



The Governor

PRESS RELEASE

Measures to mitigate the economic impact of the COVID 19 Pandemic

March 18th, 2020: - Following the outbreak and global spread of COVID -19 that is expected to negatively affect the global economy, Rwanda inclusive, the National Bank of Rwanda (NBR) together with other government institutions engaged with various stakeholders (Banks, Mobile Network Operators) in a bid to come up with measures to mitigate the economic impact of the pandemic. To that effect, the following measures were taken:

Easing of loan repayment conditions to borrowers affected by the COVID 19 pandemic: Banks are exceptionally allowed to restructure outstanding loans of borrowers facing temporary cash flow challenges arising from the COVID-19 pandemic.

Liquidity support: In addition to existing Central Bank liquidity facilities such as Intra-day liquidity facility, Overnight lending facility, Reverse Repo for seven days and Refinancing Facility for seven days, the National Bank of Rwanda has;

- **Introduced an Extended Lending Facility to Banks:** The NBR has put in place a facility of Frw 50 billion that banks with liquidity challenges can borrow from at the Central Bank Rate (CBR). The tenor is extended from overnight to 3, 6 and 12 months. This facility is available for the next six months and shall be disbursed at the discretion of the Central Bank.
- **Reviewed the existing Treasury Bonds rediscounting window:** For the next six months, the NBR offers to buy back bonds at the prevailing market rate and the waiting period if one fails to sell the bond at the secondary market will be reduced from the current 30 days to 15 days.
- **Reduced the Reserve requirement ratio:** Effective April 1st, 2020, NBR will lower the reserve requirement ratio by 100 bps, from 5% to 4%, in order to allow banks more liquidity to further support affected businesses.

Encourage use of digital channels and contactless mobile payments: In an effort to limit the risk of transmission of the virus through handling of cash and other non-virtual means of payment, for the next 3 months and effective from 19th March 2020, Mobile Network Operators and Banks have agreed to;

- Zero charges on all transfers between bank accounts and mobile wallets (Pull and Push services);
- Zero charges all mobile money transfers;
- Zero merchant fees on payments for all contactless Point of Sale (mobile and virtual POS) transactions;

- The limit for individual transfers using mobile money wallets has been increased from FRW 500,000 to FRW 1,500,000 for Tier I customers and from FRW 1,000,000 to FRW 4,000,000 for Tier II customers.

The National Bank of Rwanda encourages all Citizens to take advantage of the removal of all charges on electronic money transactions, and use digital payment means for all their transactions.

The National Bank of Rwanda will continue monitoring the implementation of these measures as well as the impact of the COVID- 19 pandemic and stands ready to take any additional appropriate measures.

RWANGOMBWA JONGOS
Governor

