



A Study on the Implications and the measures taken to Mitigate The Risk of COVID-19

By Taskforce- Better Regulation

The document examines the measures taken by the capital market regulators and stock exchanges in selected markets to mitigate the risk associated with Novel Coronavirus (COVID-19) outbreak. Furthermore, the document reviews the COVID-19 economic impact on selected markets and the measures taken by their respective governments. Moreover, the document elaborates the actions taken by the Sri Lankan Government, the capital market regulator and the stock exchange to mitigate the risk stemming from COVID-19. Finally the document gives a holistic view of how the global economy and the Sri Lankan economy will get encumbered by the COVID-19 outbreak along with some considerations which may be considered in granting concessions, reliefs to the Sri Lankan capital market.



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1. Background

The emergence and the spread of the Novel Corona virus (COVID-19) has affected economic activity on a global scale, and at Securities and Exchange Commission of Sri Lanka (SEC) we understand the seriousness of the situation and have recognized it as a significant threat to the business operations of and regulation of the capital market in Sri Lanka.

Local and foreign investors are closely watching the effects of the situation, performance, operations and regulation of the capital market in the country. As the SEC, we are expected to provide proactive, meaningful and substantial regulation to counter the situation.

The SEC has already taken number of steps to grant redress to the stakeholders of the capital market. In that regard SEC has adopted a process of consultation in making policy and regulatory decisions and constant engagement with stakeholders of the market over the period in making decisions to mitigate risk arise from the epidemic.

At the same time, SEC sought the intervention of the Central Bank of Sri Lanka (CBSL) to initiate a system of support measures to Investors, Stock Exchange, Listed entities, Stock Brokers, Stock Dealers, Other Market Intermediaries and Unit Trust managing companies which are within the purview of the SEC. Upon consideration of the decisions taken by the CBSL is to set up Re-financing Facility to implement the decisions taken by the Cabinet of Ministers on 20th March 2020 to introduce a wide range of fiscal and financial concessions to those who have been adversely affected from the pandemic.

The outbreak continues to create a severe risk to the country's economy as well as the safety of its citizens. The report comprise of twelve selected markets namely India, Pakistan, Indonesia, Philippines, Bangladesh, United States of America (USA), United Kingdom (UK), Singapore, Malaysia, Thailand, Australia, Hong Kong along with Sri Lanka. The document reviews the measures taken by those countries, their capital market regulators and respective exchanges in mitigating the risk stemming from COVID-19. Finally the report gives a holistic view of the impact of COVID-19 to global and Sri Lankan economy along with some considerations which may be considered in granting concessions, reliefs to the Sri Lankan capital market.

2. Executive Summary

The Securities and Exchange Commission (SEC) of Sri Lanka has been closely monitoring the situation and wishes to emphasize at the outset that the present predicament with the stock market is a global phenomenon and not one peculiar to Sri Lanka.

The Director General of SEC setup a “Taskforce- Better Regulation” (TFBR) in order to assess the risk emanating from COVID-19 outbreak. The taskforce was convened from twenty-five staff members of the SEC. The taskforce comprised of diverse divisional members and was gathered with a view of bringing in diversified skills and competencies in order to evaluate the impact of COVID-19 outbreak on a global scale as well as its impact to the Sri Lankan capital market and its effect to the Sri Lankan economy as a whole.

The TFBR has observed that in order to arrest the current situation, capital market regulators of other countries whom we have studied have not resorted to amend existing rules and regulations pertaining to credit exposures, settlement exposures and business continuity of its stakeholders. However, regulators have displayed leniency and flexibility as far as procedural requirements such as the filing of various reports and documents are concerned. It is noteworthy to mention here that in almost all those jurisdictions, a Central Counter Party (CCP) or a Delivery vs. Payment (DVP) system is in place to mitigate risks.

The TFBR is of the view that with the Government offering stimulus packages that are of a wider scope and coverage, the economy at large will benefit and so will the capital market being a mirror image of the economy. Stock markets in other jurisdictions have also depicted a recovery to a certain extent subsequent to the announcing of such stimulus packages.

The SEC also wishes to emphasize that investors who have acquired fully paid shares would not be confronted with any risk since such positions can be held until the recovery of the market or to meet an urgent liquidity requirement which has been witnessed in the past.

The TFBR report comprises of twelve selected markets namely India, Pakistan, Indonesia, Philippines, Bangladesh, United States of America (USA), United Kingdom (UK), Singapore, Malaysia, Thailand, Australia, Hong Kong along with Sri Lanka.

The document reviews the measures taken by those countries, their capital market regulators and respective exchanges in mitigating the risk stemming from COVID-19.

Finally, the TFBR report gives a holistic view of the impact of COVID-19 to global and Sri Lankan economy along with some considerations which may be considered in granting concessions, reliefs to the Sri Lankan capital market.

After taking note of the concessions given by other selected market regulators, their exchanges and considering the unique nature of the Sri Lankan capital market, the SEC may consider granting following relief measures. The TFBR proposed relief measures are further elaborated in section three of this summary report. It is important to grant concessions in a sequential manner to the betterment of the entire capital market. Further, it is important to closely monitor the developments of the pandemic and amend relief mechanisms where necessary.

A brief summary of the relief mechanisms the SEC may consider in granting to the betterment of the capital market is as follows.

