



Weekly Update on Mitigation of COVID-19 Crisis - #9- 05/18/20

How governments and IFIs are supporting SMEs as lockdowns ease in some countries:

For a detailed summary of mitigation actions being taken by national governments, see [this page](#) produced and updated by the **IMF**.

- ✓ **India's government announced** a US\$307 B stimulus package which includes measures to save the lockdown-battered economy, and focuses on [tax breaks for small businesses](#) as well as incentives for domestic manufacturing. The package also incorporated US\$60 B of loan guarantees for small businesses, shadow banks and power companies.
- ✓ The **United Arab Emirates Ministry of Culture** launched a program which will provide grants of US\$4,000 to US\$13,000 to [creative freelancers and SMEs](#). The program follows the lead of similar initiatives taken in the United Kingdom and Germany.
- ✓ The **U.S. Centers for Disease Control** issued [guidelines to help businesses](#) decide on when and how to reopen. The guidelines are likely to shape small business commerce in the coming months.

How banks and other financial service providers are adapting to the prolonged crisis:

- ✓ **In Argentina, banks** are ramping up SME lending, with over US\$ 2.9 B worth of [SME working capital loans](#) approved by Argentinian banks between March 16 and May 6. Banks had been left with few alternatives after the central bank capped the amount of short-term, high-yield central bank notes, which banks can hold; reduced minimum reserve requirements; and suspended dividend payments until July.
- ✓ **In Malaysia, where 98.5% of all business are SMEs, Hong Leong Bank** digitized its [application](#) for SME loans in order ensure that SMEs receive timely financial relief. These loans are supported by its central bank's Special Relief Facility.
- ✓ **Standard Chartered Bank** introduced its all-digital platform for clients in India, Singapore and Malaysia, which enables processing of up to 29 [self-service requests](#), including accessing documents for loans, over their app and online portal.

How fintech companies can adapt to the new normal:

- ✓ **Finastra**, through its [Finastra's CARES Act solution](#), has enabled processing of 86,000+ Paycheck Protection Program (PPP) loans in the United States, supporting community-focused banks and credit unions. PPP loans help SMEs keep their employees on payroll. These loans will be forgiven by SBA, if the employees are kept on the payroll for eight weeks and the funds are used for payroll, rent, mortgage interest, or utilities.
- ✓ The **Monetary Authority of Singapore** announced a "[Fintech Solidarity Grant](#)". Worth US\$3.44 M, the grant will be dedicated to ensuring that fintechs can continue competing with traditional lenders as funding conditions grow increasingly tight. A recent report from CB Insights found that Asian investment has [fallen by 69%](#) since the onset of the crisis.

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Next Virtual Roundtable #9:

May 21 – 8 am EDT

SME Finance Business Thriving amid
Chaos – *By invitation only*

Virtual Roundtable Recap:

[Reducing financial vulnerabilities for
women entrepreneurs during COVID-19](#)