





Regulatory responses by countries to cushion the economic impact of the COVID-19 outbreak

	 Malaysia	 Singapore	 Hong Kong	 Japan
Loan Classification and Provisioning	<ul style="list-style-type: none"> Deferment of all loan repayments for a period of 6 months, effective 1 April 2020 Credit card outstanding balances can be converted to a 3-year term loan with reduced interest rates 	<ul style="list-style-type: none"> Individuals with mortgages may apply to defer principal and interest payments up to 31 December 2020 Lower interest rates on personal unsecured credit facilities 	<ul style="list-style-type: none"> The Hong Kong Monetary Authority (HKMA) welcomes voluntary initiatives from banks such as fee reduction in credit card facilities, principal moratorium for residential and commercial mortgages, etc. 	<ul style="list-style-type: none"> Banks are advised to support the cash flow of corporate clients
Capital and Liquidity Buffers	<ul style="list-style-type: none"> Bank Negara Malaysia (BNM) to supply daily ringgit liquidity to banks Banks may drawdown on the capital conservation buffer of 2.5% Banks may operate below the minimum Liquidity Coverage Ratio (LCR) of 100% 	<ul style="list-style-type: none"> Monetary Authority of Singapore (MAS) to provide liquidity support to financial institutions where needed A new MAS USD Facility to provide up to US\$60 billion of funding to support stable USD liquidity conditions 	<ul style="list-style-type: none"> HKMA has lowered the counter-cyclical capital buffer from 2.0% to 1.0% with immediate effect 	<ul style="list-style-type: none"> Banks subjected to Basel international standards may use their: <ul style="list-style-type: none"> capital buffer to absorb losses and maintain necessary funding; and liquidity buffer to absorb the liquidity shock
Other regulatory activities	<ul style="list-style-type: none"> Minimum Net Stable Funding Ratio (NSFR) which is effective 1 July 2020 is lowered from 100% to 80% Timeline for all ongoing policy consultations extended to 30 June 2020 and beyond Flexibility provided to banks to meet timelines for regulatory submissions 	<ul style="list-style-type: none"> Financial institutions are reminded to adopt BCPs and appropriate control measures and guard against cyber threats in this uncertain environment 	<ul style="list-style-type: none"> Deferral of the implementation of the final Basel III reform package by one year to 1 January 2023 	<ul style="list-style-type: none"> A notice was released to financial institutions to ensure there is a business continuity plan in place