1. Relief Measures - Colombo Stock Exchange (CSE)

- SEC to defer CSE contributions to broker back office and order management systems up until march 2021 (1-year period)
- Recovering of market days lost

2. Relief Measures -Licensees

- Granting flexibility for report submission by market intermediaries
- Granting Relief- Submission of audited financial reports
- To relax the rules on the minimum number of Registered Investment Advisors (RIA)'s in an intermediary company
- To grant relief to the rules on the mandatory staff requirement
- Granting Relief-Market Intermediary Licensing renewal fees
- Granting Relief- RIA rule on call recording
- Granting Relief- Continuous Professional Development certificate (CPD requirement)

- To freeze the liquidity deposit paid by the brokers to the CSE
- Reducing of trading hours

3. Relief Measures- Investors/General Public

- Enhance awareness/education/reassurance about the market
- Deferment of interest income charged by market intermediaries from the credit trades carried out by their clients for a period of three months
- To consider in revising the delayed payment interest component stipulated in the rules

4. Relief Measures- Listed Entities

- Submission of COVID-19 financial and business impact assessment report
- Granting Relief-Decline in market capitalization of the main board listed entities
- Relief given to listed entities- reconsideration of declared but not yet paid dividends and entitlements
- Relief in form of Reduction/Deferment of continuous listing fees charge from listed entities by the CSE
- Waving off initial public offering (IPO) fees charged by the regulator

➤ **Relief measures that are suggested to Central Bank of Sri Lanka (CBSL) by SEC to be granted for the betterment of capital market**

Reliefs that may be given to Listed Entities – SEC has already written to CBSL in this regard

- i. Extend the categories of relief already proposed to limited sectors, to all the sectors of listed companies.
- ii. Extend additional benefits to listed entities in the Health Care sector to boost sector capacity to support national needs by way of accelerated depreciation.

iii. Due to restrictions placed on certain activities, some listed entities may scale down operations in the short-term. Therefore, to offer benefits such as to defer tax payments by at least two quarters to minimise cash-flow impact to allow them to stay afloat.

iv. As Banks and Financial Institutions are directed to offer benefits to the community, to offer relaxation on Capital Adequacy Requirements as an already strained capital market investor base may not be able to inject further capital via right issues or debt capital at this point in time. Further, relaxation on debt impairment models to recognize current extraordinary circumstances could be offered to maintain the viability of the sector.

➤ **To mitigate market disruption as a result of an unprecedented event (proposed measure to the entire market)**

➤ *Introduction of additional circuit breakers and market halt*

Following is a brief of some of the relief measures that should not be conducive to be granted to the capital market of Sri Lanka as they are directly connected in mitigating the settlement risk.

1. Relaxation of Capital Adequacy Requirement (CAR)
2. Relaxation of any other settlement related rules and margin call/debt clearance rules

In the document relief measures prescribed under item number 22,23,24 and 25 will have to be considered at a policy level by SEC in order to embrace technological developments in the world and such changes which may have to be reflected in the existing SEC rules.

It is prudent in the current juncture for the SEC to consider granting reliefs in the form of procedural/process related rather than granting cash reliefs to licensees and other stakeholders. Moreover, TFBR and SEC as a whole would continue to monitor new developments of the pandemic and would continue to take necessary steps where necessary in order to create a fair and efficient market.

3. Country closure methodologies amid COVID-19

Country	Lockdown		Type of Lockdown		Operationalisation (how have they implemented the lockdown)
	Yes	No	Mandatory	Voluntary	
Indonesia	Not a complete lock down. The Government is taking tight measures			✓	<ul style="list-style-type: none"> ▪ The President Joko Widodo declared a public health emergency and ordered large-scale social distancing measures and tighter rules on movement by the people. ▪ Under the new regulations announced on Tuesday (March 31), regional administrations - subject to the health minister's approval - are allowed to impose controls, including closing schools and workplaces and limiting religious activities and gatherings at public places. ▪ Since the emergency declaration by Mr Joko, seven of Indonesia's 34 provinces, as well as 41 districts and cities have adopted new regulations. ▪ Some have extended school holidays and scrapped examinations while others have formed neighbourhood watch groups to bar strangers

					<p>from loitering in their estates. Authorities had asked companies to allow employees to work from home and businesses to operate only essential services to contain the virus spike.</p> <p>Source: Articles published in es https://www.straitstimes.com/ dated 1st April 2020 & Bangkok post dated 29th March 2020</p>
Singapore	Not a complete lock down. The Government is taking tight measures		✓		<ul style="list-style-type: none"> ▪ Singapore's government will shut schools, universities and move to home based learning ▪ Most workplaces have been instructed to commence working from home and penalties will be introduced for non-compliant companies ▪ Casinos, theme parks are to close starting from next week ▪ Food establishments, markets and supermarkets, clinics, hospitals, utilities, transport and key banking services will remain open. ▪ From April 7, all restaurants, hawker centers, coffee shops, food courts and other food and beverage outlets will remain open only for takeaway or delivery ▪ Other economic sectors "that are strategic, or form part of a global supply chain" will not be closed

