



STATE BANK GUIDELINES ON RESCHEDULING DEBT PAYMENT TERM FOR CUSTOMERS HIT BY COVID-19 EPIDEMIC

On 07 September 2021, the State Bank of Vietnam has issued Circular 14/2021/TT-NHNN (“Circular 14/2021”) amending and supplementing a number of articles of Circular 01/2020/ TT-NHNN stipulates the rescheduling of debt repayment, exemption and reduction of fees, maintaining the debt group to support customers hit by the Covid-19 epidemic.

Accordingly, credit institutions and foreign bank branches (hereinafter referred to as “Credit Institution”) shall reschedule the repayment term for the outstanding balance of principal and/or interest of the debt upon fully meeting the following 8 conditions:

- (1) Debts incurred before 01 August 2021 from lending and financial leasing activities.
- (2) Having an obligation to repay principal and/or interest in the period from 23 January 2020 to 30 June 2022.
- (3) The outstanding balance of a debt may be rescheduled for repayment in one of the following four cases:
 - (i) The outstanding balance is due or overdue up to 10 days from the due date of payment, the repayment term according to the contract or agreement (except for cases iii and iv).
 - (ii) The outstanding balance of the debt incurred before 23 January 2020 and overdue between 23 January 2020 and 29 March 2020.
 - (iii) The outstanding balance of the debt arising from 23 January 2020 until before 10 June 2020 and overdue before 17 May 2021.
 - (iv) The outstanding balance of the debt arising from 10 June 2020 until before 01 August 2021 and overdue from July 17, 2021 until before 07 September 2021.
- (4) Customers are considered by the credit institution to be unable to repay on time the principal and/or interest according to the contract or agreement due to the reduction in revenue and income, which is hit by the Covid-19 epidemic.

- (5) Customers has requested rescheduling the repayment term and the credit institution remarks that the customers have the ability to fully repay the principal and/or interest according to the rescheduled repayment term.
- (6) The credit institution fails to reschedule the repayment term for debts that violate the law.
- (7) The time for debt rescheduling (including debt extension) is suitable to the extent where customers are hit by the Covid-19 epidemic and must not exceed 12 months from the date of the credit institution rescheduling the repayment term or from the due date of each debt balance that is scheduled for repayment.
- (8) The rescheduling of debt repayment term for customers is done until 30 June 2022.
- In tandem with the debt scheduling, the State Bank also allows the credit institution to exempt and reduce interest and fees for customers until 30 June 2022 as well as to maintain the classified debt group in respect of debts arising from 23 January 2020 until before 01 August 2021.
- Circular 14/2021, effective from 07 September 2021, partly enables the credit institution to reschedule the term of paying debts for customers who can repay their debts but cannot go to the bank to do the same as they are quarantined, ineligible to leave their own locality or are being treated for Covid-19 as prescribed.



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