health situation, determined in particular according to the number of emergency visits for suspected affection to Covid-19, the rate of occupancy of resuscitation beds by affected patients and the ability to perform virological tests.
- Thus, certain departments in green little affected by the epidemic can lift the containment from May 11th, while the reopening will be more framed in the departments in red having a high rate of circulation of the virus.
- The map of these departments is updated with data from Public Health France. Currently the regions in red are Île-de-France, Hauts-de-France, Bourgogne-Franche-Comté, Grand-Est and Mayotte.

France - De-escalation plan

The reopening plan is gradually being implemented from May 11th, 2020 and it will not be the same in all regions of the country since it must be adapted to the local sanitary reality

From June 15th, the whole French territory (except for the French Guyana and Mayotte) is flagged as "green".

Reminder: In France, the counties are classified in the green, orange or red zone with regard to their health situation, determined in particular according to the number of emergency visits for suspected affection to Covid-19, the rate of occupancy of resuscitation beds by affected patients and the ability to perform virological tests.

The French President, Emmanuel Macron made a speech on June 14th explaining the new chapter starting June 15th, this chapter enables:

- A faster and greater come-back to work;
- The re-opening of public places such as restaurants in Paris;
- The free movement in European countries (from July 1st free movement in Non-European countries);
- A faster re-opening of schools, kindergarten etc.. (they must be be ready to welcome students from June 22nd);
- The second leg of municipal elections (June 28th);
- The re-opening of retiring homes for visits.

The date of Monday June 22nd will correspond to the entry into a 3rd phase of reopening plan. New announcements will be made by the Prime Minister shortly.

France - De-escalation plan

With the pandemic slowing down in France, normal activities have started again and the French Government gradually announces new measures and policies with regards to these activities

The pandemic has slowed down, allowing the continuation of de-escalation plan: certain measures take effect on June 22, others on July 11, still others will finally be the subject of assessments during the summer or at the beginning of the month September.

Measures are gradually softening for all citizen except for the ones presenting symptoms of COVID-19 who are urged to remain home and contact health authorities.

As the French territory is flagged as “green”, meaning that the de-escalation plan is in place some public areas have re-opened (e.g. Schools, restaurants, museums, cinemas), however, others remain closed (Clubs, cruises).

The **economic, social and administrative activity of France has resumed**. Health security must be a priority, including in the workplace. The majority of the companies have re-opened their offices and invite their employees to come back.

All employees **must**:

- follow the rules applied by the company with regard to home office;
- respect the sanitary rules that the company implements;
- Be compliant with barrier measures;
- Use hydro-alcoholic gel for themselves; disinfectant wipes or products for office, keyboard, mouse, etc.;
- Wear a mask in the event that collective precautionary measures are deemed insufficient to ensure respect for physical distance;
- Respect the configuration of shared offices so as to avoid face-to-face meetings and allow a distance of more than one meter.

Mask are mandatory in closed public places from July 20th.

France - De-escalation plan

With the pandemic slowing down in France, normal activities have started again and the French Government gradually announces new measures and policies with regards to these activities

The pandemic has slowed down, allowing the continuation of de-escalation plan.

Measures are gradually softening for all citizen except for the ones presenting symptoms of COVID-19 who are urged to remain home and contact health authorities.

On 31 August 2020, the Ministry of Labour published a "**National protocol**" to ensure the health and safety of employees in companies in the face of the Covid epidemic. This protocol includes the following main aspects:

- **Each worker must have a space** allowing him to respect the rule of **physical distance** of at least one meter from any other person (colleague, client, user, service provider, etc.).
- **Wearing a mask is mandatory in enclosed and shared spaces regardless of physical distance**.
    - Some **exception**s are: workers who has an individual offices or employees working in workshops who are often "required to carry out more intense physical efforts than the average".
    - Outdoors, the mask must be worn when there is a grouping and when the distance of one meter is not possible.
    - In vehicles, the mask is compulsory when several employees are travelling together.
- It is **possible to remove the mask temporarily** at certain times of the day, as long as a number of measures are taken, such as the existence of a functional air extraction system or suitable ventilation. It is not possible to refrain from wearing it throughout the day.
- **Teleworking** is no longer systematically encouraged but remains a **recommended practice** in that it contributes to the prevention of the risk of Covid-19 infection.
- **Ventilation** for 15 minutes every 3 hours of the work and public reception areas should be organised if possible, otherwise an adequate supply of fresh air should be ensured through the ventilation system.

France - Measures no longer in force

NEW

The MEF has issued a state credit warranty mechanism for all enterprises and the HCSF has released the CCyB

Regulator	Measures	Details
ACPR	**Extension of deadlines**	• The French Prudential Supervision and Resolution Authority (ACPR) announced that the deadlines for regulatory reporting which expire between March 12th and the end of the state of health emergency (plus one month) are **postponed to the end of this period, up to a maximum of two months**.
FBF	**6 months deferral of credit repayments**	• Several measures have been decided by the French Banking Federation (FBF) to be applied by all banks such us **6 months deferral of credit repayments** and **suppression of penalties**, among others. From August, they are offering a seasonal PGE to companies in tourism-related sectors affected by the crisis.

1. Since May 8th this loan can be obtained from a loan platform with the status of intermediary in crowdfunding (IFP)

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Annex I

Germany - Measures no longer in force

The German Government has started to lift restrictions as the health situation is improving. The measures that are no longer in force are listed below

Contingency measures

- Public gatherings of members of **one household with members of one further other household** are permitted.
- Further steps for a gradual **reopening of schools** and **day-care centers** are provided. A flexible and gradual expansion of emergency care should be introduced in all federal states by the 11th of May at the latest.
- **Major events remain prohibited** until at least the 31st of August 2020.
- The gradual **opening of restaurants and hotels** (as well as further public establishments, as indicated in the document) will be handled by the States.
- Further de-escalation measures may be issued in the first week of June, depending on the evolution in the spread of the pandemic over the following weeks.

Economic measures

- For employees (with children) that reduced their working hours by at least 50%, the **short-time work allowance** will increase from 60% (67% with children) to 70% (77% with children) of the previous net wage starting on the 4th month and to 80% (87% with children) from the 7th month on.
- **Protection against dismissal for Corona-related rent arrears**.
- **Payment arrears** from April 1 to June 30, 2020 do not entitle the landlord to terminate the contract for a period of 24 months.

A | Annex I

Germany - Measures no longer in force

NEW

The German Government has stopped lifting restrictions and prolonged several of them as the number of infections have started to rise again

Contingency measures

- Social contacts are to be kept to a minimum and to a constant circle of people, gatherings are better to be held outdoors
- The use of an **application for contact tracing**, as well as the provision of own data in order to improve the application, should be decided on a voluntary basis by each citizen.
- The **distance regulation of 1,5 meters in public areas** and the requirement to wear masks in certain public areas, public transport and supermarkets will remain in force.
- Major events where contact tracing and compliance with hygiene regulations is not possible should not take place until at least the end of December 2020.
- Companies must stick to the implemented **hygiene plans**. Where possible, working from home should be continued. Unnecessary contacts within the workforce and with customers are to be avoided
- Further contingency measures, as well as the opening of cultural institutions, events and private celebrations are issued on a state-by-state basis.

Economic measures

- **Protection against dismissal for Corona-related rent arrears**.
- **Payment arrears** from April 1 to June 30, 2020 do not entitle the landlord to terminate the contract for a period of 24 months.

A | Annex I

Germany - Measures no longer in force

The German Government has stopped lifting restrictions and prolonged several of them as the number of infections have started to rise again

Contingency measures	Economic measures
• In the future, tests on a larger scale will also be possible for people who do not show signs of illness. The tests will be paid by the public health insurance ("Krankenkassen"). • Customs monitors compliance with the EU export ban for protective masks, goggles and protective suits. • The government has pledged a further 500 million euros for reliable digital homeschooling services if it is not possible to provide classroom lessons.	

Germany - De-escalation plan (1/2)

NEW

De-escalation measures are subject to the evolution of the pandemic and may be reversed if the health crisis get worse

Germany has currently stopped easing contingency measures as the number of new infections has increased. Further de-escalation measures may be issued depending on the evolution of the spread of the pandemic over the following weeks.

De-escalation measures

- Public gatherings of several households are permitted.
- All shops, independent of size, may reopen in compliance with the hygiene requirements and access control.
- All restaurants and hotels may reopen in compliance with the hygiene requirements and access control.
- Criticality thresholds for infection rates will be monitored by the government. In case of a rise in the number of cases, de-escalation measures may be reversed, subject to the discretion of the federal government.
- The federal states decide on the opening of cultural institutions, events and celebrations.

Continuing limitations

- The social distancing of 1,5 meters in public areas and the requirement to wear masks in certain public areas will remain in force until further notice.
- Every company must maintain the implemented hygiene plan. Where possible, working from home should be continued.
- Major events remain prohibited until at least the 31st of December 2020.

A | Annex I

Germany - De-escalation plan (2/2)

Due to the global COVID-19 pandemic economic activities in Germany have decreased. To countermeasure this trend the German Government has introduced the following policies

The economic stimulus package intends to have a stimulating effect on the economy as a whole, short-term and long-term

Tax aid laws

- The VAT rate will be reduced from 1 July to 30 December 2020
    - Regular VAT rate will be reduced from 19% to 16%
    - Reduced VAT rate will be reduced from 7% to 5%
- Families will receive a one-off payment of 300 euros per child. This bonus is taxed, but is not deducted from social welfare benefits
    - Increase of the tax allowance for single parents from 1.908€ to 4.008€ per year in 2020 and 2021
- To companies, the following changes apply:
    - Increase in tax loss carryback to €5 million and €10 million for joint taxation cases in 2020 and 2021
    - Permission of declining depreciation for operating assets in 2020 and 2021
    - Increase of the tax base for financing of research activities to €4 million per year per company until the end of 2025

Further Aids

- Electricity prices will be reduced from 2021 onwards. The national budget will subsidize and thereby decrease the EEG (Erneuerbare-Energien-Gesetz) levy which promotes green electricity plants
- The Deutsche Bahn will receive 5 billion euros to increase its equity capital
- Local public transport is to receive an additional 2,5 billion euros
- Sectors that have been particularly affected can claim up to a maximum of 25 billion euros

England - Measures no longer in force

The UK Government together with the economic regulators are keen to support individuals, businesses and corporations through the pandemic and have set out a list of guidelines and measures to address the challenges of Covid-19

Contingency measures

- Guidance published by the Government to help employers, employees and the self-employed **understand how to work safely during the coronavirus pandemic.**
- Individuals in England are allowed to meet one other person from outside their household if they stay outdoors. People need to follow social distancing guidance by keeping more than 2m (6ft) apart from anyone they don't live with.
- From 28 May, people **in Scotland** will be able to use outdoor spaces for recreation and play sports. **In Wales** people are still advised to restrict their time outdoors, and to start and finish exercise from home. **In Northern Ireland**, groups of up to six people who do not share a household can now meet outdoors , with social-distancing measures in place.
- **From June 1st** outdoor markets and car-show rooms are open.
- In England, households containing one person, or one adult and children, can form a **support bubble** with another household. The second household can contain any number of people.
- In Scotland, **eight people** from two different households can now meet up outdoors if they maintain social distancing.

Economic measures

- The Monetary Policy Committee increase its holdings of UK government and corporate bonds by £200 billion.
- Through the Term Funding Scheme with additional incentives for SMEs (TFSME), **BoE is offering banks and building societies long-term funding at interest rates at, or close to, 0.1%.**
- Coronavirus Job Retention Scheme promotes that any UK employer, regardless of size and sector, can **receive government funding to cover 80% of an employee's salary or wage**, up to a maximum of £2,500 per month, if they are furloughed but kept on the payroll in connection with the pandemic.
- Coronavirus Job Retention Scheme promotes that any UK employer, regardless of size and sector, can **receive government funding to cover 80% of an employee's salary or wage**, up to a maximum of £2,500 per month. From 1 August 2020, the level granted will be reduced each month.

A

Annex I

England - Measures no longer in force

The UK Government together with the economic regulators are keen to support individuals, businesses and corporations through the pandemic and have set out a list of guidelines and measures to address the challenges of Covid-19

Contingency measures	Economic measures
• In Northern Ireland, up to **six people** who are not in the same household can meet while socially-distancing outdoors. • People arriving in the UK **must self-isolate for 14 days** from 8 June to help slow the spread of coronavirus. • In England, households are able to meet indoors in groups of up to two households, forming a **support bubble.** Outdoors, groups of up to six people can meet. • In Scotland, from the 10th of July, people can meet in groups of up to **15 people** outdoors, with the advise to maintain social distance. • In Wales, **any number of people** from two different households can now meet outdoors while maintaining social distance. • In Northern Ireland, up to **30 people** who are not in the same household can meet while socially-distancing outdoors.	

A | Annex I

England - Measures no longer in force

NEW

The UK Government together with the economic regulators are keen to support individuals, businesses and corporations through the pandemic and have set out a list of guidelines and measures to address the challenges of Covid-19

Contingency measures

- The government has set out a plan to **return life to as near normal**, for as many people, as quickly and fairly as possible in order to safeguard livelihoods, but in a way that is safe and continues to protect the public health service**.**
- Social gatherings of more than six people in England will not be allowed in law from 14 September. The new rule applies to people in private homes, indoors and outdoors, and places such as pubs, restaurants, cafes and public outdoor spaces.
- In Scotland, up to 8 people from 3 different households can meet indoors.
- In Wales, up to 4 households can form an "extended household" to meet indoors.
- In Norther Ireland, up to 6 people from 2 different households can meet indoors.
- In all four nations, permitted numbers of people includes children, and social distancing remaining **2m apart** from others.
- **Non essential retail business** are allowed to open.

Economic measures

- From 1 September, the government will pay 70% of wages up to a maximum cap of £2,187.50 for the hours the employee is on furlough. Employers will top up employees' wages to ensure they receive 80% (up to £2,500).

Annex I
England - De-escalation plan

The UK has been one of the most impacted countries in the UK and is finally recovering at a slow pace, and therefore has set a strict de-escalation plan that is continuously reviewed

- The Government has defined **five alert levels** to decide how tough social distancing measures should be:
  - Level five - a "material risk of healthcare services being overwhelmed" - extremely strict social distancing
  - Level four - a high or rising level of transmission - enforced social distancing
  - Level three - the virus is in general circulation - social distancing relaxed
  - Level two - the number of cases and transmission are low - minimal social distancing
  - Level one - Covid-19 is no longer present in the UK - no social distancing

- According to the most recent figures, and always in compliance with the alert levels defined, the de-escalation plan has the following steps:
  - **Step 1: From 13th of May:**
    - Work from home if you can – but if you can't, you may be able to return to your workplace.
    - Unlimited exercise outdoors.
    - Meet a friend outdoors – but stay 2m apart.
  - **Step 2: From 1st of June:**
    - Phased return for nursery and some primary. This means, Reception, Years 1 and 6. Secondary pupils in Years 10 and 12 may be able to meet teachers.
    - Phased reopening of non-essential shops.
    - Sport may begin behind closed doors.
  - **Step 3: From 4th of July**: Some pubs and restaurants, also hairdressers and beauty salons may reopen. Leisure facilities, like cinemas, and places of worship could reopen.

- People arriving in the UK must self-isolate for 14 days from 8 June to help slow the spread of coronavirus.