					<ul style="list-style-type: none"> ▪ All preschool and student care centers will also be closed, but will provide limited services for children of parents who have to continue working and are unable to make alternative care arrangements ▪ Government will stop discouraging the general public from wearing face masks in public, and will distribute reusable masks from April 5 <p>Source: Article published in livemint.com dated 3rd April 2020</p>
Thailand	Phuket is on lockdown. The Government is taking tight measures in other areas		✓		<ul style="list-style-type: none"> ▪ Phuket <ul style="list-style-type: none"> • All transportation to the island banned except by air • The order to lockdown will last for at least one month • Vehicles and vessels providing essential goods and services are exempted. ▪ Under the state-of-emergency rules imposed by the government non-essential businesses are shut and inter-provincial travel is discouraged but not banned. ▪ The Government has closed its land borders, told people to stay at home, and shuttered most businesses,

					<p>playgrounds in public parks and housing estates, libraries, museums, theatres, outdoor cinemas, and public and private nurseries (except those in hospitals).</p> <ul style="list-style-type: none"> ▪ A total of 15 checkpoints are set up around Bangkok and at three bus terminals to check the temperature of travellers and send those with a fever for further screening. <p>Source: Articles published in https://www.reuters.com/ dated 25th March, https://www.bangkokpost.com/ dated 1st April 2020 and https://www.thejakartapost.com/ published on 30th March</p>
Malaysia	Lockdown		✓		<ul style="list-style-type: none"> ▪ Malaysia implemented a movement control order (MCO) starting from Mar 18 to rein in the spread of the contagious disease. ▪ MCO was extended to April 14, two weeks beyond its initial March 31 cut-off date. ▪ Foreign and interstate travel is banned under the order, and people may only leave their homes for essential shopping <p>Source: Article published in https://asiatimes.com/ dated 25th March 2020</p>

India	<p>On 24th March 2020, a 21 day mandatory lockdown was implemented all over the country by Prime Minister Narendra Modi.</p>	√			<ul style="list-style-type: none"> ▪ Prime Minister Narendra Modi announced the world's largest lockdown on 24 March, asking 1.3 billion Indians to stay home for 21 days to slow the spread of COVID-19. ▪ Prior to that, on 22nd March 2020, India attempted a one-day nationwide shutdown and it was implemented from 7.00 am to 9.00 am. <p>Source: Article published on ScienceMag.org, "1.3 billion people. A 21-day lockdown. Can India curb the coronavirus?" dated 31st March 2020</p>
Pakistan	<p>Complete lockdown imposed by the Government</p>	√			<ul style="list-style-type: none"> ▪ On 24th March the government approved deployment of army troops nationwide to reinforce lockdown, which will run through the next two weeks. ▪ The government also announced suspension of railway operations across the country from 24th midnight to March 31. ▪ Law enforcing agencies used containers, and ▪ barbed wires to block the main roads in several cities, including Karachi, to keep the motorcyclists off the streets. Individuals related to

essential services, however, were allowed to move, and pharmacies, and grocery stores stayed open.

- The judiciary, including the supreme and the high courts have also limited their operations, and are hearing only essential cases.
- The Islamabad High Court ordered release of hundreds of prisoners involved in petty crimes on bail, in a bid to reduce the hazards of COVID-19 outbreak in jails following the first confirmed coronavirus case in a Lahore jail.
- The government imposed a state of emergency in the five districts of southwestern Balochistan province, which border the coronavirus-battered Iran, in a desperate attempt to quench the increasing number of the novel virus cases.
- For Islamabad, the government announced the launch of a mobile application aimed at providing essential items, and services to the citizens at their doorstep, according to a statement from the

					Prime Minister Office. Source: Article published in Anadolu Agency (AA), "Pakistan stays under lockdown amidst coronavirus outbreak" dated 24 th March 2020
Philippines	Yes		✓		<ul style="list-style-type: none"> ▪ The Philippines's main island of Luzon has been under a month-long lockdown since March 16, prohibiting people from leaving their homes except for essential trips to the grocery or the pharmacy, or if they are front-line workers. ▪ Philippine President Rodrigo Duterte has warned he would order the country's police and military to shoot dead anyone "who creates trouble" during a month-long lockdown of the island of Luzon. ▪ Many provinces outside of Luzon have also imposed their own restrictions in a bid to prevent the virus from spreading <p>Source: Article published in Al jazeera, "Man shot dead in Philippines for flouting coronavirus rules" dated 5th April 2020</p>
Bangladesh	Total Lockdown		✓		<ul style="list-style-type: none"> ▪ Bangladesh imposed a nationwide lockdown to curb the spread of the novel coronavirus ▪ Authorities declared a ban on passenger travel via water, rail and on domestic air

					<p>routes from March 24 while all public transport on roads were suspended from March 26</p> <ul style="list-style-type: none"> ▪ The closure of all educational institutions in the country has been extended to April 9 from March 31. ▪ The government also decided to suspend all domestic commercial flights from midnight Tuesday until further notice as part of efforts to encourage people to stay home to contain the outbreak. <p>Source: Article published in Asia-Pacific latest on Corona virus outbreak, “Bangladesh imposes total lockdown over COVID-19” published on 25th March 2020</p>
United States of America		✓	N/A	N/A	N/A
United Kingdom	Lockdown		✓		<ul style="list-style-type: none"> ▪ The UK has gone into full coronavirus lockdown with the British public ordered to stay at home from 23rd March 2020. ▪ People will be allowed to leave their home only to do essential work, exercise, or buy food or medicine. ▪ All nonessential shops, premises, and places of worship will be closed down, with

					weddings and baptisms banned.
Australia	Not a complete lockdown. However rules are getting stricter.			✓	<p>Source: Article published in https://www.businessinsider.com dated 24th March 2020</p> <ul style="list-style-type: none"> ▪ The public is urged to remain indoors. No more than two people can be in public together, unless they are part of the same household. All over-70s are “strongly advised” to stay at home, as well as those over 60 who have a chronic illness, and Indigenous people over 50. ▪ All registered and licensed clubs, licensed premises in hotels and pubs, casinos and night clubs, Cinemas and entertainment venues, Auctions and open house inspections, Personal services such as beauty therapy, tanning, massage and tattoo parlours (but not physiotherapy), Outdoor and indoor markets, Amusement parks and arcades, and indoor and outdoor play centres, Galleries, museums, libraries and swimming pools, Gyms, boot camps and indoor sport venues, Public playgrounds, outside

