



## **BOT extended the debt moratorium for SME borrowers**

### **Financial**

Due to the new wave of COVID-19 outbreak situation, it aggravates the economic recovery and debtor's ability to pay debts while the financial institution system is still stable. With consistently high levels of capital, reserves, and liquidity, the BOT has reviewed its policy on providing additional remedies to affected debtors and also stimulate the financial institutions to speed up debt restructuring by taking into account the potential and opportunity for debtor adjustment in the future while maintaining the stability and good risk management of the financial institution system with details as follows:

- Extending the debt moratorium for SMEs borrowers from 30 June to 31 December 2021.
- The measure is only available for SMEs who have been severely affected by the pandemic which will be applied on a case-by-case basis.
- It also expands the scope of definition for financial institutions by allowing them to apply their own definition for SMEs when providing debt restructuring to SMEs.
- BOT also eased the non-performing loan (NPL) classification for SME debt structuring until 31 December 2021 and provided loan-loss reserve regulations for financial institutions with the purpose of helping SME's debt restructuring.