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Annex I

England - De-escalation plan

Lately, the UK has reported a constant decrease in the number of infections and deaths related to the Coronavirus and lockdown measures are being eased further

- According to the most recent figures, and always in compliance with the alert levels defined, the de-escalation plan has the following steps:
  - **From 13th of May:**
    - People are allowed to form a 'support bubble' with one other household if they live alone or are a single parent with dependent children. Support bubbles are exclusive. This means one you should not switch the household you are in a bubble with or connect with multiple households
  - **From 15th of June:**
    - People are allowed to visit any type of shop and some additional outdoor attractions - drive-in cinemas, and animal attractions like zoos, farms and safari parks
    - Year 10 and 12 pupils in secondary schools and further education colleges will begin to receive some face to face support
    - People will have to wear a face covering on public transport
  - **From 15th of June:**
    - People are allowed to visit any type of shop and some additional outdoor attractions - drive-in cinemas, and animal attractions like zoos, farms and safari parks
    - Year 10 and 12 pupils in secondary schools and further education colleges will begin to receive some face to face support
    - People will have to wear a face covering on public transport
  - **From 1st of August:**
    - Employers can discuss with staff whether it is safe to return to their workplace
    - Most remaining leisure centres can reopen
  - People will still be able to meet outdoors with groups of up to six people from different households, provided social distancing is observed and you stay 2 metres away from anyone outside your household or support bubble.

- People arriving in the UK must self-isolate for 14 days from 8 June to help slow the spread of coronavirus.

England - De-escalation plan

The UK continues to report low Covid-19 infection rates. However, the plan is to control infections at a localised level as opposed to nationwide lockdowns

- According to the most recent figures, and always in compliance with the alert levels defined, the de-escalation plan has the following steps:
  - **From 24th of July:**
    - Face coverings must be worn in enclosed public spaces in England. This includes shops, supermarkets, shopping centres, banks, building societies and post offices. It extends to train and bus stations and airports.
  - **From 25th of July:**
    - Gyms, fitness centres, indoor pools and dance studios can reopen
  - **From 15st of August:**
    - Indoor performances with live audiences - including in theatres and sports stadiums - can resume if pilots are successful
    - Wedding receptions for up to 30 people can resume, in the form of a sit-down meal
    - Remaining close contact services, including any treatments on the face such as eyebrow threading or make-up application
    - Bowling lanes, skating rinks, casinos and beauticians can reopen as long as they have measures in place to reduce COVID-19 transmission
  - **From 1st of September:**
    - Schools, nurseries and colleges will open for all children and young people on a full-time basis
    - Universities are working to reopen as fully as possible

England - De-escalation plan

The UK continues to report low Covid-19 infection rates. However, the plan is to control infections at a localised level as opposed to nationwide lockdowns

- **From 1st October:**
  - Audiences may be able to return to sports stadiums following pilot projects
  - Conferences and business events may be allowed to restart
- **From November:**
  - The ambition is to scale back remaining social distancing measures, but this is contingent on a number of factors, including consideration of the specific challenges as we move into winter.

- The UK government has established travel corridors for people to be able to travel and return to the UK without having to self-isolate for 14 days. A full list of countries or territories in the exempt list can be found here.

The Bank's three policy committees (Monetary Policy Committee, Financial Policy Committee and Prudential Regulation Committee) announced a comprehensive and timely package of measures to help UK businesses and households bridge across the economic disruption

Regulator	Measures	Details
PRC	**Statement by the PRA accompanying measures announced by the FPC**	• The PRA expects firms to ensure that any proposals or discussions relating to potential dividend or share buybacks are undertaken in a manner consistent with **firms' safety and soundness** and subject to a **transparent governance process**.

The FCA has published a Guidance for insurance firms on product value and coronavirus which sets out its expectations for insurers and insurance intermediaries to consider the value of their products in light of the exceptional circumstances arising from COVID-19

Regulator	Measures	Details
FCA	**Guidance for insurance firms on product value**	• Firms need to have **completed this review of their product lines and decided on any resulting actions by no later than 6 months** from the date of publication of this guidance.
FCA	**Guidance for firms on mortgages**	• **Training, monitoring, record keeping and Credit Reference Agency reporting**. The guidance set out several actions which firms should carry out such as keeping records of how any process was designed sufficient to demonstrate that the options presented were consistent with customers' best interests, or recording and monitoring initial and further payment deferrals offered, including any alternative measures provided, as well as any issues which might impede customers' ability to access the assistance required, among others. • **Firms should not commence or continue repossession** proceedings against customers before 31 October 2020.

The FCA has issued a temporary Guidance for insurance, premium finance and payment firms to help qualifying customers to reduce the impact of temporary financial distress

Regulator	Measures	Details
FCA	**Guidance for insurance and premium finance firms**	• The FCA expects firms to grant customers a **payment deferral** unless it is obviously not in the customer's interests to do so. The payment deferral period should be for a period of **between 1 and 3 months**, though firms can go beyond 3 months should they wish to do so, and it is in the customer's interests.
	Guidance for payment and e-money firms	• This proposed guidance establishes that **prudential risk management** includes areas such as governance and control and Liquidity and capital stress testing.

1. Electronic Money Regulations 2011 (EMRs)
2. Payment Services Regulations (PSRs)
3. Guidance for payment and e-money firms (FCA)

NEW

The PRA and FCA have issued some policy measures to address the economic challenges of COVID-19 on the financial sector

Regulator	Measures	Details
PRA	**Application of regulatory capital and IFRS 9 requirements to payment holidays**	• Update - May 29th - BoE statement on the application of regulatory capital and IFRS 9 requirements to payment holidays granted or extended to address the challenges of Covid-19: This statement provides guidance on how lenders should treat borrowers at the end of the initial deferral period (exit form or extension of deferrals).
FCA	**Feedback on draft guidance and rules (motor finance and high cost credit products)**	• The rules and guidance come into effect on 17 July and expire on 31 October 2020.

The Bank of England has extended the CTRF and updated theTFSME in order to support the BBLS

Regulator	Measures	Details
BoE	**Extension of the Contingent Term Repo Facility**	• The BoE will continue to offer 1-month term CTRF[1] operations on a weekly basis at least through June 2020, with operations currently scheduled to end on 26 June.
	Extension of Contingent Term Repo Facility	• Bank of England has discontinued 1-month CTRF at the end of June 2020. • BoE has discontinued its 3-month term CTRF by the end of May.

1. Contingent Term Repo Facility (CTRF)
2. Term Funding Scheme with additional incentives for Small and Medium-sized Enterprises (TFSME)
3. Bounce Back Loans Scheme (BBLS)

The PRA has published a Statement on credit risk mitigation eligibility and leverage ratio treatment of loans under the BBLS with the aim of setting out the PRA's observations on the risk-weighted treatment of exposures under the UK Government's BBLS

Regulator	Measures	Details
Financial Services Regulatory Initiatives Forum / FCA	**Grid to help financial firms' planning**	• The Financial Services Regulatory Initiatives Forum have published a **Regulatory Initiatives Grid** which sets out the planned regulatory workplan over the next twelve months, till April 2021. • This Grid includes the **actions that regulators have taken to defer initiatives in response to COVID-19**.

The FCA has published a Guidance for insurance firms on product value and coronavirus which sets out its expectations for insurers and insurance intermediaries to consider the value of their products in light of the exceptional circumstances arising from COVID-19

Regulator	Measures	Details

FCA	**Guidance for insurance firms on product value**	• Firms should consider whether and how coronavirus may have **materially affected the value of their insurance products**. The effects of coronavirus may mean that:
		  ◦ Firms are no longer able to provide expected contractual benefits.
		  ◦ There has been a reduction in the chance of underlying insured events happening.
		• Where firms identify something that could materially affect the value of the product they should **consider the appropriate action to take**. This could include delivering benefits in a different way, the provision of alternative, comparable benefits, reducing premiums for the duration of the change in value, or partial refunds of premiums already paid.
		• **This guidance takes effect from 3 June 2020. Firms should complete their review of product lines and decided on resulting actions by no later than 3 December 2020.**

The FCA proposes a guidance to remove barriers to intra-group switching and helping borrowers with maturing interest-only and part-and-part mortgages.

Regulator	Measures	Details
FCA	**Consultation on mortgages**	• The economic conditions caused by Covid pandemic have resulted in lenders removing products from the mortgage market, leaving existing borrowers with fewer switching options. This market conditions have also made it more difficult for borrowers looking to repay the outstanding capital on their interest-only and part-and-part mortgages. • The proposed guidance would help borrowers who have a maturing interest-only or part-and-part mortgage and who are currently up to date with payments to delay repayment of the outstanding capital on their mortgage until 31 October 2021.

Insurance companies play a key role within the financial sector and are expected by regulators to collaborate accordingly through the pandemic

Regulator	Measures	Details
FCA	**Expectations of the FCA (Coronavirus and customers in temporary financial difficulty: updated guidance for insurance and premium finance firms)**	• The FCA has published a statement on what it expects insurers and brokers to do during the pandemic. **Firms should consider the needs of their customers and show flexibility** in how they are being treated during this time, particularly as policyholders will have to change their behaviour during the pandemic. **Firms must have plans in place to mitigate the operational impact** of the virus. Senior Managers should be given responsibility for **business continuity and managing the impact of coronavirus**. The FCA has in particular raised concerns about: the **treatment of policyholders** at renewal, mid-term adjustments and product suspensions.

NEW

The FCA has issued three temporary Guidances for firms which cover personal loans, overdraft and credit cards (including retail revolving credit) with the aim of protecting consumers

Regulator	Measures	Details
FCA	**Personal loans temporary guidance**	• Firm should **continue to** grant the customer a payment deferral for **3 months**. • If this payment deferral is not considered appropriate, firms should offer **other ways** (e.g. reduced payments or rescheduled term) to provide temporary relief.
	HCSTC loans temporary guidance	• Firm should grant the customer a payment deferral for **at least 1 months**.
	Motor finance agreements temporary guidance	• Firm should **continue to grant** the customer a payment deferral for **3 months**. (guidance expires 31 October 2020)
	Guidance for firms on mortgages	• [Update August]: The FCA has published a new 'Draft Guidance': where customers who have benefitted from payment deferrals under the June guidance and remain in financial difficulty, FCA considers that they will need more tailored support. Tailored support will also apply to those newly affected by coronavirus. The FCA expects comments from stakeholders on the Draft by 1st of September 2020 [nothing has been published yet about this feedback]. This new guidance has not yet come into force.

The Fed has expanded the MSLP and the PPPLF in order to facilitate the granting of loans to SME's during the pandemic

Regulator	Measures	Details
Fed	**Updates on TALF and PPPLF**	• The Fed will **disclose** the name of each participant in TALF and PPPLF; the amounts borrowed, interest rate charged, and value of pledged collateral; and the overall costs, revenues, and fees for each facility. • The Fed updated the information regarding **borrower and collateral eligibility criteria** for the TALF.
FDIC	**Mitigate the Deposit Insurance Assessment Effect of participation in the PPP, the PPPLF, and the MMLF**	• The **FDIC proposes** to: ○ exclude PPP loans held by an IDI from its loan portfolio for purposes of calculating the IDI's deposit insurance assessment rate. ○ exclude loans pledged to the PPPLF from total assets and to exclude borrowings from the Fed Banks under the PPPLF from total liabilities when calculating an IDI's deposit insurance assessment rate. ○ apply different approaches in the calculation of the LMI for small banks, and in the calculation of the growth-adjusted portfolio concentration measure and loss severity measure for large or highly complex banks. ○ exclude the quarterly average amount of loans pledged to the PPPLF and the quarterly average amount of assets purchased under the MMLF from the calculation of the unsecured debt adjustment, depository institution debt adjustment, and the brokered deposit adjustment.

1. Small Business Administration's (SBA)

A | Annex I

USA - Measures no longer in force

FRB to maintain current schedule of prices for most Federal Reserve Bank payment services

Regulator	Measures	Details
FRB	**FRB to Maintain Current Schedule of Prices for Most Federal Reserve Bank Payment Services**	• Later in 2020, the Board will issue a notice in the Federal Register of final fee schedules, effective January 2, 2021, for priced services. • The FRB announced the second round of Covid Stress Tests with results released by end of the year.

A | Annex I

Argentina - Measures no longer in force

NEW

The Government of Argentina has taken contingency and economic measures such as social, preventive and compulsory isolation and the prohibitions of dismissals

Contingency measures	Economic measures
	• **Prohibition of dismissals** until September 2020.

A | Annex I

Chile - Measures no longer in force

NEW

The Government of Chile has taken contingency and economic measures such as quarantine in some specific areas and tax reliefs

Contingency measures	Economic measures
• **Suspension of in-person** classes in all levels of education.	

Chile - Measures no longer in force

Chile initiates a gradual process of de-escalation in the región of de los Ríos and Aysén, where the current incidence rate of cases is the lowest in the country

- De-escalation plan follows in in the region of de los Ríos and Aysén the following measures:
  - **From 6th of July:**
    - Cinemas and theatres will be allowed to operate at up to 25% of their capacity
    - Restaurants and Coffee shops will be able to operate up to 25% of their capacity
    - Elective non-critical surgeries may be scheduled
    - Sports events are allowed indoors for a maximum of 10 people and outdoor for a maximum of 50 people. Audience is however not permitted
    - Adults over 75 years old may go for a walk once a day, with the corresponding permission
    - A Sanitaire Cordon will be established in the region to protect the health of the residents and to strengthen the measures of decontamination.

Colombia - Measures no longer in force

The Government of Colombia has taken contingency measures like the closure of its borders

Contingency measures	Economic measures
• **Declaration of emergency alert** until 31 August. • **Declaration of economic, social and environmental alert**. • **Preventive isolation of all persons until Aug 1st** • Guarantee of the **public service of transport** of **postal services** and **distribution** of **packages**. • **Suspension of domestic transport by air**. • **Closure** of commercial establishments, cultural facilities, recreational establishments and restaurant activities. • **Orange alert declaration** in the Bogota hospital network.	

A | Annex I

Colombia - Measures no longer in force

The spread of COVID-19 has been unequal in the different Latin American countries, and with it the measures that each country has taken to address the situation

Regulator	Details
Colombia	• Resolution 305 of March 17, 2020, by which it is established that from March 17, 2020 and until April 8 of the same year, inclusive, the terms of the administrative actions carried out by the SFC will be suspended, with exception to the terms of the actions regarding state contracting.

Peru - Measures no longer in force

NEW

The Government of Peru has removed some of the economic temporary measures

Contingency measures

- Extend the State of National Emergency declared by Supreme Decree No. 146-2020-PCM, from Tuesday, September 1, 2020 to Wednesday, September 30, 2020, due to the serious circumstances that affect the life of the Nation as a result of COVID -19.
- Children under the age of 14 will not be allowed outside for any period of time, and adults 65 and older must remain indoors except when absolutely necessary.
- As of September 1, the departments of Cusco, Moquegua, Puno and Tacna will enter into a targeted quarantine throughout their jurisdiction due to the high incidence of coronavirus infections (COVID-19). The focused quarantine also includes 46 provinces of 14 other departments. The measure will be in effect until September 30.
- The compulsory social immobilization is provided from 22:00 to 04:00 the next day, from Monday to Saturday. on Sunday social immobilization necessarily lasts 24 hours, as in the entire national territory.