					<p>gyms and skateparks are closed.</p> <ul style="list-style-type: none"> ▪ Hairdressers and barbers can continue but activity is restricted. ▪ Restaurants and cafes can offer delivery and takeaway only. Food courts in shopping centres may also only offer takeaway ▪ Weddings restricted to five people – the couple, the celebrant and two witnesses. ▪ Funerals are generally limited to no more than 10 people, but on 26 March states and territory were given the power to make exemptions in special circumstances ▪ Visits to houses are subject to the same rules as public gatherings. ▪ Shopping centres and other shops not specifically told to close, including bottle shops, medical centres and pharmacies remains open. ▪ Overseas travel is banned, with some exceptions such as aid workers and compassionate travel. Arrivals from overseas are subject to compulsory 14-day quarantine in hotels or elsewhere, at public expense, following
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					health checks on arrival at airports. Source: Article published in https://www.theguardian.com dated 30 th March 2020
Hong Kong	Not a complete lockdown. However stricter rules may be imposed and is recommended.			✓	<ul style="list-style-type: none"> ▪ Since late March, the government has banned public gatherings of more than four people. ▪ Cinemas, fitness centres, bars, pubs and other leisure venues have been ordered to close for two weeks. ▪ Restaurants also have to keep tables 1.5 metres apart. ▪ Hong Kong may impose a lockdown for several weeks that closes all non-essential businesses and largely confines people to their homes, a senior government adviser has said as a top epidemiologist warned of a “third wave” of coronavirus infections. <p>Source: Article published in https://www.scmp.com (South China Morning Post) dated 05th April 2020</p>

4. Functioning of selected stock exchanges amid COVID-19

Country	Details Pertaining to closing of the exchanges	Actions taken to safeguard the continuous operations of the exchanges	Action taken to mitigate market risk
India	Two Stock exchanges (Bombay Stock Exchange and National Stock Exchange of India)were kept opened up until today without any closure.	<p>Govt of India has requested from the State Governments and Union Territories to keep the services of stock market entities exempted from the purview of lock-down effected from 25th March 2020 (<i>SEBI Press Release dated 23rd March 2020</i>)</p> <p>As a temporary measure NSE members were permitted to operate the trading terminals from alternative locations under the condition and the review of the exchange. (NSE Circular dated 20th March 2020)</p>	SEBI has taken number of regulatory measures over derivative markets in the India.
Indonesia	Indonesian Stock exchange was kept opened up until today without any closure.	<p>Financial Services Authority together with capital market SRO have implemented Business Continuity Management (BCM) to ensure continuous operational activities in the capital market through a number of measures, as follows:</p> <p>Split Operation to several alternate working locations.</p> <p>Work from Home implementation while maintaining continuous service to stakeholders.</p> <p>Limit on-site events such as socializations, meetings, and other corporate events by</p>	<p>Implementing a new Trading Halt regulation for 30 minutes in the event of Jakarta Composite Index (JCI) experiences a 5% decline which was previously set as 10%</p> <p>Changing the Auto Rejection limit in Indonesian Stock Exchange Trading Regulation.</p> <p>Prohibiting Short Selling transactions of all Exchange Members from 2nd March 2020 until at a specified date determined by Financial Services Authority of Indonesia.</p>

		<p>using electronic facilities.</p> <p>(Joint Press Release by the Exchange and FSA of Indonesia)</p>	<p>Adjusting shares haircut and risk charge to stimulate the market.</p>
Philippines	Closed for two consecutive days 17 th – 18 th March, resumed operations on 19 th March 2020	<p>Philippine Stock Exchange has closed trading floor for all trading participants and advised to conduct trading activities remotely through offsite locations.</p> <p>Shortening of trading hours</p>	Amend the lower static threshold from 50% to 30% from the reference price
Pakistan	Pakistan Stock exchange was kept opened up until today without any closure.	<p>Upon request of the Securities Exchange Commission of Pakistan, Sindh Provincial Government has included SROs of the Capital Market amongst ‘Essential Services’ subsequent to the declaration of lockdown within the province.</p> <p>Trading hours have been rescheduled where Trade Opening Time has been delayed by 30 minutes to open at 11.00 a.m.</p> <p>Implemented a robust business continuity measures from early March 2020 which resulted various business functions of the Stock Exchange including trading, settlement, clearing, risk management and IT worked seamlessly.</p> <p>To ensure business continuity and preparedness of the TREC holders and the Self-Regulatory Organizations, a</p>	<p>Securities Exchange Commission of Pakistan had advised Pakistan Stock Exchange to extend the duration of Market Halt from 45 minutes to 120 minutes subsequent to the market halt triggered on 12th March 2020.(Press Release SECP dated 23rd March 2020)</p> <p>SECP has decided that for the April 2020 contract, short sale in 36 specific shares of future market shall be subject to an uptick rule</p>

