



SECURITIES AND EXCHANGE OF PAKISTAN  
Specialized Companies Division  
Policy, Regulation and Development Department

No. SC/NBFC-81/2020 85

March 31, 2020

Circular No. 9 of 2020

**Subject: Relaxation to Lending NBFCs including NBMFCs under Regulation 67A of the Non-Bank Finance Companies and Notified Entities Regulation, 2008**

In order to facilitate the lending non-bank finance sector in rescheduling their borrowers under the present circumstances owing to the outbreak of COVID-19 (Coronavirus) pandemic, the Securities and Exchange Commission of Pakistan (the "Commission"), in exercise of powers conferred under sub-section (3) of section 282B of the Companies Ordinance, 1984 (XLVII of 1984) read with regulations 25 and 67A of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations"), hereby allows following relaxations to all lending Non-Bank Finance Companies (NBFCs) including the Non-Bank Microfinance Companies (NBMFCs):

1. NBFCs upon a written request of a borrower received before June 30, 2020, may defer repayment of principal loan amount by one year, provided that the borrower will continue to service the mark-up amount as per agreed terms and conditions. The NBFCs will convey their decision to the borrower within 15 working days after the receipt of the written request. In case, the request of a borrower is declined, the reasons thereof shall be communicated to the borrower. The above-mentioned deferment will not affect the credit history of the borrower and will not be reported as restructuring in ECIB.
2. The financing facilities of such borrowers, who are unable to service the mark-up amount or need deferment exceeding one year, may be rescheduled / restructured upon their request. If the rescheduling / restructuring is done within 90 days of the loans being overdue in case of microfinance and within 180 days of the loan being overdue in case of other finance facility, such facilities will continue to be treated as regular and reported in the ECIB accordingly.
3. The NBFCs shall not classify the financing facilities of such borrowers who have requested for deferment under para 1 or rescheduling / restructuring under para 2, unless the payment obligations are past due by 90 days in case of microfinance and 180 days in case of other finance facility. If the deferment or rescheduling / restructuring is not executed successfully within the specified past due periods, such financing facilities shall be classified



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as "Doubtful" in case of microfinance and "Substandard" in case of other finance facilities, as per Schedule X of NBFC Regulations.

4. The aforesaid relaxations, specified at paras 2 and 3 above, shall stand expired on March 31, 2021; and afterwards prevailing provisions of the NBFC Regulations shall be applicable. Moreover, the aforesaid treatment shall be available for loans, which were regular as on February 15, 2020 and became non-performing subsequently.

(Musarat Jabeen)

Executive Director (SCD)

**Distribution:**

1. Chief Executive Officers, Lending NBFCs
2. Chief Executive Officers, NBMFCs
3. Pakistan Microfinance Network
4. NBFI & Modaraba Association