Economic measures

- Arranca Peru consists of an economic injection to four sectors that execute infrastructure issues: Transport and Communications, Housing, Agriculture, and Labor. In total, it is an investment of 6,436 million soles.
- Transporte y Communications will receive 3,987 million soles for the maintenance of the national and neighborhood road network. Housing will receive 535 million soles for the construction of new homes and 937 million for the intervention of public spaces. Agriculture will receive 373 million soles for the improvement of water catchment systems and irrigation channels, as well as the maintenance of irrigation channels and drains. Lastly, Labor will receive 694 million soles.

Peru - Measures no longer in force

NEW

The Government of Peru has removed some of the economic temporary measures

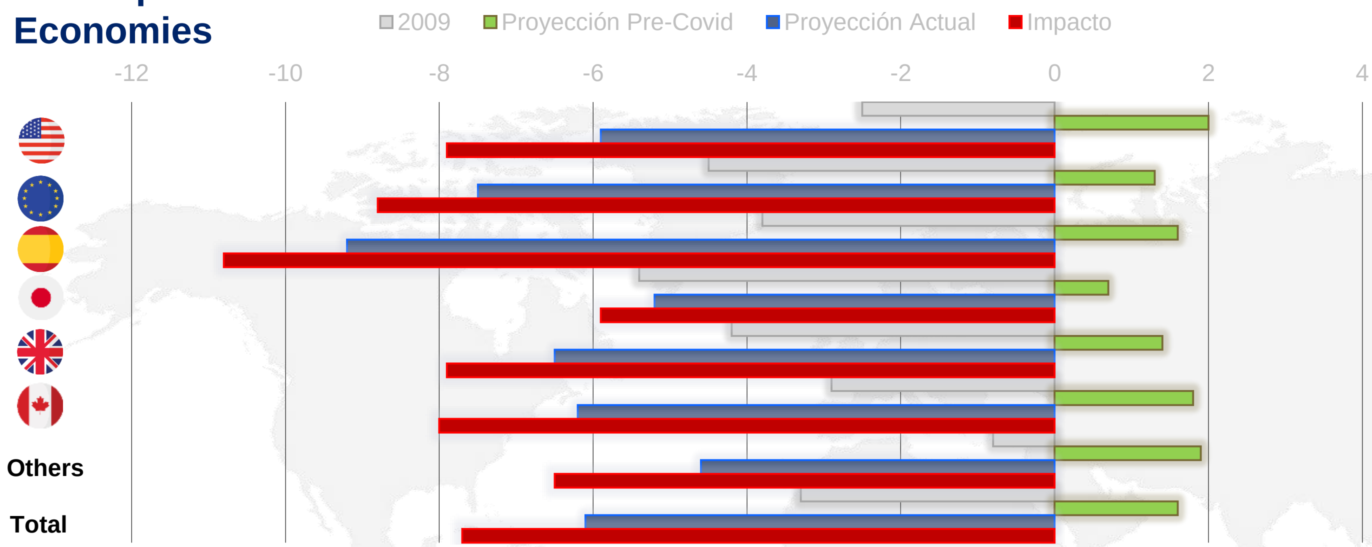
Contingency measures	Economic measures
	• Create the Business Support Fund for the MYPE of the Tourism Sector (FAE-TURISMO), up to the sum of S / 500,000,000.00, which aims to guarantee the credits for working capital of the MYPE that carry out activities of lodging establishments, inter-provincial land passenger transport, tourist transport, travel and tourism agencies, restaurants, leisure activities, organization of congresses, conventions and events, tourist guide, and production and commercialization of crafts.

IMF projections – Previous scenarios

In April, the impact[1] of the COVID-19 was estimated at 7.7 points of GDP in developed economies, as a result, estimated growth was expected to fall from 1.6% to -6.1%. In the case of emerging economies, the impact was also high, with growth expected to drop from 4.4% to -1% by 2020

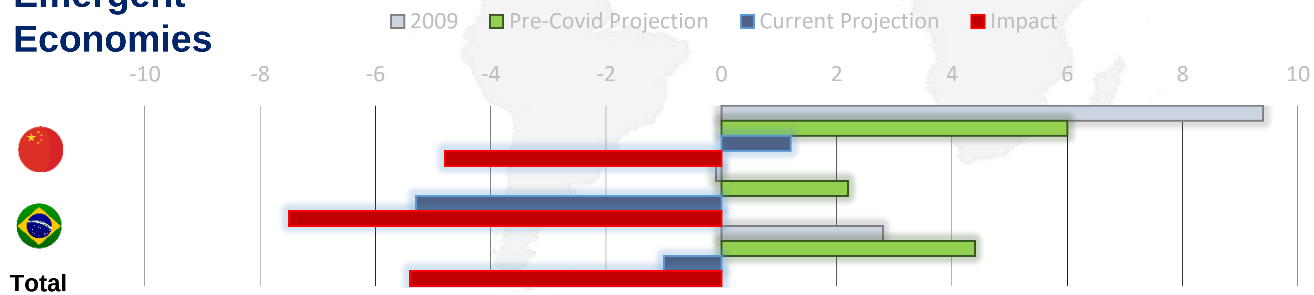
General Overview

Developed Economies



- In the case of the developed economies, the impact recorded is about 7.7 points, expecting an **aggregate decrease** in these economies of **6.1%** by 2020.
- The **greatest impact and decrease are recorded in Spain**, these being 9.6 points and -9,2% respectively.
- Japan, despite having a baseline scenario with lower growth prospects, is the economy with the least impact. The **expected GDP contraction is -5.2%.**

Emergent Economies



- In emerging economies the impact **contrasts** with the performance observed in the **2008** crisis.
- In this case, the total of emerging economies shows a decrease in GDP, with **Brazil being the economy that shows the greatest impact.**

1. Bibliography on impact and scenarios can be found in the annex

Source: IMF and and Spain Ministry of Economy

A | Annex II

ECB Reference Scenarios - Previous scenarios

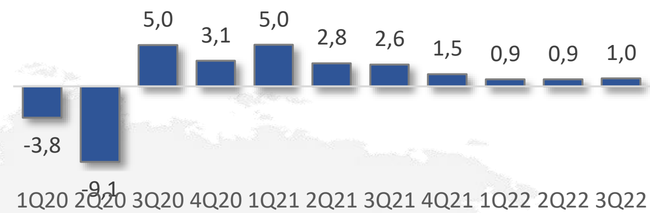
The ECB presented three different scenarios at the beginning of May to illustrate the range of likely impacts of the COVID-19 pandemic on the euro area economy

Scenarios

Mild

- **Confinement:** Ends in the course of May 2020.
- **Labor Activity:** Gradual normalization after the confinement.
- **Economic Loss:** Temporary.

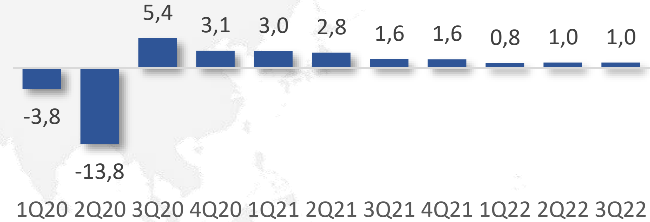
Mild: Impact on the economy (GDP QoQ %)



Medium

- **Confinement:** Ends in the course of May 2020.
- **Labor Activity:** Strict containment measures delay the return to normal labor activity.
- **Economic Loss:** Persistent until the return to normal activity.

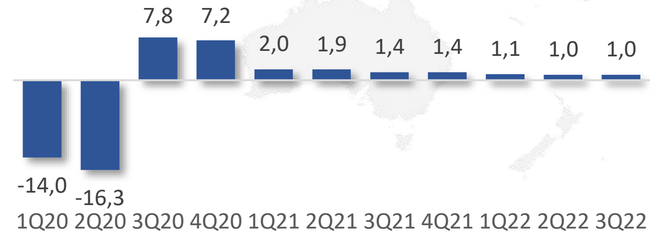
Medium: Impact on the economy (GDP QoQ%)



Severe

- **Confinement:** Ends in the course of June 2020.
- **Labor Activity:**. It is not fully achieve until the virus is contained. This dampens the economic activity across sectors.
- **Economic Loss:** Permanent due to the economic stalemate.

Severe: Impact on the economy (GDP QoQ%)



Source: ECB

Annex II

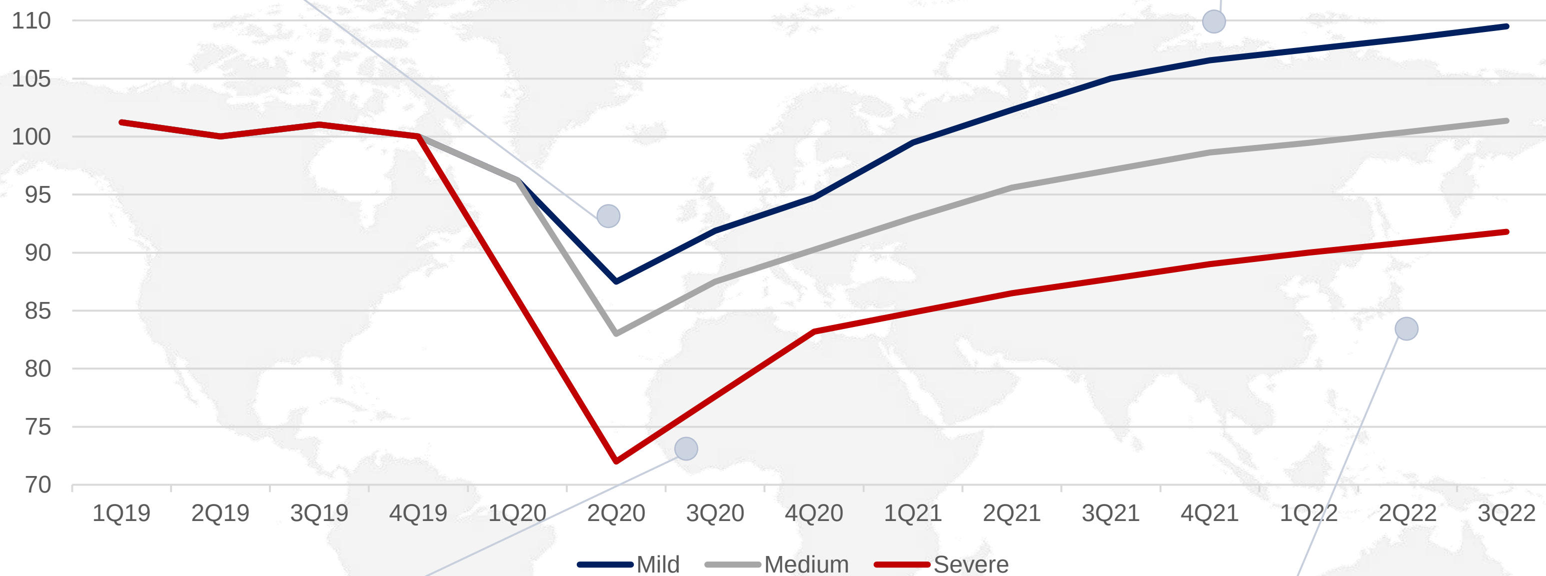
Reference Scenarios: ECB GDP - Previous scenarios

In all the three initially proposed scenarios, Euro area GDP was expected to plummet in the short term, while effective containment measures were expected to be crucial to ensure a robust recovery

Euro area real GDP

The lockdown ends in May in the mild and medium scenarios. However, in the latter, subsequent containment measures are to be stricter and more durable, causing a delay in returning to normal labor activity.

The uncertainty about the epidemiology of the virus, the various effects of the containment measures and the assumption of persistent economic damage, weigh on the recovery of GDP under the medium and severe scenarios.



It takes longer to stop the spread of the virus in the sever scenario and therefore, the confinement does not end until summer. As a consequence, the restrictions are greater and the recovery of the economic activity slower.

During 2022, real GDP returns to the levels observed during 2019 in the medium scenario and exceeds them at the mild one. This does not happen in the severe scenario due to the duration and the effect of the stagnation in the economic activity

Source: ECB

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Annex II

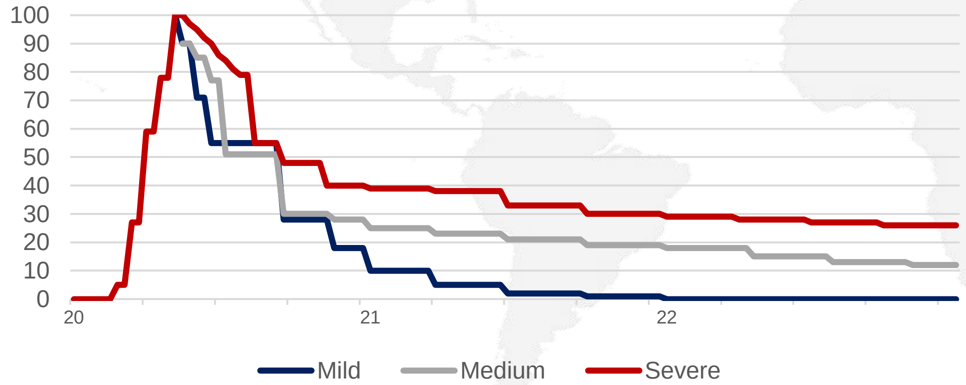
Reference Scenarios: ECB Sectorial analysis - Previous scenarios

The total economic loss implied during the lockdown in the first quarter was estimated to amount to around 30%[1] of value added relative to the normal level of activity. Nonetheless, given the stringency of the containment measures, they were expected te keep on weighting on the economy

Sectorial Analysis

Sector	Initial Loss
Agriculture	10%
Industry	40%
Manufacturing	40%
Construction	40%
Retail trade, transport, accommodation, food service activities	60%
Information, communication	10%
Financial and insurance activities	10%
Real estate activities	20%
Professional, scientific, administrative and technical activities	30%
Public administration	10%
Arts, entertainment, recreation and other services	30%

Time profile of indicative losses in gross value added



- The collapse in the economic activity is initially strongest in the services sector (retail business, transportation, accommodation and food service). However, containment measures also have quite impact on other sectors such as industry, manufacturing and construction.
- However, under the proposed scenarios, containment measures are expected reduce their sectoral impact as a result of the response given by the agents to minimize the economic disruptions.
- The combination of the above, allows for the calculation of a temporary indicative loss profile represented as a percentage of the maximum sectoral loss (expected in early April), resulting from the effect of the implemented containment measures.
- This effect will disappear in the mild scenario in late 2021 but will continue to have a negative impact on economic activity in the medium and severe scenarios during 2022.
- For example, the transport sector, whose maximum and initial loss is 60%, at the beginning of 2022 will still be 12% and 18% away of reaching the added value relative to a normal activity level, in the medium and severe scenarios respectively.

Source: ECB

[1]This percentage depends on the country

Reference Scenarios: Bank of Spain scenarios - Previous scenarios

On April the 20th, the Bank of Spain presented three different scenarios a as a consequence of the Covid-19 in which GDP is reduced by between 6.8 and 12.4

Scenarios

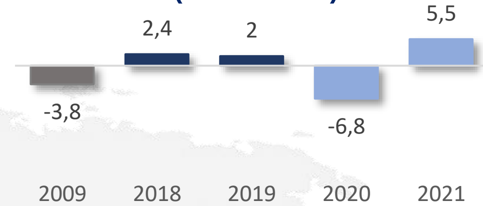
1

Confinement: 8 weeks period

Physical Distancing: Almost complete normalization after confinement

Labor activity: Permanent loss of jobs and closure of businesses are prevented.