		<p>mock trading session was conducted on March 23, 2020 by Pakistan Stock Exchange. During this mock exercise, all the TREC Holders had been asked to log in from their respective DR and remote locations.</p> <p>Trading Right Entitlement Certificate (TREC) holders (equivalent to Investment Advisors Sri Lanka) also requested and supported to maintain thin presence of staff at their offices while remote access was facilitated</p>	
Bangladesh	<p>The Board of Directors decided to keep the trading, settlement and official activities of Dhaka Stock Exchange closed from March 29, 2020 to April 2, 2020 following the Government decision to prevent the spread of Coronavirus (COVID 19). (wfe.com).</p> <p>However observed that two Exchanges were closed from 25th March 2020. (Dhaka stock exchange and Chittagong stock exchange)</p>		<p>Bangladesh Securities and Exchange Commission (BSEC) decided to fix the floor price of each security to protect the index amid COVID-19</p>
Singapore	<p>Singapore stock exchange was kept opened up until today without any closure.</p>	<p>The Financial Services have been identified as an essential service.</p> <p>Conducting split site operations from two locations. Steps have taken to employ 80% of staff to work from</p>	<p>SGX has already placed dynamic circuit breakers to ensure orderliness of trading</p>

		<p>home.</p> <p>No notice has been given on closing the office premises however communicated that tighten precautionary measures will be taken when admitting visitors.</p> <p><i>(Message to public from the SGX CEO)</i></p>	
Thailand	Thailand Stock exchange was kept opened up until today without any closure.	<p>Thailand Stock Exchange has already devised a comprehensive Business Continuity Management (BCM) plan that covers to ensure the functioning of trading, clearing and settlement, and other service systems.</p> <p>The said BCM plan has been tested several times with the engagement of all the stakeholders including Bank of Thailand (Overview of BCP has been attached prepared for 2010 Political Crisis).</p> <p> Aug_ 53.pdf</p>	<p>Revision of Ceiling and floor rules and Circuit Breaker rules</p> <p>Tightened short selling rules</p>
Malaysia	BURSA Malaysia Stock exchange was kept opened up until today without any closure.	<p>The Exchange has initiated split office operations to ensure business continuity and safeguard market-critical processes.</p> <p>Securities Commission of Malaysia via a market release has informed the public that all market intermediaries have in place business continuity frameworks to ensure continuity of their businesses.</p>	Suspension of short selling until 30 th April 2020.

Hong-Kong	<p>Hong-Kong stock exchange was kept opened up until today without any closure.</p>	<p>The exchange has enacted its BCM pandemic plan already in place to address potential risks.</p> <p>Pandemic plan enable the Exchange continue to serve the financial community with all its business services available.</p> <p><i>(Media communication by the Exchange last updated on 12th March 2020)</i></p>	
Australia (Australia Stock Exchange only)	<p>Australian Stock Exchange was kept opened up until today without any closure. (Despite identified Covid-19 case within the company confirmed normal operations even without changing trading hours).</p>	<p>ASX has a robust Crisis Management Framework which embeds Business Continuity Plan (BCP) to manage different crisis situation including pandemic.</p> <p>ASX has identified critical and non-critical support staff as part of their continuity plan.</p> <p>Critical employees have been segregated across their two main sites and work from home to ensure ongoing continuity.</p> <p> asx-update-on-covid -19-mar-27 (1).pdf</p>	
United Kingdom	<p>London Stock Exchange was kept opened up until today without closures</p>	<p>London Stock Exchange and London Clearing House have informed the public that their Business Continuity Plans are in place to ensure orderly functioning of markets without any disruption.</p>	<p>London Stock Exchange has already implemented circuit breaker under advanced surveillance mechanisms to ensure fair and orderly markets.</p> <p>Temporary measures on Alternative Investment Market companies have been imposed.</p>

United States of America (NYSE and NASDAQ only)	<p>Two Stock exchanges (NYSE and NASDAQ) were kept opened up until today without any closure.</p>	<p>NYSE as a precautionary measure initiated fully electronic trading from 23rd March onwards. As a result all trading floors have been closed from that date.</p> <p>(https://www.nyse.com/article/necessary-step-all-electronic-trading)</p>	
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5. Spread of COVID-19 in selected markets

Segregation of COVID19 patients of those countries which have close down their exchanges and the ones who are in operation? i.e the date of which first case was reported, total reported cases, number of deaths¹

Country	Stock Exchange		Date-first COVID Patient reported	Total Number of Cases As at 06/04/2020	Total Recovered	Total Deaths
	Open	Close				
India	National Stock Exchange (NSE) is in operation. Some measures have been taken in view of the prevailing coronavirus (COVID-19) pandemic to allow members to carryout operation of trading terminals from locations other than those reported to the Exchange, as a preventive measure. This arrangement shall be permitted till April 30, 2020 or such time as the Exchange may notify from time to time. Source : https://archives.nseindia.com/content/circulars/INSP43920.pdf		30.01.2020	4314	328	118

