



ທະນາຄານແຫ່ງ ສປປ ລາວ  
Bank of the Lao PDR

# NEWS

Public Relations Section, Cabinet Office, Bank of the Lao PDR

**BOL**

## **BOL takes Policy Actions to mitigate the impact of Covid-19 on Business Sector**



In the wake of outbreak of Covid-19 around the world and many countries are taking strong attempt to cope with the coronavirus pandemic, likewise Laos is also taking various measures to response this outbreak. On economic impact on economy, various sectors of economy are hardly hit by the Covid-19. In recognition of its consequence, the Bank of the Lao PDR has recently taken its policy actions by introducing numerous policy measures ranging from reduction in BOL policy rate, its reserve requirement ratio to its specific credit policy for business sector.

The policy announcement was made by Mr. Phetsathaphone Keovongvichith Director General of BOL Office, on 27 March 2020 following the Decision on Specific Credit Policy for Commercial Banks and Financial Institutions, No 238/BOL signed by Mr. Sonexay Sithphaxay, Governor of the Bank of the Lao PDR on 26 March 2020. The policy action is also in response to government policy measures which calls for all public organizations, including banking sector to introduce necessary economic and financial measures to assist the affected sectors of economy.

On specific credit policy announced by the BOL, commercial banks and financial institutions are urged to delay for the loan repayment of both principal and interest rate, consider to cut interest rate and service charges for its affected borrowers, consider to provide additional funding, if necessary, to its borrowers and restructure its debts by renewing loan contracts or loan payment both principal and interest with grace period of 1 year or depend on the agreement between banks and borrowers. Following the implementation of this credit policy, commercial banks and financial institutions would be eased to implement some related regulations of the BOL.

Mr. Keovongvichith said that in a situation where the many countries, including Laos, are experiencing difficulties due to Covid-19, this policy action taken by the Bank of the Lao PDR is appropriate and timely and we call for commercial banks and financial institutions to implement this credit policy accordingly. With this policy actions taken, we strongly hope that business sectors would feel a bit relieved in this difficult time.