



CORPORATE GOVERNANCE AND FINANCE DEPARTMENT

NOTICE

TO : FINANCING COMPANIES (FCs), LENDING COMPANIES (LCs)
AND MICROFINANCE NGOS (MF-NGOs)

SUBJECT : CESSATION OF THE PROVISION OF THE MANDATORY
GRACE PERIOD DURING THE GENERAL COMMUNITY
QUARANTINE (GCQ) AND MODIFIED GENERAL COMMUNITY
QUARANTINE (MGCQ) PERIOD

DATE : 01 JUNE 2020

Please be advised that the mandatory grace period shall no longer be applied to loans falling due during the General Community Quarantine (GCQ) or Modified General Community Quarantine (MGCQ) throughout the Philippines beginning 01 June 2020¹. This Notice is consistent with the Bangko Sentral ng Pilipinas (BSP) Memorandum No. M-2020-042², which provides:

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The mandatory grace period under the Bayanihan Act shall only apply if there are still areas in the country under ECQ or MECQ. **The application of the mandatory grace period shall cease once the ECQ and MECQ are lifted in the entire country.** (Emphasis supplied)

Conversely, once an area in the Philippines is reverted to either ECQ or MECQ, the mandatory grace period shall resume application.

For compliance.

¹ Per IATF Resolution No. 41, Series of 2020, 29 May 2020.

² 18 May 2020.