Pakistan	Open https://www.psx.com.pk/		26.02.2020	3277	257	50
Indonesia	Open https://www.idx.co.id/en-us/market-data/trading-summary/trading-summary/		02.03.2020	2491	192	209
Philippines		Was Closed on 17th March 2020 and resumed on 19th March 2020 with shortened trading hours https://www.pse.com.ph/resource/memos/2020/CN_2020-0021.pdf https://www.pse.com.ph/resource/memos/2020/CN_2020-0025.pdf	30.01.2020	3660	73	163
Bangladesh		Dhaka Stock Exchange Was closed from 29th March to 2nd April 2020 https://www.world-exchanges.org/our-work/wfe-members-covid-19-work According to the “financial express” the Chittagong Stock Exchange was	09.03.2020	123	33	12

		<p>also to follow the same</p> <p>https://thefinancialexpress.com.bd/public/stock/bangladesh/bourses-to-remain-closed-for-10-days-from-mar-26-1585046574</p>				
USA	<p>Electronic Trading is open</p> <p>NASDAQ is opened</p> <p>Chicago Stock Exchange trading floor was closed on 13th March 2020 but trading continues</p> <p>https://www.cmegroup.com/media-room/press-releases/2020/3/11/cme_group_to_closechicagotradingfloorsaprecaution.html</p> <p>NASDAQ is in operation</p> <p>https://www.nasdaq.com/market-activity</p> <p>NYSE to temporarily close trading floor and move fully to electronic trading. Starting from March 23</p> <p>https://www.nyse.com/article/necessary-step-all-electronic-trading</p>	<p>Since 23/03/2020</p>	21.01.2020	336,851	17,977	9620

UK	London Stock Exchange is in operation https://www.reuters.com/article/heath-coronavirus-lse/london-stock-exchange-says-no-plans-to-suspend-trading-idUSL8N2BA69E		31.01.2020	47806	135	4934
Singapore	Singapore Stock Exchange is in operation https://www.sgx.com/keeping-marketplace-available-and-accessible-you		24.01.2020	1309	320	6
Malaysia	Bursa Malaysia to operate as normal under enhanced measures to manage impact of COVID-19 https://www.bursamalaysia.com/about_bursa/media_centre/bursa-malaysia-to-operate-as-normal https://www.bursamalaysia.com/about_bursa/media_centre/bursa-malaysia-implements-enhanced-measures-to-manage-impact-of-covid-19		25.01.2020	3662	1005	61
Thailand	Stock Exchange of Thailand is in operation https://www.set.or.th/set/mainpage.do?language=en&country=US		13.01.2020	2220	793	26
Australia	Australian Stock Exchange to carry on normal market operations and the employees have been asked to work from home https://www2.asx.com.au/about/media-centre/asx-action-on-covid-19?icid=O~C~~~covid-19~ASX~~2003~~		25.01.2020	5795	2315	39

Hongkong	Hong Kong Stock Exchange to operate under a Business Continuity Management Plan https://www.hkexgroup.com/COVID_19?sc_lang=en		23.01.2020	891	206	04
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Information submitted below is as of 05th April 2020

¹ <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports>
<https://ourworldindata.org/coronavirus#all-charts-preview>
<https://chp-dashboard.geodata.gov.hk/covid-19/en.html>

6. Concessions given by their stock market regulator to their brokers, unit trusts and Other Stakeholders

#	Country	Name of the stock market regulator	Concessions given (concessions given to brokers, mutual funds and other stakeholders)
1	India	Securities and Exchange Board of India (SEBI)	<p><u>Relaxation in compliance with requirements pertaining to Mutual Funds</u></p> <ul style="list-style-type: none"> Extension of timelines for certain disclosures [Half yearly disclosures of unaudited financial results as required under Regulation 59 of SEBI (Mutual Funds) Regulations, 1996 extended by one month] <i>"In light of difficulties expressed by Asset Management Companies (AMCs), the access control presently exercised in the AMC's dealing room including call recording of deals is temporarily relaxed subject to checks and balances including electronic confirmation by way of email or other system having audit trail are in place.</i> <p>[Source: SEBI Circular dated 23-Mar-2020 (Ref: SEBI/HO/IMD/DF3/CIR/P/2020/47)]</p> <p><u>Relaxation from compliance with certain provisions of the circulars issued under SEBI for Credit Rating Agencies (CRAs) due to the COVID-19 pandemic and moratorium permitted by Reserve Bank of India (RBI)</u></p> <ul style="list-style-type: none"> A three-month period of moratorium/ deferment on payment permitted by RBI, is applicable for CRAs on recognition of default payments on a case by case basis, provided that such default has occurred solely due to the lockdown or loan moratorium. This extension is also <i>"applicable on any rescheduling in payment of debt obligation done by the issuer, prior to the due date, with the approval of the investors/lenders."</i> <p><u>Extension in timelines for press release and disclosures on website for CRAs</u></p> <ul style="list-style-type: none"> <i>"Since "CRAs are dependent on the issuers and third parties for information collection which is impaired due to current lockdown, relaxation from timelines for rating action/ issue of press release by CRAs stipulated vide SEBI circular dated June 30, 2017 is being granted." However, CRAs should make best effort to finish such exercises and such cases "shall be put up for ratification by the Rating Sub-Committee of the Board of CRA. Further, an extension</i>