Scenario 1: Impact on the economy (GDP YoY %)



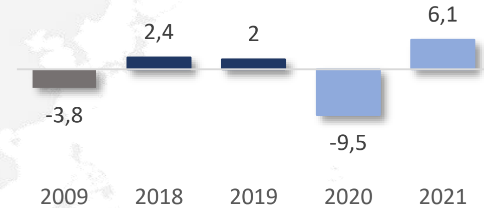
2

Confinement: 8 weeks period

Physical Distancing: Normalization almost complete in the last quarter

Labor activity: Liquidity traps are transformed into solvency problems for a certain proportion of companies

Scenario 2: Impact on the economy (GDP YoY %)



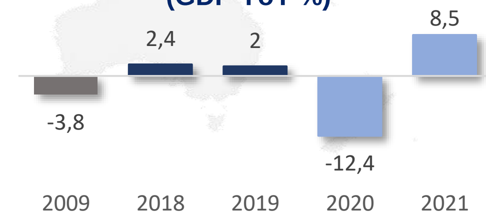
3

Confinement: 12 weeks period

Physical distancing: Incomplete normalization at the end of the year (especially in leisure and hostelry sectors)

Labor activity: Liquidity traps are transformed into solvency problems for a certain proportion of companies (greater than in scenario 2)

Scenario 3: Impact on the economy (GDP YoY %)



ManagementSolutions Making things happen

Source: Bank of Spain

Annex II

Reference Scenarios: FED scenarios – Previous Scenarios

The FED designed three different downside scenarios in April to assess the strength of banking organizations based on various sources of forecasts[1] for macroeconomic variables such as unemployment rate, GDP change and paths for the yield on 10-year Treasuries

Scenarios

V-Shaped Scenario

Epidemiological evolution: No resurgence of the virus considered and no prolonged social distancing measures required.

Recovery rate: Rapid.

Economic reactivation: It regains much of the output and employment lost by the end of 2020. Sustained reactivation during 2021 and 2022.

Macroeconomic indicators		
Peak unemployment rate	Peak-to-trough GDP change	Lowest 10-year Treasury rate
19.5	**-10.0**	**0.8**

U-Shaped Scenario

Epidemiological evolution: No resurgence of the virus considered but possible prolonged social distancing measures required.

Recovery rate: Slow.

Economic reactivation: Only a small share of lost output and employment is regained in 2020. The reactivation is not solid until 2023.

Macroeconomic indicators		
Peak unemployment rate	Peak-to-trough GDP change	Lowest 10-year Treasury rate
15.6	**-13.8**	**0.6**

W-Shaped Scenario

Epidemiological evolution: Resurgence of the virus in winter 2020 including the possible requirement of social distancing measures again.

Recovery rate: Intermittent in two steps due to the winter outbreak.

Economic reactivation: It recovers towards the end of 2020 but it is hit again with the new outbreak of the virus in winter, resulting in a second recession not as deep but longer lasting until the end of 2021.

Macroeconomic indicators		
Peak unemployment rate	Peak-to-trough GDP change	Lowest 10-year Treasury rate
16.0	**-12.4**	**0.5**

Source: FED

[1]Blue Chip forecasts from April 2020

Reference Scenarios: Bank of Mexico scenarios – Previous Scenarios

The Bank of Mexico designed three different scenarios in its report for the first quarter of the year as a consequence of COVID-19

Scenarios

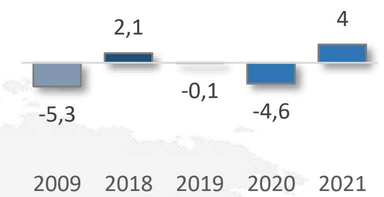
V-Shaped Scenario

Impact on the economic activity: Focused on the first semester of the year.

Recovery rate: Rapid.

Economy reactivation: During 2020 and until the beginning of 2021.

V- Shaped scenario: Impact on the economy (GDP YoY %)



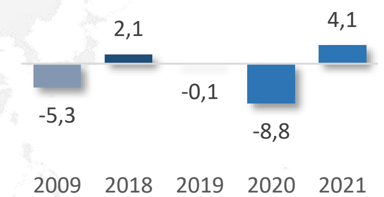
Deep V-Shaped Scenario

Impact on the economic activity: The impact persists until the third quarter of the year.

Recovery rate: Gradual.

Economic reactivation: During both 2020 and 2021.

Deep V-Shaped scenario: Impact on the economy (GDP YoY %)



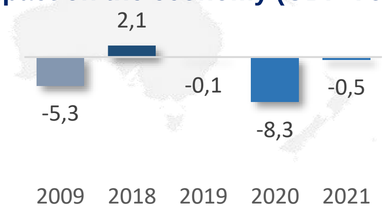
U-Shaped Scenario

Impact on the economic activity: It takes place throughout 2020.

Recovery rate: Slow.

Economic reactivation: Entirely during 2021.

U-Shaped scenario: Impact on the economy (GDP YoY %)



Source: Bank of Mexico

Complementary Scenarios: ING Base - Previous scenarios

In the base scenario the recovery will be V-shaped, with the economy recovering in 2021. Some countries will experience larger GDP contractions than those observed during the 2008 financial crisis

Base Scenario

Political Response

Confinement: Ends in summer (with country differences)

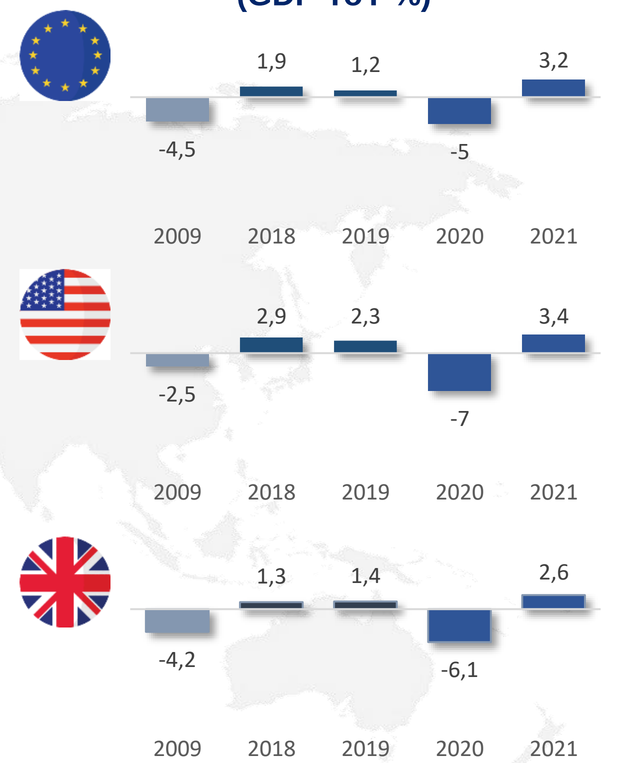
Physical Distancing: Continues for 6-12 months after the end of the confinement

Tourism and Travel: Restrictions remain in place after confinement

Labor Activity: Teleworking remains after the end of the confinement

Health Indicators: Improves the capacity to detect and track infections. Hospital capacity and treatments also improve

Economic Impact (GDP YoY %)



Source: ING

A | Annex II

Complementary Scenarios: ING Best case - Previous scenarios

In the case of the Best Case Scenario, most economies register a recession between 2% and 3%, but with an improvement in growth in 2021

Best Case Scenario

Political Response

Confinement: Ends in summer (with country differences)

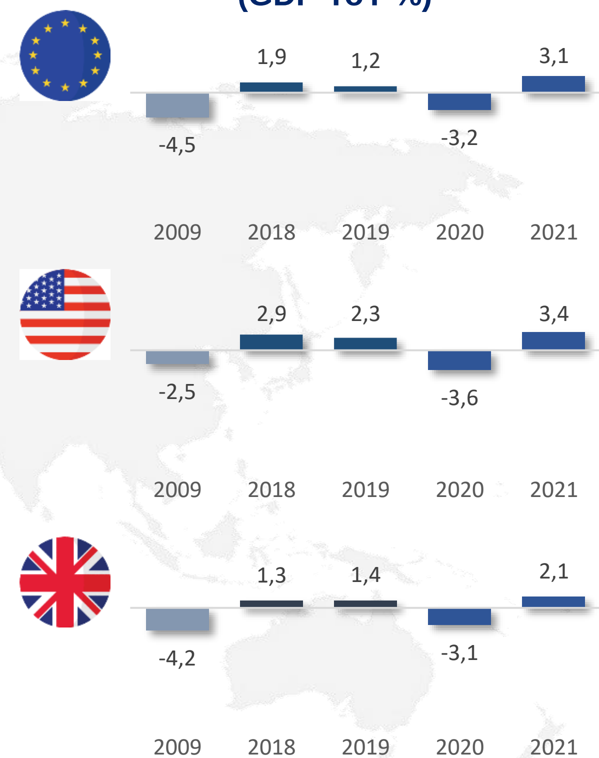
Physical Distancing: Ends at the end of the summer

Tourism and Travel: Back to a normal situation

Labor Activity: Back to a normal situation

Health Indicators: Tests reveal that a greater part of the population has passed the virus and/or the development of the vaccine is advancing.

Economic Impact (GDP YoY %)



Source: ING

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Annex III

Summary of references – Global

	Measures	Regulator	Date	Details
Global	M. F.	IOSCO	29 May 2020	IOSCO Statement on Importance of Disclosure about COVID-19
		BCBS	27 March 2020	Deferral of Basel III implementation
			3 April 2020	Measures to reflect the impact of Covid-19
		IFRS	27 March 2020	Accounting for expected credit losses applying IFRS 9 Financial Instruments in the light of current uncertainty resulting from the covid-19 pandemic
		IMF	22 April 2020	Decision to launch a New Short-Term Liquidity Line to Enhance The Adequacy Of The Global Financial Safety Net
		FSB	1 July 2020	FSB statement on the impact of COVID-19 on global benchmark reform
		FSB	15 July 2020	FSB sets out action to maintain financial stability during COVID

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)
(3) Updated to 27.03

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Annex III

Summary of references – European Union

	Measures	Regulator	Date	Details
EU	G.M. – Economic	Council	14 April 2020	Tackling COVID-19: Council adopts amended EU budget for 2020
		EC	28 April 2020	Coronavirus response: Banking Package to facilitate bank lending- Supporting households and businesses in the EU
	M.F.	ECB	22 April 2020	Steps to mitigate impact of possible rating downgrades on collateral availability
		ECB	16 April 2020	Package of temporary collateral easing measures
		ECB	7 April 2020	ECB announces package of temporary collateral easing measures
		ECB	20 March 2020	ECB Banking Supervision provides further flexibility to banks in reaction to coronavirus
		ECB	12 March 2020	ECB Banking Supervision provides temporary capital and operational relief in reaction to coronavirus
		ECB	30 April 2020	Alternative scenarios for the impact of the COVID-19 on economy in the euro area
		ESAs	04 May 2020	Final Report EMIR RTS on various amendments to the bilateral margin requirements in view of the international framework
		EBA	22 April 2020	EBA provides further guidance on the use of flexibility in relation to COVID-19 and calls for heightened attention to risks
		EBA	2 April 2020	Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis
		EBA	25 March 2020	EBA provides clarity to banks and consumers on the application of the prudential framework in light of COVID-19 measures
		EBA	12 March 2020	EBA statement on actions to mitigate the impact of COVID-19 on the EU banking sector
		ESMA	27 March 2020	Public Statement: Actions to mitigate the impact of COVID-19 on the EU financial markets regarding publication deadlines under the Transparency Directive
		ESMA	25 March 2020	Accounting implications of the COVID-19 outbreak on the calculation of expected credit losses in accordance with IFRS 9

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III
Summary of references – European Union

	Measures	Regulator	Date	Details
EU	M.F.	ESMA	16 March 2020	ESMA requires net short position holders to report positions of 0.1% and above
		EIOPA	17 April 2020	Statement on principles to mitigate the impact of Coronavirus/COVID-19 on the occupational pensions sector
		ECB	30 April 2020	Alternative scenarios for the impact of the COVID-19 on economy in the euro area
		EBA	4 May 2020	Joint RTS on amendments to the bilateral margin requirements under EMIR in response to the COVID-19 outbreak
		ESMA	6 May 2020	Reminder of firms' MiFID II conduct of business obligations in the context of increasing retail investor activity
		ESMA	20 May 2020	ESMA calls for transparency on COVID-19 effects in half-yearly financial reports
		ESMA	18 May 2020	ESMA – non-renewal and termination of short selling bans by Austrian FMA, Belgian FSMA, French AMF, Greek HCMC, Italian CONSOB and Spanish CNMV
		EBA	2 June 2020	Final Report Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis.
		ESRB	8 June 2020	The General Board of the European Systemic Risk Board takes second set of actions in response to the coronavirus emergency at its extraordinary meeting on 27 May 2020
		EP	9 June 2020	COVID-19: Revised rules to encourage banks to lend to companies and households
		ESMA	11 June 2020	Statement on MiFIR open access and COVID-19
		EC	12 June 2020	Coronavirus: Commission Statement on consulting Member States on proposal to expand State aid Temporary Framework to further support micro, small and start-up companies and incentivise private investments
		EP	19 June 2020	COVID-19: Easing rules to encourage banks to lend to companies and households
		ECB	25 June 2020	New Eurosystem repo facility to provide euro liquidity to non-euro area central banks
		ESMA	9 July 2020	ESMA CLARIFIES EXTERNAL SUPPORT WITHIN THE MEANING OF ARTICLE 35 OF THE MMF REGULATION
	M.I.	EIOPA	9 June 2020	EIOPA supports the ESRB's call on enhanced monitoring of liquidity risks in the insurance sector
		EIOPA	9 July 2020	EIOPA clarifies supervisory expectations on product oversight and governance requirements in the context of COVID-19

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III

Summary of references – European Union

	Measures	Regulator	Date	Details
EU	M.F.	ESMA	29 June 2020	Own Initiative SMSG Report II on Covid-19 related Issues
		EBA	7 July 2020	EBA provides clarity on the implementation of the prudential framework in the context of COVID-19
		EBA	21 July 2020	Overview of public guarantee schemes issued in response to the Covid-19 pandemic
		EBA	23 July 2020	Guidelines on a pragmatic and flexible approach to the 2020 supervisory review and evaluation process
		ECB	28 July 2020	Extends recommendation not to pay dividends until January 2021 and clarifies timeline to restore buffers
		IASB	18 Aug 2020	IASB issues IFRS Taxonomy Update for Covid-19-Related Rent Concessions
	M.I.	EIOPA	17 July 2020	Ultra-low yields and COVID-19 crisis significantly affecting the European insurance sector
		EIOPA	21 July 2020	Supervisory Statement on the Solvency II recognition of schemes based on reinsurance with regard to COVID-19 and credit insurance
		EIOPA	27 July 2020	Statement on Solvency II supervisory reporting
		EIOPA	27 July 2020	Insurance against pandemic risk: EIOPA identifies options for shared resilience solutions
		EIOPA	30 July 2020	EIOPA outlines key financial stability risks of the European insurance and pensions sector

