

BANK OF UGANDA



Plot 37/45 Kampala Road, P.O. Box 7120 Kampala,

Website: www.bou.or.ug E-mail: info@bou.or.ug

General Lines: (+256-414) 258441/6, 258061/6, 0312-392000 or 0417-302000

Fax: (+256-414) 233818 Twitter: @BOU_Official Facebook: Bank of Uganda | Uganda's Central Bank

CREDIT RELIEF MEASURES TO MITIGATE THE ECONOMIC IMPACT OF COVID-19

KAMPALA, Friday, April 17, 2020 – Bank of Uganda (BoU) in its Monetary Policy Statement of April 06, 2020, made reference to credit relief measures to mitigate the adverse effects of the COVID-19 pandemic, ensuring financial sector stability, and facilitating the financial intermediation process during this pandemic period.

The credit relief measures contained herein, do not eliminate the debtor's obligation to repay borrowed funds. Furthermore, these credit reliefs are to be extended to borrowers of Commercial Banks, Credit Institutions, and Microfinance Deposit Taking Institutions (MDIs) supervised and licensed by BoU. The allowable credit relief measures and terms thereof include:-

1. Repayment holidays for a maximum of 12 months, loan tenor extensions, and any other forms of debt restructuring covered in existing Regulations.
2. These credit reliefs shall only be granted within the 12 month period with effect from April 01, 2020.
3. Consumer protection remains paramount, and any credit relief(s) offered must be in the best interest of customers, and with full disclosure.
4. The decision to offer a credit relief to a customer or decline a request for a credit relief from a customer is the responsibility of the Supervised Financial Institution (SFI).
5. Borrowers are encouraged to request, and SFIs may offer, credit relief. In either case, the borrower must consent to any credit relief granted.
6. The credit status at the time of granting a repayment holiday shall remain unchanged for the duration of the said repayment holiday.
7. The prepayment of arrears as a condition for restructuring a credit facility is suspended for 12 months with effect from April 01, 2020.

Bank of Uganda assures the public of its commitment to safeguard financial sector stability. The application of these credit relief measures shall be monitored, and BoU stands ready to issue additional measures as risks from the COVID-19 pandemic evolve. For more information, please contact the Director, Communications Department via telephone +256(0)414258441/6 OR e-mail info@bou.or.ug AND fcem@bou.or.ug.

Adam Mugume (PhD)
For: Deputy Governor