#	Country	Name of the stock market regulator	Concessions given (concessions given to brokers, mutual funds and other stakeholders)
			<p><i>of 30 days is being granted for making annual and semi-annual disclosures by CRAs on its website for the period ended March 2020.”</i></p> <p>[Source: SEBI Circular dated 30-Mar-2020 (Ref: SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/ 53)]</p> <p><u>Relaxation in compliance with requirements pertaining to Portfolio Managers (PMs)</u></p> <ul style="list-style-type: none"> • Monthly reporting to SEBI by PMs for the periods ending 31st March and 30th April 2020, is extended by 02 months. • Applicability of SEBI Circular bearing reference (Ref: SEBI/HO/IMD/DF1/CIR/P/2020/26) on ‘Guidelines for Portfolio Managers’ dated 13-Feb-2020 is extended by 02 months. <p>[Source: SEBI Circular dated 30-Mar-2020 (Ref: SEBI/HO/IMD/DF1/CIR/P/2020/57)]</p>
2	Pakistan	Securities and Exchange Commission	<ul style="list-style-type: none"> • Impact of general relaxation in holding annual general meetings on annual financial statements and filing deadlines for first quarter financial statements • Requirement of disseminating information to shareholders through post • Filing of Interim Financial Statements other than first quarter financial statements • Requirement to hold a board of director meeting on once in every quarter • Companies to make necessary work arrangements for ensuring regulatory compliances <p>[Source: https://www.secp.gov.pk/document/circular-10-of-2020-regulatory-relief-for-corporate-sector-to-dilute-covid-19-impact/?wpdmdl=38897]</p> <ul style="list-style-type: none"> • Temporary suspended public dealing at its Company Registration Offices (CROs). • Requested to use online services to file documents/ correspondence. <p>[Source: https://eservices.secp.gov.pk/eServices/]</p>

#	Country	Name of the stock market regulator	Concessions given (concessions given to brokers, mutual funds and other stakeholders)
3	Bangladesh	Securities and Exchange Commission	<ul style="list-style-type: none"> • All listed companies are given temporary relaxation relating to holding of AGM/EGM, Board Meetings, publication and dissemination of price sensitive information, monthly /quarterly submissions to the Commission and the Exchanges. • To hold AGM/EGM, listed Companies may use any digital platform. • The directors of the listed Companies may hold board meetings through the use of digital platform <p>[Source: https://www.sec.gov.bd/slaws/Order_24.03.2020.pdf]</p>
4	Singapore	Monitory Authority of Singapore (MAS)	<ul style="list-style-type: none"> • Applies to Licensed Fund Management Company, REIT Management, Exempt Capital Markets Services Entity, Members of Public – Sets out the obligations of managers of authorised Collective Investment Schemes (CIS) and other relevant persons in relation to a cancellation of the purchase of units in an authorised CIS by an investor. [source: https://www.mas.gov.sg/regulation/notices/notice-sfa-0413-n01] • MAS is providing sufficient liquidity to Singapore Dollar (SGD) and US Dollar (USD) funding markets in Singapore and supporting their effective functioning. This will enable financial institutions to fund themselves, intermediate credit to individuals and businesses, and provide essential financial services. Banks should avail themselves of the liquidity facilities provided by MAS to bolster their ability to meet the SGD and USD funding needs of their customers. <p>[source: https://www.mas.gov.sg/news/media-releases/2020/mas-and-financial-industry-to-support-individuals-and-smes-affected-by-the-covid-19-pandemic]</p>
5	Malaysia	Securities Commission (Suruhanjaya Sekuriti)	<ul style="list-style-type: none"> • Temporarily suspended short selling activities until 30th April 2020. • Flexibilities on training and examinations relating capital market. • Postponements of SIDC courses, familiarization programmes and SC licensing examinations <p>(Other reliefs given mentioned under Exchange)</p> <p>[Source: https://www.sc.com.my/covid-19]</p>

#	Country	Name of the stock market regulator	Concessions given (concessions given to brokers, mutual funds and other stakeholders)
6	Thailand	Securities and Exchange Commission of Thailand	<ul style="list-style-type: none"> Allows listed companies affected by Covid-19 situation to submit Q1/2020 financial statements audited by company appointed auditor. <p>[Source: https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=8045&NewsNo=65&NewsYear=2020&Lang=EN]</p> <ul style="list-style-type: none"> Allows Listed companies to consider postponing AGM if affected by Covid-19. <p>[Source: https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=8056]</p> <ul style="list-style-type: none"> Granting extensions to hold AGMs and to submit financials. <p>[Source: https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=8065&NewsNo=50&NewsYear=2020&Lang=EN]</p> <ul style="list-style-type: none"> SEC allows asset management companies to increase liquidity of fixed income funds during Covid-19 Situation. <p>[Source: https://www.sec.or.th/EN/Pages/News_Detail.aspx?SECID=8051&NewsNo=63&NewsYear=2020&Lang=EN]</p>
7	Indonesia	Indonesia Financial Services Authority (OJK)	<ul style="list-style-type: none"> <i>“Split Operation to several alternate working locations.”</i> <i>“Work from Home implementation while maintaining continuous service to stakeholders.”</i> <p>[Source: Joint Press Release - OJK and SRO Maintain Continuous Stock Exchange's Orderly, Fair, and Efficient Trading Activities and Capital Market Services to all Stakeholders dated 23-Mar-2020]</p>
8	Philippines	SEC	<ul style="list-style-type: none"> Suspension of cumulative penalties for covered companies in view of the Covid-19 Guidelines for the alternative filing of reports, applications, compliance, requests and other documents through electronic mail with the Securities and Exchange Commission during the effectivity of the enhanced community quarantine period Remote filing of monitoring clearance for amendments to articles of incorporation and bylaws To all broker dealers – temporary suspension of the requirement to provide confirmation notice in paper format to customers To all capital market institutions, participants and employees – resolution no. 13 of the Inter Agency Task Force on Emerging Infectious Diseases (“IATFEID”), series of 2020, and issued on 17 March 2020, specifically allows under section (a)(4) the resumption on 18 March 2020 of the operations of the capital markets. Accordingly this exempts the capital market participants