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

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Annex III

Summary of references – Italy

NEW

	Measures	Regulator	Date	Details
Italy	G.M. - Contingency	Government of Italy	24 Oct. 2020	DECRETO DEL PRESIDENTE DEL CONSIGLIO DEI MINISTRI 24 ottobre 2020. Ulteriori disposiz. attuative del DL 25 marzo 2020, n. 19, convertito, con modificazioni, dalla L25 maggio 2020, n. 35, recante «Misure urgenti per fronteggiare l'emergenza epidemiologica da COVID-19», e del DL16 maggio 2020, n. 33, convertito, con modificazioni, dalla L14 luglio 2020, n. 74, recante «Ulteriori misure urgenti per fronteggiare l'emergenza epidemiologica da COVID-19».
		Government of Italy	9 Sept. 2020	DECRETO DEL PRESIDENTE DEL CONSIGLIO DEI MINISTRI . Ulteriori disposizioni attuative del decreto-legge 25 marzo 2020, n. 19, recante misure urgenti per fronteggiare l'emergenza epidemiologica da COVID-19, e del DL 16 maggio 2020, n. 33, recante ulteriori misure urgenti per fronteggiare l'emergenza epidemiologica da COVID-19.
		Government of Italy	16 June 2020	DECRETO-LEGGE 16 giugno 2020, n. 52. Ulteriori misure urgenti in materia di trattamento di integrazione salariale, nonché' proroga di termini in materia di reddito di emergenza e di emersione di rapporti di lavoro.
		Government of Italy	17 May 2020	Decreto del Presidente del Consiglio dei Ministri. Disposizioni attuative del decreto-legge 25 marzo 2020, n. 19, recante misure urgenti per fronteggiare l'emergenza epidemiologica da COVID-19, e del decreto-legge 16 maggio 2020, n. 33, recante ulteriori misure urgenti per fronteggiare l'emergenza epidemiologica da COVID-19.
		Government of Italy	16 May 2020	Decreto-legge, n. 33 Ulteriori misure urgenti per fronteggiare l'emergenza epidemiologica da COVID-19.
	G.M. – Economic	Government of Italy	05 June 2020	LEGGE 5 giugno 2020, n. 40 ('Decreto Liquidità')
		Government of Italy	19 May 2020	Decreto-Legge, n. 34 Misure urgenti in materia di salute, sostegno al lavoro e all'economia, nonche' di politiche sociali connesse all'emergenza epidemiologica da COVID-19
		Government of Italy	17 March 2020	Decree-Law n. 18 Measures to strengthen the NHS1 and economic support for families, workers and businesses
		Government of Italy	2 March 2020	Decree-Law n. 9 Urgent support measures for families, workers and businesses
	M.F.	Banca d'Italia	20 March 2020	Proroga dei termini e altre misure temporanee per mitigare l'impatto del COVID-19 sul sistema bancario e finanziario italiano

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)
(3) Updated to 27.03

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Annex III

Summary of references – Spain

	Measures	Regulator	Date	Details
Spain	G.M. - Contingency	Government of Spain	28 March 2020	Real Decreto 476/2020, de 27 de marzo, por el que se prorroga el estado de alarma
		Government of Spain	14 March 2020	Real Decreto 463/2020, de 14 de marzo, por el que se declara el estado de alarma para la gestión de la situación de crisis sanitaria ocasionada por el COVID-19
	G.M. – Economic	Government of Spain	22 April 2020	Real Decreto-ley 15/2020, de 21 de abril, de medidas urgentes complementarias para apoyar la economía y el empleo
		Government of Spain	31 March 2020	Real Decreto-ley 11/2020, de 31 de marzo, por el que se adoptan medidas urgentes complementarias en el ámbito social y económico para hacer frente al COVID-19.
		Government of Spain	27 March 2020	Real Decreto-ley 9/2020, de 27 de marzo, por el que se adoptan medidas complementarias, en el ámbito laboral, para paliar los efectos derivados del COVID-19
		Government of Spain	17 March 2020	Real Decreto-ley 8/2020, de 17 de marzo, de medidas urgentes extraordinarias para hacer frente al impacto económico y social del COVID-19.
		Government of Spain	12 March 2020	Real Decreto-ley 7/2020, de 12 de marzo, por el que se adoptan medidas urgentes para responder al impacto económico del COVID-19.
		Government of Spain	5 May 2020	Real Decreto-ley 17/2020, de 5 de mayo, por el que se aprueban medidas de apoyo al sector cultural y de carácter tributario para hacer frente al impacto económico y social del COVID-2019.
		Government of Spain	3 July 2020	Real Decreto-ley 25/2020, de 3 de julio, de medidas urgentes para apoyar la reactivación económica y el empleo

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III
Summary of references – Spain

	Measures	Regulator	Date	Details
Spain	M. F.	BoS	20 April 2020	Artículos Analíticos. Escenarios macroeconómicos de referencia para la economía española tras el Covid-19
		BoS	15 April 2020	Preguntas frecuentes sobre el uso de la flexibilidad prevista en la normativa contable ante el shock causado por el Covid-19
		BoS	3 April 2020	Complemento a la nota informativa de 30/03/2020 sobre el uso de la flexibilidad prevista en la normativa contable ante el shock causado por el Covid-19
		BoS	30 March 2020	Uso de la flexibilidad prevista en la normativa contable ante el shock causado por el COVID-19
		CNMV	16 March 2020	Prohibición temporal de la constitución o incremento de posiciones cortas netas sobre acciones cotizadas
		Government of Spain	27 May 2020	Real Decreto-ley 19/2020, de 26 de mayo, por el que se adoptan medidas complementarias en materia agraria, científica, económica, de empleo y Seguridad Social y tributarias para paliar los efectos del COVID-19
		BoS	30 June 2020	Nota informativa sobre la aplicación de las moratorias legislativas y sectoriales de deudas hipotecarias y de créditos sin garantía hipotecaria hasta el 30 de junio de 2020
		BoS	30 June 2020	The Spanish economy facing the Covid-19 crisis
		BoS	28 July 2020	El BdE extiende a las entidades menos significativas bajo su supervisión directa la recomendación del BCE sobre distribución de beneficios y retribución variable

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

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Annex III
Summary of references – France

	Measures	Regulator	Date	Details
France	G.M. - Contingency	Government of France	14 June 2020	President Emmanuel Macron´s speech
			11 May 2020	Decree n° 2020-545 describing the general measures necessary to respond to the epidemic of covid-19 in the context of a state of health emergency
		MEF	2 June 2020	Measures to support enterprises
		Government of France	8 Sept 2020	French government website (updated on September 8th)
			19 July 2020	French ministry of health
			31 Aug 2020	French ministry
	G.M. – Economic	MEF	11 May 2020	Economic support to enterprises (reviewed on September 9th)
		Government of France	14 July 2020	French government website
		Government of France	21 July 2020	President Emmanuel Macron´s speech

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(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)
(3) Measures with implications on the insurance sector (M.I)

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Annex III

Summary of references – France

	Measures	Regulator	Date	Details
France	G.M. - Contingency	Government of France	28 Oct 2020	Transcript of President Emmanuel Macron´s speech
			29 Oct 2020	First minister intervention on the national assembly
		MEF	29 Oct 2020	Measures to support enterprises
			29 Oct 2020	Support plan for the industries
		Government of France	29 Oct 2020	French government website (updated on October 29th)
			19 July 2020	French ministry of health
			31 Aug 2020	French ministry
	G.M. – Economic	MEF	29 Oct 2020	Economic support to enterprises (reviewed on October 29th)
		Government of France	29 Oct 2020	French government website
		Government of France	28 Oct 2020	Transcript of President Emmanuel Macron´s speech

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)
(3) Measures with implications on the insurance sector (M.I)

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Annex III

Summary of references – France

	Measures	Regulator	Date	Details
France	GM - reopening	Government of France	11 May 2020	Start of the progressive reopening plan
			14 June 2020	President Emmanuel Macron´s speech
			1 Sept 2020	Rules of new protocol
	M.F.	MEF	8 May 2020	Upgrade of the State guaranteed loans (reviewed on September 9th)
				State guaranteed loans - Q&A
		FBF	15 March 2020	Measures for enterprises
		FBF	31 July 2020	FBF measures
		HCSF	18 March 2020	Twenty-fourth session of the HCSF
		HCSF	1 July 2020	Communication of HCSF
	M.I.	ACPR	26 March 2020	Temporarily relaxation on submission dates for insurance entities
		MEF	10 April 2020	Public support mechanism for credit insurance
			11 June 2020	Public support mechanism for credit insurance (update)
			18 June 2020	Public support mechanism for credit insurance (update)

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)
(3) Measures with implications on the insurance sector (M.I)

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Annex III

Summary of references – Germany

	Measures	Regulator	Date	Details
Germany	G.M. - Contingency	Government of Germany	March 2020	§ 74 Infektionsschutzgesetz (IfSG) Art. 25, 28 of the Schengen border code
		Government of Germany	23 April 2020	Stellungnahme zum EU Ratstreffen vom 23. April 2020
		Government of Germany	19 April 2020	Beschluss des Gesetzentwurfs zum Sozialschutz-Paket II
		Government of Germany	19 June 2020	Corona-Regelungen in den Bundesländern
	G.M. – Economic	Government of Germany	March 2020	Government of Germany decisions
		Government of Germany	6 May 2020	Bund-Länder-Beschluss vom 06.05.2020 zu den Maßnahmen zur Eindämmung der COVID-19 Pandemie
		Government of Germany	22 May 2020	Fighting Corona: Largest aid package in Germany's history
		Government of Germany	12 June 2020	Konjunktur-/Krisenbewältigungspaket
		Government of Germany	22 June 2020	Information on rent and customer protection
		Government of Germany	29 June 2020	Konjunkturpaket gebilligt
	M.F.	BAFIN	12 March 2020	EZB beschließt mit BaFin und weiteren nationalen Aufsichtsbehörden Entlastungen für Banken
	M.I.	GDV	12 March 2020	Why insurance cover rarely extends to epidemics

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)
(3) Updated to 27.03

Annex III

Summary of references – Germany

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	Measures	Regulator	Date	Details
Germany	G.M. - Contingency	Government of Germany	28 October 2020	Videokonferenz der Bundeskanzlerin mit den Regierungschefinnen und Regierungschefs der Länder am 28. Oktober 2020
		Government of Germany	8 October 2020	Corona-Regelungen in den Bundesländern
	G.M. - Economic	Government of Germany	29 October 2020	Mit neuen, außerordentlichen Corona-Hilfen stark durch die Krise
		Government of Germany	2 November 2020	Neue Wirtschaftshilfen für Selbstständige und Unternehmen
		Government of Germany	3 July 2020	Den Auswirkungen der Corona-Pandemie entgegentreten
		Government of Germany	29 June 2020	Wirtschaft soll wieder in Schwung kommen
	M.F.	BAFIN	26 October 2020	MaRisk: BaFin konsultiert sechste Novelle
		BAFIN	26 October 2020	BAIT: BaFin konsultiert Entwurf einer Novelle
		BAFIN	12 March 2020	EZB beschließt mit BaFin und weiteren nationalen Aufsichtsbehörden Entlastungen für Banken
	M.I.	GDV	12 March 2020	Why insurance cover rarely extends to epidemics

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

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Annex III

Summary of references – UK

	Measures	Regulator	Date	Details
UK	G.M. - Contingency	Government of UK	22 May 2020	Coronavirus (COVID-19)
		Bank of England	26 May 2020	Andy Haldane: Confederation of British Industry Daily Webinar
		Government of UK	26 May 2020	Our plan to rebuild: The UK Government's COVID-19 recovery strategy
	G.M. – Economic	Bank of England	19 March 2020	Monetary Policy Summary for the special Monetary Policy Committee meeting on 19 March 2020
		Bank of England	20 March 2020	Bank of England announces supervisory and prudential policy measures to address the challenges of Covid-19
	M.F.	MPC	26 March 2020	Bank Rate maintained at 0.1% - March 2020
		BoE	03 Aug 2020	https://www.bankofengland.co.uk/markets/market-notices/2020/joint-hmt-and-boe-ccff-consolidated-market-notice-may-2020 (new link)
		BoE	15 May 2020	Consolidated Market Notice: Asset Purchase Facility: Gilt Purchases
		FCA	14 May 2020	Guidance for insurance and premium finance firms
		BoE	22 May 2020	Update on the Contingent Term Repo Facility (CTRF) - Market Notice 22 May 2020
		BoE	2 May 2020	Updating the TFSME to reflect HMT's new Bounce Back Loans Scheme
		BoE	4 May 2020	Statement on credit risk mitigation eligibility and leverage ratio treatment of loans under the Bounce Back Loan scheme
		BoE	7 May 2020	The Financial Services Regulatory Initiatives Forum launches Grid to help financial firms' planning
		PRA	22 May 2020	Statement re guidance on the application of regulatory capital and IFRS 9 requirements to payment holidays granted or extended to address the challenges of Covid-19
		FCA	22 May 2020	Coronavirus and safeguarding customers' funds: proposed guidance for payment firms

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)
(3) Updated to 27.05

Annex III
Summary of references – UK

	Measures	Regulator	Date	Details
UK	M. F.	FCA	9 April 2020	Temporary Guidance for firms: Credit cards (including retail revolving credit)
		FCA	9 April 2020	Temporary Guidance for firms: Overdrafts and coronavirus
		FCA	9 April 2020	Temporary Guidance for firms: Personal loans and coronavirus
		FCA, FRC, PRA	26 March 2020	Joint statement to address COVID-19
		BoE	20 March 2020	Bank of England announces supervisory and prudential policy measures to address the challenges of Covid-19
		BoE	11 March 2020	Bank of England measures to respond to the economic shock from Covid-19
		BoE & Tr.	9 April 2020	HM Treasury and BoE announce temporary extension to Ways and Means facility
		FCA	24 April 2020	Motor finance agreements and coronavirus: temporary guidance for firms
		FCA	24 April 2020	Rent-to-own, buy-now pay-later and pawnbroking agreements and coronavirus: temporary guidance for firms
		FCA	24 April 2020	High-cost short-term credit and coronavirus: temporary guidance for firms
		BoE	24 April 2020	Extension of the Contingent Term Repo Facility (CTRF) - Market Notice 24 April 2020
		BoE & PRA	8 June 2020	Joint statement by the Bank and PRA on the ESRB recommendations for the restriction of distributions during the Covid-19 pandemic
		FCA	2 June 2020	Mortgages and coronavirus: updated guidance for firms
	M. I.	BoE	2 April 2020	Covid-19 regulatory reporting and disclosure amendment
		BoE/PRA	30 March 2020	Letter from Sam Woods to insurers distribution of profits
		PRA	16 April 2020	Covid-19 regulatory reporting amendments
		FCA	14 May 2020	Insurance and coronavirus (Covid-19): our expectations of firms
		FCA	3 June 2020	Product value and coronavirus: guidance for insurance firms

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)
(3) Updated to 27.05

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Annex III

Summary of references – UK

	Measures	Regulator	Date	Details
UK	M. F.	Government of UK	12 June 2020	Coronavirus outbreak FAQs: what you can and can't do
		Institute for Government	9 June 2020	Coronavirus: impact of government response on public borrowing
		BoE	11 May 2020	Our response to Coronavirus (Covid-19)
		BoE	10 June 2020	What role did margin play during the Covid-19 shock?
		BoE	08 June 2020	Joint statement by the Bank and PRA on the ESRB recommendations for the restriction of distributions during the Covid-19 pandemic
		BoE	08 June 2020	Home Bank Overground How does Covid-19 affect economic activity and inflation?
		PRA	08 June 2020	Regulatory measures for PRA firms
		BoE	04 June 2020	Letter from Sir Jon Cunliffe to FMIs on distribution of profits
		FCA	16 June 2020	Mortgages and coronavirus: updated guidance for firms
		FCA	03 June 2020	Product value and coronavirus: guidance for insurance firms
		FCA	19 June 2020	Personal loans and coronavirus: updated temporary guidance for firms
		FCA	19 June 2020	Credit cards (including retail revolving credit) and coronavirus: proposed update to temporary guidance for firms
		FCA	19 June 2020	Overdrafts and coronavirus: updated temporary guidance for firms
		BoE	19 June 2020	Update on the Contingent Term Repo Facility (CTRF)
		BoE	19 June 2020	Changes to the provision of US dollar repo operations from July 2020
		PRA	26 June 2020	Statement by the PRA on Covid-19 regulatory reporting and disclosure amendments
		FCA	3 July 2020	Credit cards and personal loans / Overdrafts and coronavirus / Credit cards (including retail revolving credit) / Personal loans / FS20/9: Further support for consumers impacted by coronavirus (personal loans, credit cards and overdrafts)

