

Weekly Member Update #2 on Mitigation of COVID-19 Crisis (03/30/20)

How public sector institutions are increasing support for SMEs:

- The US\$2 trillion stimulus package **enacted into law** on Friday includes US\$350 billion in “[forgivable loans](#)” to businesses with less than 500 employees.
- A recent expansion of [stimulus in Australia](#) includes AU\$90 billion of term funding for banks, loosening of “responsible” lender regulations, and a requirement that 20% of the funds be lent to SMEs.
- The **UK government** has announced [measures to support self-employed workers](#): the government will pay self-employed workers 80% of their income for three months starting in June.
- Many developing countries have also established direct support measures:
 - The [South African government](#) announced R500 million for SME debt relief.
 - The [Central Bank of Malaysia](#) ordered a six moratorium on small business loan payments.
 - The [Saudi government](#) postponed tax payments and waived fees on SMEs.
 - The [Central Bank of Nigeria](#) announced a NGN50 billion concessionary loan facility for SMEs; targeting not only those hurt by the downturn, but also those with “bankable” plans to benefit from the crisis.

How banks are taking a proactive role:

- [Dubai banks](#) joined forces to offer a financial relief package to their customers. In particular, [Mashreq Bank](#) has introduced a set of measures to support SMEs, including a 3-month deferral for loan payments with no extra fees and charges.
- **Standard Bank** of South Africa has introduced a [Coronavirus Business Interruption Payment Scheme](#), which provides a 90-day payment holiday for SMEs with a turnover of less than R20 million per year.
- **Three top Turkish banks** - [Akbank](#), [Garanti BBVA](#) and [İşbank](#) - have eased debt repayment terms for individuals and businesses. They have also designed digital solutions to promote contactless withdrawal methods.

How fintech and innovation are playing an essential part in the response:

- [Amazon](#) will temporarily **pause loan repayments** for sellers that have borrowed through its lending program. The move aims to support merchants facing severe cash flow constraints within a context of disrupted supply chains and lower consumer demand.
- **Huawei** has **offered its codeless development platform**, [JET workflow](#), free of charge to Singapore SMEs to help them migrate online and meet government reporting requirements instituted to monitor employees’ health.
- Leading African fintech companies have started facilitating mobile payments to help curb the spread of COVID-19. For instance, **Safaricom** has implemented a 3-month fee waiver on P2P transactions via **M-Pesa**; find more details [here](#).