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)
(3) Updated to 27.05

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Annex III

Summary of references – UK

	Measures	Regulator	Date	Details
UK	M. F.	PRA	07 July 2020	PRA Statement to insurers on the application of the matching adjustment during Covid-19
		FCA	15 July 2020	FS20/11: Further support for consumers impacted by coronavirus: feedback on draft guidance and rules (motor finance, high-cost short-term credit, rent-to-own, buy-now pay-later and pawnbroking)
		Int. Federation of Accountants	03 June 2020	https://www.ifac.org/knowledge-gateway/supporting-international-standards/discussion/summary-covid-19-audit-considerations
		FCA	22 July 2020	Consultation on delay to the implementation of the European Single Electronic Format
		FCA	28 July 2020	CP20/13: Consultation on mortgages: Removing barriers to intra-group switching and helping borrowers with maturing interest-only and part-and-part mortgages
		PRA	28 July 2020	Statement by the PRA on EBA Guidelines on reporting and disclosure of exposures subject to measures applied in response to the Covid-19 outbreak
		PRA	26 Aug 2020	PRA statement on Covid-19: IFRS 9 and capital requirements – Guidance as Covid-19 specific payment deferrals come to an end
		FCA	26 Aug 2020	https://www.fca.org.uk/publications/guidance-consultations/mortgages-and-coronavirus-additional-guidance-firms
		FCA	August 2020	https://www.fca.org.uk/publication/finalised-guidance/coronavirus-customers-temporary-financial-difficulty-updated-guidance-insurance-premium-finance-firms.pdf
	M. I.	PRA	09 July 2020	Financial Service Compensation Scheme – Temporary High Balances Coverage Extension
		FCA	03 June 2020	https://www.fca.org.uk/news/press-releases/fca-confirms-guidance-insurance-firms-assessing-product-value
	G.M. - Contingency	Government UK	03 Jul 2020	https://www.gov.uk/guidance/coronavirus-covid-19-travel-corridors
		Scotish Government	14 Jul 2020	https://www.gov.scot/publications/coronavirus-covid-19-what-you-can-and-cannot-do/pages/seeing-friends-and-family/

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Annex III
Summary of references – UK

NEW

	Measures	Regulator	Date	Details
UK	M. I. Insurance	PRA	04 August 2020	Financial Service Compensation Scheme – Temporary High Balances Coverage Extension
		FCA	26 August 2020	Mortgages and coronavirus: Additional guidance for firms
		BoE	01 Sept 2020	https://www.bankofengland.co.uk/news/2020/august/us-dollar-liquidity-providing-operations-from-september1-2020
		BoE/PRA	04 Sept 2020	https://www.bankofengland.co.uk/prudential-regulation/regulatory-reporting/regulatory-reporting-insurance-sector
	G.M. - Contingency	Government of UK	01 Nov 2020	New National Restrictions from 5 November: https://www.gov.uk/guidance/new-national-restrictions-from-5-november
		Government of UK	02 Nov 2020	Keep Wales safe: https://gov.wales/coronavirus
		Government of UK	02 Nov 2020	Coronavirus in Scotland: https://www.gov.scot/coronavirus-covid-19/
	G.M. - Economic	BoE	05 Nov 2020	Bank Rate maintained at 0.1% - November 2020: https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2020/november-2020
		Government of UK	05 Nov 2020	https://www.gov.uk/government/news/furlough-scheme-extended-and-further-economic-support-announced Covid: Rishi Sunak to extend furlough scheme to end of March https://www.bbc.co.uk/news/business-54824120
	M.F.	PRA	14 Sep 2020	Mortgages and coronavirus: additional guidance for firms - finalised guidance: https://www.fca.org.uk/publications/finalised-guidance/mortgages-coronavirus-additional-guidance-firms-finalised-guidance
		PRA	30 Sep 2020	Finalised Guidance: Overdrafts and coronavirus: additional guidance for firms: https://www.fca.org.uk/publications/finalised-guidance/overdrafts-coronavirus-additional-guidance-firms

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Annex III

Summary of references – UK

	Measures	Regulator	Date	Details
UK	M.F.	PRA	09 July 2020	Coronavirus and safeguarding customers' funds: additional guidance for payment and e-money firms: https://www.fca.org.uk/publications/finalised-guidance/coronavirus-safeguarding-customers-funds-additional-guidance-payment-e-money-firms
		BoE-PRA	October 2020	Resolution assessments: Amendments to reporting and disclosure dates https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/consultation-paper/2020/cp1920.pdf?la=en&hash=3FE9C5FC89B256B37B18CDB3B2E5257EA2FDF09C
		BoE-PRA	August 2020	IFRS9:PRA statement on Covid-19: IFRS 9 and capital requirements – Guidance as Covid-19 specific payment deferrals come to an end: https://www.bankofengland.co.uk/prudential-regulation/publication/2020/statement-covid19-ifrs9-capital-requirements-specific-payment-deferrals
		BoE	September 2020	Further updates to the TFSME to reflect changes to HMT's Bounce Back Loans Scheme (BBLS) - Market Notice 24 September 2020: https://www.bankofengland.co.uk/markets/market-notices/2020/further-updates-to-the-tfsme-to-reflect-changes-to-hmt-bounce-back-loans-scheme-september-2020
		BoE	September 2020	https://www.bankofengland.co.uk/markets/market-notices/2020/update-on-the-covid-corporate-financing-facility-22-september-2020
		PRA	November 2020	Personal loans and coronavirus: Further Updated temporary guidance for firms: https://www.fca.org.uk/publication/guidance-consultation/personal-loans-and-coronavirus-further-updated-temporary-guidance-for-firms-november-2020.pdf
		FCA	November 2020	Consumer credit and coronavirus: additional guidance for firms (November 2020): https://www.fca.org.uk/publications/guidance-consultations/consumer-credit-and-coronavirus-additional-guidance-firms-november-2020
		FCA	November 2020	PS20/14: Delay to the implementation of the European Single Electronic Format (ESEF):https://www.fca.org.uk/publications/policy-statements/ps20-14-delay-implementation-european-single-electronic-format-esef

Summary of references – UK

	Measures	Regulator	Date	Details
UK	**M.I.**	**FCA**	**September 2020**	Motor finance and high credit: https://www.bankofengland.co.uk/prudential-regulation/publication/2020/pra-statement-on-crm-and-leverage-ratio-loans-under-bbls
		PRA	**30 Oct 2020**	Finalised Guidance: Coronavirus and customers in financial difficulty: additional guidance for insurance and premium finance firms: https://www.fca.org.uk/publications/finalised-guidance-coronavirus-customers-financial-difficulty-insurance-premium-finance-firms
		FCA	**30 Oct 2020**	FCA reminds insurance firms to review the value of their products in light of the impacts of coronavirus: https://www.fca.org.uk/news/statements/fca-reminds-insurance-firms-review-value-their-products-light-impacts-coronavirus
		FCA	**September 2020**	First firms to begin move to new data collection platform, RegData https://www.fca.org.uk/news/news-stories/first-firms-begin-move-new-data-collection-platform-regdata

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Annex III

Summary of references – US

	Measures	Regulator	Date	Details
US	G.M. – Cont.	US Gov.	16 March 2020	Coronavirus Guidelines for America
	G.M. – Eco.	US Gov.	17 March 2020	Remarks by President Trump in Meeting with Tourism Industry Executives on COVID-19 Response
	M. F.	Fed, OCC, FDIC, CFPB, NCUA	14 April 2020	Interagency Statement on Appraisals and evaluations for Real Estate Real Estate related Financial Transactions affected by the Coronavirus
		Fed, OCC, FDIC	14 April 2020	Real Estate Appraisals
		Fed, OCC, FDIC, CFPB, NCUA	7 April 2020	Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus (Revised)
		Fed, OCC, FDIC	3 April 2020	Regulatory Capital Rule: Transition for the Community Bank Leverage Ratio Framework
		Fed, OCC, FDIC	3 April 2020	Regulatory Capital Rule: Temporary Changes to the Community Bank Leverage Ratio Framework
		Fed	31 March 2020	Six months delay of the effective date for the revised control framework
		Fed	31 March 2020	Establishment of a temporary FIMA Repo Facility to help support the smooth functioning of financial markets
		Fed	24 March 2020	Statement on supervisory activities
		Fed	26 March 2020	Regulatory reporting relief to small financial institutions affected by the coronavirus
		OCC	22 March 2020	Changes on Short-Term Investment Funds (STIF)
		Fed, OCC, FDIC	27 March 2020	Notice on Standardized Approach for Calculating the Exposure Amount of Derivative Contracts
		Fed, OCC, FDIC	27 March 2020	Regulatory Capital Rule: Revised Transition of the Current Expected Credit Losses Methodology for Allowances

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III
Summary of references – US

	Measures	Regulator	Date	Details
US	M. F.	Fed, OCC, FDIC	26 March 2020	Standardized Approach for Calculating the Exposure Amount of Derivative Contracts
		Fed	23 March 2020	Federal Reserve announces extensive new measures to support the economy
		Fed	23 March 2020	TLAC, Long-Term Debt, and Clean Holding Company Requirements for GSIBs U.S. Bank Holding Companies and Intermediate Holding Companies of Systemically Important FBOs
		US agencies	9 March 2020	Recommendations to meet financial needs of customers and members affected by coronavirus
		Fed	10 March 2020	Statement on Pandemic Planning
		Fed, FDIC, OCC	19 March 2020	Changes on Money Market Liquidity Facility (MMLF)
		Fed	15 March 2020	Federal Reserve Actions to Support the Flow of Credit to Households and Businesses
		Fed	15 March 2020	Coordinated Central Bank Action to Enhance the Provision of U.S. Dollar Liquidity
		SEC	4 Feb. 2020	Investment scams alert
		Fed, FDIC, OCC	9 April 2020	Federal bank regulators issue interim final rule for Paycheck Protection Program Facility
		Fed	9 April 2020	Fed takes additional actions to provide up to $2.3 trillion in loans to support the economy
		Fed	23 April 2020	Fed announces it is working to expand access to its Paycheck Protection Program Liquidity Facility (PPPLF) for additional SBA-qualified lenders as soon as possible
		Fed	23 April 2020	Federal Reserve Board announces temporary actions aimed at increasing the availability of intraday credit extended by Federal Reserve Banks
		Fed	24 April 2020	Federal Reserve Board announces interim final rule to delete the six-per-month limit on convenient transfers from the "savings deposit" definition in Regulation D
		Fed	30 April 2020	Fed announces it is expanding the scope and eligibility for the Main Street Lending P.
		Fed	30 April 2020	Fed expands access to its PPPLF to additional lenders

(2) Measures with implications on the financial sector (M. F.)
(3) Measures with implications on the financial sector (M. I.)

Annex III

Summary of references – US

	Measures	Regulator	Date	Details
US	M. F.	Treasury	6 May 2020	QUARTERLY REFUNDING STATEMENT OF DEPUTY ASSISTANT SECRETARY
		NYDFS	13 April 2020	Guidance to DFS Regulated Entities Regarding Cybersecurity Awareness
		Fed, FDIC	6 May 2020	Agencies extend two resolution plan deadlines
		Fed	15 May	Regulators temporarily change the supplementary leverage ratio to increase banking organizations' ability to support credit to households and businesses
		NYDFS	21 May 2020	Medical Scams Advisory
		Fed	8 June 2020	Federal Reserve Board expands its Main Street Lending Program to allow more small and medium-sized businesses to be able to receive support
		Fed	3 June 2020	Federal Reserve Board announces an expansion in the number and type of entities eligible to directly use its Municipal Liquidity Facility
		Fed	10 June 2020	Federal Reserve issues FOMC statement
		Fed	15 June 2020	Fed announces it will resume examination activities for all banks, after previously announcing a reduced focus on exam activity in light of the coronavirus response
		NYDFS	15 June 2020	NYDFS Extends COVID-19 Regulatory Relief For NY-Regulated Mortgage Servicers
		Fed	30 April 2020	Fed expands access to its PPPLF to additional lenders
		Fed	15 June 2020	Fed announces updates to SMCCF, which will begin buying a broad and diversified portfolio of corporate bonds to support market liquidity and the availability of credit for large employers
		Fed	15 June 2020	Federal Reserve Board announces it will resume examination activities for all banks, after previously announcing a reduced focus on exam activity in light of the coronavirus response
		FDIC	22 June 2020	FDIC Issues Final Rule to Mitigate the Deposit Insurance Assessment Effect of Participation in the Paycheck Protection Program (PPP), the PPP Liquidity Facility, and the Money Market Mutual Fund Liquidity Facility

(2) Measures with implications on the financial sector (M. F.)
(3) Measures with implications on the financial sector (M. I.)

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Annex III

Summary of references – US

	Measures	Regulator	Date	Details
US	M. F.	OCC	22 June 2020	Interim Final Rule Reduces Assessments in Response to COVID-19
		FED	25 June 2020	Federal Reserve Board releases results of stress tests for 2020 and additional sensitivity analyses conducted in light of the coronavirus event
		SEC	25 June 2020	Financial Regulators Modify Volcker Rule
		Fed	29 June 2020	Federal Reserve Board releases new term sheet for the Primary Market Corporate Credit Facility, adding pricing and other information
		FHFA	9 July 2020	FHFA Extends COVID-Related Loan Processing Flexibilities for Fannie Mae and Freddie Mac Customers Through August
		Fed	15 July 2020	Extension of rule change to bolster effectiveness of the Small Business Administration's Paycheck Protection Program
		Fed	17 July 2020	Modification of Main Street Lending Program to provide greater access to credit for nonprofit organizations
		Fed	21 July 2020	Federal Reserve Board to maintain the current schedule of prices for most payment services that the Federal Reserve Banks provide to depository institutions in 2021
		Fed	23 July 2020	Expansion of counterparties in the TALF, SMCCF and CPFF
		Fed	28 July 2020	Extension through December 31 of its lending facilities
		Fed	29 July 2020	Extensions of Fed temporary U.S. dollar liquidity swap lines and the temporary repurchase agreement facility for FIMA through March 31, 2021
		OCC	4 Aug 2020	OCC Issues Rule Creating Exception to Withdrawal Period Requirement for Collective Investment Funds, Eases Impact of COVID-19
		FHFA	6 Aug 2020	Multifamily Property Owners in Forbearance Now Required to Inform Tenants of Eviction Suspension and Tenant Protections

(2) Measures with implications on the financial sector (M. F.)
(3) Measures with implications on the financial sector (M. I.)

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Annex III

Summary of references – US

	Measures	Regulator	Date	Details
US	M. F.	FHFA	25 Aug 2020	Adverse Market Refinance Fee Implementation now December 1
		FHFA	26 Aug 2020	FHFA Further Extends Buying Loans in Forbearance & COVID-Related Loan Processing Flexibilities
	M. I.	Ohio I. Dep	11 March 2020	Access to coverage for ohioans impacted by the covid-19 virus
		Fed	10 March 2020	Medicare advantage plans
		Fed	5 March 2020	Medicaid and chip
		Cal. DOI	5 March 2020	COVID-19 Screening and testing
		Cal. DOI	13 April 2020	BULLETIN 2020-3: Premium Refunds, Credits, and Reductions in Response to COVID-19
		Cal. DOI	15 May 2020	BULLETIN 2020-4: Premium Refunds, Credits, and Reductions in Response to COVID-19
		Cal. IC	18 March 2020	COVID-19 State of emergency notification filing requirements
		NYDFS	7 March 2020	Medicare advantage plans
		FASB	9 July 2020	FASB issues proposal to delay long-duration insur. std. and ease early adoption provision

(2) Measures with implications on the financial sector (M. F.)
(3) Measures with implications on the financial sector (M. I.)

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Annex III

Summary of references – Argentina

NEW

	Measures	Regulator	Date	Details
Argentina	G.M. - Contingency	Government of Argentina	25 October 2020	DECNU-2020-331-APN-PTE - Prorrógase plazo DECNU-2020-714-APN-PTE - Prorrógase plazo
		Government of Argentina	25 October 2020	DECNU-2020-325-APN-PTE - Decreto N° 297/2020. Prórroga. DECNU-2020-714-APN-PTE - Decreto N° 297/2020. Prórroga.
		Government of Argentina	25 October 2020	DECNU-2020-313-APN-PTE - Amplía los alcances de la prohibición de ingreso al territorio nacional DECNU-2020-331-APN-PTE - Amplía los alcances de la prohibición de ingreso al territorio nacional
		Government of Argentina	25 October 2020	DECNU-2020-605-APN-PTE - AISLAMIENTO SOCIAL PREVENTIVO Y OBLIGATORIO DECNU-2020-714-APN-PTE - AISLAMIENTO SOCIAL PREVENTIVO Y OBLIGATORIO
		Government of Argentina	25 October 2020	DECNU-2020-260-APN-PTE - Coronavirus (COVID-19) EMERGENCIA SANITARIA. Decreto 260/2020. DECNU-2020-714-APN-PTE - Coronavirus (COVID-19) EMERGENCIA SANITARIA, Decreto N° 297/2020. Prórroga.
	G.M. – Economic	Government of Argentina	24 Sept 2020	DECNU-2020-487-APN-PTE - Prohibición de despidos por 60 días DECNU-2020-624-APN-PTE - Prohibición de despidos por 60 días
		Gov. of Arg	25 Sept 2020	DECNU-2020-320-APN-PTE – Congelación temp alquileres y suspensión de desalojos
		Gov. of Arg	29 March 2020	DECNU-2020-319-APN-PTE – Facilidades para créditos hipotecarios
		Gov. of Arg	28 March 2020	DECNU-2020-316-APN-PTE - Prórroga vencimiento deudas para PyMEs, Micro y PyMEs
		BCRA	26 March 2020	Circular - REMON 1 – 1006 - Créditos a MiPyMEs para el pago de sueldos
		Government of Argentina	20 September 2020	DECNU-2020-311-APN-PTE – Abst. corte Servicios en caso de mora o falta de pago. DECNU-2020-543-APN-PTE – Abst. corte Servicios en caso de mora o falta de pago.
		Government of Argentina	19 June 2020	DECNU-2020-312-APN-PTE - BCRA - Suspende cierre de cuentas bancarias. DECNU-2020-544-APN-PTE - BCRA - Suspende cierre de cuentas bancarias.Prórroga.
		Gov. of Arg	24 March 2020	DCTO-2020-310-APN-PTE - Ingreso familiar de emergencia.

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

A | Annex III

Summary of references – Argentina

	Measures	Regulator	Date	Details
Argentina	G.M. - Contingency	Government of Argentina	31 August 2020	DECNU-2020-331-APN-PTE - Prorrógase plazo DECNU-2020-714-APN-PTE - Prorrógase plazo
		Government of Argentina	31 August 2020	DECNU-2020-325-APN-PTE - Decreto N° 297/2020. Prórroga. DECNU-2020-714-APN-PTE - Decreto N° 297/2020. Prórroga.
		Government of Argentina	01 April 2020	DECNU-2020-313-APN-PTE - Amplía los alcances de la prohibición de ingreso al territorio nacional DECNU-2020-331-APN-PTE - Amplía los alcances de la prohibición de ingreso al territorio nacional
		Government of Argentina	31 August 2020	DECNU-2020-605-APN-PTE - AISLAMIENTO SOCIAL PREVENTIVO Y OBLIGATORIO DECNU-2020-714-APN-PTE - AISLAMIENTO SOCIAL PREVENTIVO Y OBLIGATORIO
		Government of Argentina	31 August 2020	DECNU-2020-260-APN-PTE - Coronavirus (COVID-19) EMERGENCIA SANITARIA. Decreto 260/2020. DECNU-2020-714-APN-PTE - Coronavirus (COVID-19) EMERGENCIA SANITARIA, Decreto N° 297/2020. Prórroga.
	G.M. – Economic	Government of Argentina	28 july 2020	DECNU-2020-487-APN-PTE - Prohibición de despidos por 60 días DECNU-2020-624-APN-PTE - Prohibición de despidos por 60 días
		Gov. of Arg	29 March 2020	DECNU-2020-320-APN-PTE – Congelación temp alquileres y suspensión de desalojos
		Gov. of Arg	29 March 2020	DECNU-2020-319-APN-PTE – Facilidades para créditos hipotecarios
		Gov. of Arg	28 March 2020	DECNU-2020-316-APN-PTE - Prórroga vencimiento deudas para PyMEs, Micro y PyMEs
		BCRA	26 March 2020	Circular - REMON 1 – 1006 - Créditos a MiPyMEs para el pago de sueldos
		Government of Argentina	19 June 2020	DECNU-2020-311-APN-PTE – Abst. corte Servicios en caso de mora o falta de pago. DECNU-2020-543-APN-PTE – Abst. corte Servicios en caso de mora o falta de pago.
		Government of Argentina	19 June 2020	DECNU-2020-312-APN-PTE - BCRA - Suspende cierre de cuentas bancarias. DECNU-2020-544-APN-PTE - BCRA - Suspende cierre de cuentas bancarias.Prórroga.
		Gov. of Arg	24 March 2020	DCTO-2020-310-APN-PTE - Ingreso familiar de emergencia.

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III

Summary of references – Argentina

	Measures	Regulator	Date	Details
Argentina	M.F.	BCRA	26 March 2020	Circular OPASI 2 – 583 - Prohibición del cobro de comisiones por las operaciones en cajeros automáticos
		BCRA	19 March 2020	Comunicación "A" 6938
		BCRA	19 March 2020	Comunicación "A" 6939
		BCRA	26 March 2020	Comunicación "A" 6946
		BCRA	10 April 2020	Comunicación "A" 6964
		BCRA	24 April 2020	Comunicación "A" 6993
	M.I.	Ministry of Economy Argentina	16 March 2020	Coronavirus: Se suspenden las capacitaciones a los PAS

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III
Summary of references – Chile

	Measures	Regulator	Date	Details
Chile	G.M. - Contingency	Gov. of Chile	29 June 2020	https://www.gob.cl/coronavirus/plandeaccion/
		Gov. of Chile	31 March 2020	Coronavirus Action Plan
		Gov. of Chile	4 August 2020	Paso a Paso Laboral
		Gov. of Chile	September	Chile se recupera
		Gov. of Chile	September	Juntos por Chile
	G.M. – Economic	Gov. of Chile	01 April 2020	Ley de protection del empleo
		Gov. of Chile	19 March 2020	Emergency Economic Plan
	GM - reopening	Government of Chile	6 July 2020	Se inicia el desconfinamiento gradual “paso a paso” en las regiones de Aysén y Los Ríos
			6 July 2020	Se informa sobre el plan Paso a Paso para salir del confinamiento
	M.F.	CMF	30 March 2020	CMF informa flexibilización de los plazos de implementación de Basilea III
		CMF	23 March 2020	Paquete de medidas para facilitar el flujo de crédito a empresas y hogares
		CMF	18 March 2020	Medidas monitoreo permanente del mercado financiero por expansión del COVID-19
		BCCh	8 April 2020	Banco Central de Chile anuncia nuevas medidas
		CMF	30 April 2020	Comisión emite circular con el tratamiento de provisiones y exigencias de información para los créditos Covid-19
		CMF	05 May 2020	Comisión amplía a cooperativas supervisadas el tratamiento de provisiones y exigencias de información para los créditos Covid-19
		CMF	25 May 2020	CMF publica norma para el uso de excedentes de garantías hipotecarias en créditos a Pymes
		CMF	2 June 2020	Medidas y Análisis de La Comisión para el Mercado Financiero ante la Contingencia del COVID-19 en Chile

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III
Summary of references – Brasil

	Measures	Regulator	Date	Details
Brasil	M.F.	BACEN	12 June 2020	Evolução recente do Crédito no SFN
		BACEN	01 June 2020	Medidas do Coronavírus atualizadas
		BACEN	16 April 2020	Circular 4.002, 4.003, 4.005
		BACEN	02 April 2020	Portability of credit
		BACEN	23 March 2020	Medidas de combate aos efeitos da COVID-19
		BACEN	16 March 2020	Resolução Nº 4.782
		BACEN	16 March 2020	Resolução Nº 4.783
		CMN	2 April 2020	CMN autoriza BC a conceder empréstimos a Instituições Financeiras mediante a emissão de Letra Financeira Garantida
		CMN	27 March 2020	Fintechs de crédito poderão emitir cartões de crédito e repassar recursos do BNDES
		BACEN	29 May 2020	Resolução n° 4.820. Estabelece vedações à remuneração do capital próprio, ao aumento da remuneração de administradores, à recompra de ações e à redução de capital social
		BACEN	28 May 2020	Carta Circular n° 4.043 / Carta Circular n° 4.046 / Carta Circular n° 4.050 / Circular n° 4.021 / Carta Circular n° 4.057
		BACEN	02 June 2020	Manutenção Adicional Contracíclico de Capital Principal em 0%
		CMN	20 July	Programa de apoio às micro, pequenas e médias empresas
		CMN	20 July	Regulamento de compartilhamento de garantias de financiamentos habitacionais
		BACEN	04 May 2020	Resolução Conjunta nº 1 / Circular nº 4015
		BACEN	12 June 2020	Circular nº 4.027
		BACEN	23 June 2020	Novas Medidas De Combate Aos Efeitos Da Covid-19 / Circular nº 4.028 / Circular nº 4.030
		BACEN	24 June 2020	Circular nº 4.033
		BACEN	15 July 2020	Circular nº 4.032 / Circular nº 4.037
		BACEN	16 July 2020	Evolução recente do Crédito no SFN
	M.I.	ANS	27 March 2020	Flexibilizações normativas visando minimizar impactos da pandemia de covid-19

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

A | Annex III

Summary of references – Colombia

	Measures	Regulator	Date	Details
Colombia	G.M. - Contingency	Min. Salud	28 May 2020	Decreto 749 por el cual se imparten instrucciones en virtud de la emergencia sanitaria generada por la pandemia del COVID-19, y el mantenimiento del orden público
		Min. Salud	26 May 2020	Resolución 844 por la cual se prorroga la emergencia sanitaria por el COVID-19
		Government of Colombia	22 May 2020	Decreto 689 por el cual se prorroga la vigencia del Decreto 636 del 6 de· mayo de 2020.
		Government of Colombia	06 May 2020	Decreto 637 por el cual se declara un Estado de Emergencia Económica, Social y Ecológica en todo el territorio Nacional
		Min. Salud	24 April 2020	Resolución 675 por medio de la cual se adopta el protocolo de bioseguridad para el manejo y control de riesgo del COVID-19 en la industria manufacturera.
		Min. Salud	12 April 2020	Decreto 538 por el cual se adoptan medidas en el sector salud, para contener y mitigar la pandemia de COVID-19 y garantizar la prestación de los servicios de salud, en el marco del Estado de Emergencia Económica, Social y Ecológica
		Government of Colombia	22 March 2020	Decreto n.457 por el cual se imparten instrucciones en virtud de la emergencia sanitaria generada por la pandemia del COVID-19 y el mantenimiento del orden público
		Government of Colombia	20 March 2020	Resolución 470 por la cual se adoptan medidas sanitarias obligatorias de aislamiento preventivo de personas adultas mayores en centros de larga estancia y de cierre parcial de actividades de centros vida y centros día
		Government of Colombia	18 March 2020	Resolución 464 por la cual se adopta la medida sanitaria obligatoria de aislamiento preventivo, para proteger a los adultos mayores de 70 años
		Government of Colombia	18 March 2020	Resolución 453 por la cual se adoptan medidas sanitarias de control en algunos establecimientos por causa del COVID-19 y se dictan otras disposiciones
		Government of Colombia	17 March 2020	Decreto 417 por el cual se declara un Estado de Emergencia Económica, Social y Ecológica en todo el Territorio Nacional
		Government of Colombia	12 March 2020	Resolución 385 por la cual se declara la emergencia sanitaria por causa del coronavirus COVID-19 y se adoptan medidas para hacer frente al virus

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

A | Annex III

Summary of references – Colombia

	Measures	Regulator	Date	Details
Colombia	G.M. - Contingency	Government of Colombia	10 March 2020	Resolución 380 por la cual se adoptan medidas preventivas sanitarias en el país por causa del Coronavirus COVID-19 y se dictan otras disposiciones
		Government of Colombia	14 June 2020	Decreto 847 Por el cual se modifica el Decreto 749 del 28 de mayo de 2020 "Por el cual se imparten instrucciones en virtud de la emergencia sanitaria generada por la pandemia del Coronavirus COVID-19, y el mantenimiento del orden público"
		Min. Educación	June 2020	Lineamientos para la prestación del servicio de educación en casa y en presencialidad bajo el esquema de alternancia y la implementación de prácticas de bioseguridad en la comunidad educativa
		Min. Salud	24 April 2020	Resolución 666 – Protocolo general de bioseguridad
		Min. Salud	14 August 2020	Resolución 1408 de 2020 Por medio de la cual se adopta el protocolo de bioseguridad mitigar y controlar el riesgo del coronavirus COVID – 19 en la realización de actividades de exhibición cinematográfica y presentación de obras de las artes escénicas discriminadas en la Clasificación internacional Industrial Uniforme CIIU 5914 y 90, bajo la modalidad de autocines, autoeventos, salas de cine y teatros
		Min. Salud	21 August 2020	Resolución 1421 de 2020 Por medio de la cual se adopta el protocolo de bioseguridad para el manejo y control del riesgo del coronavirus COVID-19 en las actividades de los parques de diversión, jardines botánicos y reservas naturales.
		Min. Salud	24 August 2020	Resolución 1443 de 2020 Por medio de la cual se adopta el protocolo de bioseguridad para el manejo y control del riesgo del coronavirus COVID-19 en las actividades de los operadores turísticos y en los servicios turísticos prestados en las áreas y atractivos turísticos.
		Min. Salud	31 August 2020	Resolución 1507 de 2020 Por medio de la cual se adopta el protocolo de bioseguridad para el manejo y control del riesgo del coronavirus COVID-19 en las actividades relacionadas con el fútbol profesional en las fases de entrenamiento y competencias nacionales e internacionales y se deroga la Resolución 993 del 2020.
		Min. Interior	25 August 2020	Decreto 1168 de 2020 Por el cual se imparten instrucciones en virtud de la emergencia sanitaria generada por la pandemia del Coronavirus COVIO -19, yel mantenimiento del orden público y se decreta el aislamiento selectivo con distanciamiento individual responsable

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

References: General Measures **http://www.regiones.gov.co/Inicio/COVID-19.html**

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Annex III
Summary of references – Colombia

	Measures	Regulator	Date	Details
Colombia	G.M. – Economic	Government of Colombia	16 April 2020	Medidas para proteger los derechos de los pensionados, los beneficiarios del Servicio Social Complementario BEPS y los beneficiarios del Programa de Subsidio al Aporte a Pensión -PSAP.
		Government of Colombia	15 April 2020	Decreto 568 en el que se crea el Impuesto solidario por COVID, dentro del Estado de Emergencia Económica, Social y Ecológica dispuesto en Dec. Legislativo 417 de 2020.
		Government of Colombia	15 April 2020	Decreto 551 medidas tributarias transitorias en el marco del Estado de Emergencia Económica, Social y Ecológica.
		Min. Vivienda	07 April 2020	Decreto 528 en el que se dictan medidas para los servicios públicos de acueducto, alcantarillado y aseo.
		Min. Minas y Energía	04 April 2020	Decreto 517 en el que se dictan disposiciones en materia de los servicios públicos de energía eléctrica y gas combustible.
		Government of Colombia	04 April 2020	Decreto 518. Creación del Programa Ingreso Solidario para atender las necesidades de los hogares en situación de pobreza y vulnerabilidad.
		Government of Colombia	31 March 2020	Medias tomadas por el Gobierno de Colombia
		Government of Colombia	27 March 2020	Medias tomadas por el Gobierno de Colombia
		Min Industria	25 June 2020	Decreto 881 de 2020
		Government of Colombia	25 June 2020	Decreto 878 de 2020
		Min. Educac.	23 March 2020	Medidas de urgencia en materia de auxilio para beneficiarios del Instituto Colombiano de Crédito Educativo y Estudios Técnicos en el Exterior -ICETEX.

References: General Measures **http://www.regiones.gov.co/Inicio/COVID-19.html**

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III
Summary of references – Colombia

	Measures	Regulator	Date	Details
Colombia	G.M. – Economic	Min. Trabajo	03 June 2020	Decreto 770 por medio del cual se adopta una medida de protección al cesante y se crea el Programa de Apoyo para el Pago de la Prima de Servicios PAP
		Min. Trabajo	04 June 2020	Decreto 801 por medio del cual se crea el auxilio económico a la población cesante, en el marco del Estado de Emergencia Económica, Social y Ecológica
		Government of Colombia	04 June 2020	Decreto 810 por el cual se crea el patrimonio autónomo para el emprendimiento, la formalización y el fortalecimiento empresarial de las mujeres, con el fin de mitigar los efectos de la Emergencia Social, Económica y Ecológica
		Min. Hacienda y Crédito Público	17 July 2020	Decreto borrador por el cual se adiciona el decreto 1068 de 2015, Decreto Único Reglamentario del Sector Hacienda y Crédito Público, con el fin de establecer las condiciones y requisitos de la cobertura condicionada de interés para adquisición de vivienda en el marco del programa FRECH NO VIS.

References: General Measures **http://www.regiones.gov.co/Inicio/COVID-19.html**

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III
Summary of references – Colombia

	Measures	Regulator	Date	Details
Colombia	G.M. – Economic	**Min. Salud**	**4 June 2020**	Medidas para garantizar el servicios de salud a cotizantes, y sus beneficiarios, que cotizaban al régimen de salud pero perdieron su trabajo.
		Min. Salud	**3 Sept. 2020**	Establecimiento de protocolos de bioseguridad para COVID-19 en playas y lugares relacionados.
		Min. Salud	**15 Sept. 2020**	Establecimiento de protocolos de bioseguridad para COVID-19 en el transporte de pasajeros internacionales vía aérea.
		Min. Salud	**29 July 2020**	Establecimiento de protocolos de bioseguridad para el funcionamiento del actividades y servicios de alojamiento
		Government of Colombia	**13 Oct. 2020**	Presidente Duque anuncia aumento al 50% del subsidio de nómina para trabajadores del sector turístico
		Government of Colombia	**4 Nov. 2020**	Gobierno Nacional anuncia que nueva jornada del 'Día sin IVA' en Colombia será el 21 de noviembre
		Government of Colombia	**3 Nov. 2020**	Gobierno anuncia incentivo por $30.000 millones para compensar precio a 25.000 productores de papa en el país
		Government of Colombia	**4 Nov. 2020**	Presidente Duque anuncia pago anticipado de la prima de Navidad, entre el 15 y el 30 de noviembre, a más de 1,2 millones de servidores públicos
		Min. Comercio	**3 June 2020**	Medidas especiales en materia de procesos de insolvencia
		Min. Comercio.	**7 July 2020**	Se aplaza el pago de contribución parafiscal para el sector del turismo.
		Government of Colombia	**21 Oct. 2020**	Gobierno inició pago de compensación por aislamiento a pacientes con covid-19

References: General Measures **http://www.regiones.gov.co/Inicio/COVID-19.html**

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III

Summary of references – Colombia

	Measures	Regulator	Date	Details
Colombia	M.F.	SFC	30 March 2020	Circular externa SFC 014
		SFC	17 March 2020	Circular externa SFC 008
		SFC	17 March 2020	Circular externa SFC 009
		SFC	18 March 2020	Circular Externa SFC 010
		SFC	17 March 2020	Circular Externa SFC 007
		SFC	19 March 2020	Circular Externa SFC 011
		FNG	5 April 2020	CIRCULAR NORMATIVA EXTERNA No. 008 DE 2020: Nuevo Programa de Garantías denominado "Unidos por Colombia" diseñado como una medida del Gobierno Nacional para contrarrestar el impacto económico desencadenado por el COVID – 19
		SFC	15 April 2020	Circular Externa SFC 017
		SFC	24 April 2020	Proyecto Circular externa SFC 03
		SFC	24 April 2020	Proyecto Circular externa SFC 04
		FNG	28 April 2020	CIRCULAR NORMATIVA EXTERNA No. 015 de 2020 Incremento temporal del Valor Máximo Discrecional por Deudor
		SFC	5 June 2020	Circular externa SFC 021
		SFC	30 June 2020	Circular externa SFC 022
		FNG	16 Sept. 2020	CIRCULAR NORMATIVA EXTERNA No. 053 DE 2020 Ajustes generales al Programa Especial de Garantías Unidos por Colombia

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III

Summary of references – Colombia

	Measures	Regulator	Date	Details
Colombia	M.I.	SFC	30 March 2020	Circular externa SFC 014
		SFC	17 March 2020	Circular externa SFC 008
		SFC	17 March 2020	Circular externa SFC 009
		SFC	18 March 2020	Circular Externa SFC 010
		SFC	17 March 2020	Circular Externa SFC 007
		SFC	19 March 2020	Circular Externa SFC 011
		SFC	5 June 2020	Circular externa SFC 021
		SFC	15 April 2020	Circular Externa SFC 017
		SFC	24 April 2020	Proyecto Circular externa SFC 03
		SFC	24 April 2020	Proyecto Circular externa SFC 04
		SFC	30 June 2020	Circular externa SFC 022

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III
Summary of references – Mexico

	Measures	Regulator	Date	Details
Mexico	M. F.	Banxico	19 May 2020	Circular 18/2020 relativa a Reglas aplicables a operaciones de reporto de títulos corporativos con el Banco de México para cubrir necesidades de liquidez
		Banxico	19 May 2020	Circular 17/2020 relativa a Reglas aplicables a operaciones de reporto de valores gubernamentales con el Banco de México para cubrir necesidades de liquidez
		Banxico	19 May 2020	Circular 16/2020 relativa a la facilidad temporal de operaciones de préstamo de valores con el Banco de México
		Banxico	8 May 2020	Circular 14/2020 dirigida a las Instituciones de Crédito, relativa a las modificaciones a la Circular 8/2020, medidas provisionales de operaciones y corresponsalías de caja, en relación con la pandemia de COVID-19
		Banxico	19 May 2020	Circular 15/2020 dirigida a las Instituciones de Banca Múltiple y Banca de Desarrollo, relativa a las Modificaciones a la Circular 10/2015 (Reglas aplicables al ejercicio del financiamiento otorgado por el Banco de México para cubrir necesidades de liquidez adicionales ordinarias)
		Banxico	20 March 2020	Medidas para proveer liquidez en moneda nacional y extranjera y para mejorar el funcionamiento de los mercados nacionales
		CNBV	8 April 2020	Comunicado 22/2020
		Banxico/ CNBV	8 April 2020	Comunicado Conjunto, Sesionó hoy el Comité de Regulación de Liquidez Bancaria
		Banxico	30 Julio 2020	Ajustes para reforzar las facilidades a fin de proveer recursos a las instituciones bancarias para el financiamiento a las micro, pequeñas y medianas empresas, así como a personas físicas afectadas por la pandemia
	M.I.	CNSF	29 May 2020	Acuerdo por el que se suspenden plazos para la atención de las instituciones y personas sujetas a supervisión de la Comisión Nacional de Seguros y Fianzas, a causa del coronavirus denominado COVID-19

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Annex III
Summary of references – Peru

	Measures	Regulator	Date	Details
Peru	G.M. - Contingency	Government of Peru	23 March 2020	D.U. N° 031-2020.- Decreto de Urgencia que dicta medidas complementarias para reforzar los sistemas de prevención, control, vigilancia y respuesta sanitaria para la atención de la emergencia producida por el COVID-19
		Government of Peru	25 March 2020	D.U. Nº 032-2020.- Decreto de Urgencia que dicta medidas extraordinarias destinadas a garantizar la respuesta sanitaria para la atención de la emergencia producida por el COVID-19
		Government of Peru	11 March 2020	Decreto Supremo que declara en Emergencia Sanitaria a nivel nacional por el plazo de noventa (90) días calendario y dicta medidas de prevención y control del COVID-19
		Government of Peru	27 March 2020	Decreto de urgencia nº 033-2020 que establece medidas para reducir el impacto en la economía peruana, de las disposiciones de prevención establecidas en la declaratoria de estado de emergencia nacional ante los riesgos de propagación del COVID - 19
	G.M. – Economic	Government of Peru	23 March 2020	D.U. N° 031-2020.- Decreto de Urgencia que dicta medidas complementarias para reforzar los sistemas de prevención, control, vigilancia y respuesta sanitaria para la atención de la emergencia producida por el COVID-19
		Government of Peru	20 March 2020	D.U. N° 030-2020.- Dictan medidas complementarias y temporales para la autorización a ESSALUD para el uso de inmuebles para la prevención y atención de la emergencia producida por el COVID-19
		Government of Peru	20 March 2020	Decreto de urgencia Nº 029-2020 medidas complementarias destinadas al financiamiento de MYPE y otras medidas para la reducción del impacto del COVID-19 en la economía peruana

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

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Annex III
Summary of references – Peru

	Measures	Regulator	Date	Details
Peru	M.F.	SBS	26 March 2020	Resolución n° 1264 – 2020 sobre la disposición de Patrimonio en efectivo
		BCRP	26 March 2020	Nota informativa 2020/03/26 sobre la flexibilización en requerimientos de encaje
		SBS	20 March 2020	Oficio Múltiple n° 11170 – 2020 y Oficio Múltiple n° 11150-2020 y Resolución n° 1264 – 2020 que facilitar la renegociación de los créditos
		SBS	20 March 2020	Resolución n° 1262 – 2020 sobre el aumento de límites de dinero electrónico
		BCRP	20 March 2020	Nota informativa 2020/03/16-1, Nota informativa 2020/03/17 y Nota informativa 2020/03/20-1 sobre la inyección de liquidez al mercado
		BCRP	19 March 2020	Nota informativa 2020/03/19 sobre la mayor liquidez al mercado
		BCRP	19 March 2020	Nota informativa 2020/03/19 sobre la reducción de la tasas de interés de referencia
		SBS	19 March 2020	Nota informativa 2020/03/19 sobre la cooperación continua entre MEF, BCRP y SBS
		SBS	16 March 2020	Oficio Múltiple n° 11148 – 2020 que determina los raios de cobertura de liquidez
		SBS	16 March 2020	Oficio Múltiple n° 11159 – 2020 sobre la gestión priorizada de siniestros
		SBS	14 April 2020	Resolución SBS Nº 1286-2020
		SBS	27 April 2020	Resolución SBS Nº 1314-2020
		SBS	28 April 2020	Resolución SBS Nº 1315-2020
		SBS	22 April 2020	Oficio Múltiple Nº 11999-2020-SBS
	M.I.	SBS	2 April 2020	Circular AFP-172-2020
		SBS	17 April 2020	Circular AFP-173-2020

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

Summary of references – Other countries of LATAM

	Measures	Regulator	Date	Details
Honduras	M. I.	CNBS	March 2020	Circular CNBS No.006/2020: Mecanismos temporales de alivio para atender el impacto económico derivado del COVID-19.
Panamá	M. I.	Asociación Panameña de Aseguradores	14 March 2020	Nota de prensa
Uruguay	M.I.	BCU	17 March 2020	Atención al público en el sistema financiero durante la emergencia sanitaria por coronavirus (COVID-19)

(1) General Measures (G. M.)
(2) Measures with implications on the financial sector (M. F.)

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Annex III
Summary of references – Scenarios

	Entidad	Date	Details
Transmissibility and Deaths Forecasting	**Rabobank**	**12 March 2020**	Global Economic Outlook: COVID-19 has taken a hold of the global economy
	ING	**2 April 2020**	Four scenarios for the global economy after COVID-19
Stress Test and Economic Scenario	**IMF**	**14 April 2020**	The great Lockdown
	IMF	**01 April 2020**	Real GPD Growth
	IMF	**20 January 2020**	World Economic Outlook
	Morningstar	**1 April 2020**	Coronavirus Update: Long-Term Economic Impact Forecast to Be Less Than 2008 Recession
	Brookings	**23 March 2020**	How will the coronavirus affect state and local government budgets?
	WEF	**9 April 2020**	The COVID-19 recession could be far worse than 2008 - here's why
	2dII	**20 March 2020**	New stress-test scenarios for COVID-19
	BoS	**20 April 2020**	Escenarios macroeconómicos de referencia para la economía española tras el covid-19
	ECB	**1 May 2020**	Alternative scenarios for the impact of the COVID-19 pandemic on economic activity in the euro area
	Gov. of Spain	**1 May 2020**	Actualización del Plan de Estabilidad
	Bank of Mexico	**27 May 2020**	Informe Trimestral Enero – Marzo 2020
	BoS	**8 June 2020**	Proyecciones macroeconómicas de la economía española (2020-2022)
	ECB	**4 June 2020**	ECB Macroeconomic projections
	IMF	**24 June 2020**	World Economic Outlook Update
	FED	**25 June 2020**	Assessment of Bank Capital during the Recent Coronavirus Even
	EC	**07 July 2020**	Summer 2020 Economic Forecast: An even deeper recession with wider divergences