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			<p>and their skeletal workforce from the strict home quarantine requirements. In this regard, the Commission finds it necessary to issue this Guideline that prescribes the requirements and procedures for the issuance of IATF Accreditation ID or its equivalent.</p> <ul style="list-style-type: none"> • To all PSE trading participants – Risk Based Capital Adequacy (RBCA) Computation and Reporting amid the Covid-19 Pandemic • Relaxing the requirements for requests for extension in the filing of annual reports and/or audited financial statements • Alternative means of filing current reports, beneficial ownership reports, information statements, monthly reports and other documents with the securities and exchange commission reports through electronic mail • To all PSE trading participants – In connection with the resumption of trading in the Philippine Stock Exchange (PSE) on Thursday, 19 March 2020, amidst the Enhanced Community Quarantine requirements of the Government to address the treats of Covid 19 pandemic, all PSE Trading Participants are hereby reminded of its obligation to its client as stated in 30.2 .1.2.5.2 Information for Clients; • Filing of structured reports, current reports and communications with the Securities and Exchange Commission • SEC directs lending, financing companies to implement 30-day extension for loan payments amid pandemic. <p>[source:http://www.sec.gov.ph/public-information-2/investors-education-and-information/covid-19-related-issuances/]</p>
9	Australia	Australian Securities and Investments Commission (ASIC)	<ul style="list-style-type: none"> • Australia's equity markets have seen exponential increases in the number of trades executed, with a particularly large increase in trades last Friday, 13 March. Accordingly, ASIC has issued directions under the ASIC Market Integrity Rules to a number of large equity market participants, requiring those participants to limit the number of trades executed each day until further notice. These directions require those firms to reduce their number of executed trades by up to 25% from the levels executed on Friday.

#	Country	Name of the stock market regulator	Concessions given (concessions given to brokers, mutual funds and other stakeholders)
			<ul style="list-style-type: none"> • ASIC has urged all market participants to take proactive steps to ensure they can process client trades and support the resilience of the Australian equity markets. Also it has been required to monitor average order and trade sizes and take steps to reduce excessive volumes of very small orders and trades. • ASIC has urged Australian financial services licensees to have business continuity plans in place to deal with major events in order to ensure they can continue to effectively service their customers. This includes monitoring the implementation of their business continuity plans and alternative working arrangements. With the increased level of market volatility, licensees should also ensure that they're appropriately monitoring risk-taking and financial exposure. This includes: <ul style="list-style-type: none"> – being well prepared for margin calls – closely monitoring client positions and the build-up of risk – protecting client money – considering system capacity issues – closely monitoring the use of trading algorithms to avoid aberrant trading, or the contribution to or perpetuation of market movements – closely monitoring arrangements to ensure that any short positions are covered. <p>[source:https://asic.gov.au/about-asic/corporate-publications/newsletters/market-integrity-update/market-integrity-update-issue-113-march-2020/#COVID-19-market-volatility]</p> <ul style="list-style-type: none"> • ASIC will also suspend its enhanced on-site supervisory work such as the Close and Continuous Monitoring Program. Where warranted, relief or waivers from regulatory requirements will also be provided. [source: https://asic.gov.au/about-asic/news-centre/find-a-media-release/2020-releases/20-070mr-asic-recalibrates-its-regulatory-priorities-to-focus-on-covid-19-challenges/] • Business continuity and back-up arrangements - We expect market intermediaries to:

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			<ul style="list-style-type: none"> – Identify critical systems and staff as part of their business continuity plans and ensure back-up arrangements operate as planned with allocated resources, including human and technological resources (e.g. location, capacity, internet load and systems licences). Market intermediaries (intermediaries) should allocate more than one person to back up critical staff if required. – Undertake periodic and frequent testing of remote working access and critical systems/technology. – Monitor the effectiveness of cyber resilience arrangements given increased numbers of staff working remotely and the increased use of email. For example, some market intermediaries have observed an increased number of phishing emails. In response they've circulated warnings to staff not to click on links in emails received from unknown sources. – Assess the potential disruption to services and functions provided by offshore intra-group entities and have in place contingency arrangements to ensure the continued operation of critical services and functions. – Engage with external third-party service providers to ensure their business continuity arrangements are operating effectively and they have contingency arrangements to ensure the continued provision of services. – Consider whether additional testing of outsourced and off-shored services are necessary to maintain the efficient, honest and fair operation of their business, especially services in jurisdictions where it may be difficult to maintain adequate controls over staff working from home. – Hold frequent meetings with supervisory staff to monitor the effectiveness of their business continuity plans and supervision arrangements, and update their plans and arrangements as required. <p>[source:https://asic.gov.au/about-asic/corporate-publications/newsletters/market-integrity-update/market-integrity-update-covid-19-special-issue-31-march-2020/]</p>

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10	Hong Kong	Securities and Futures Commission (SFC)	<p><u><i>Circular to management companies (MCs) and trustees and custodians of SFC-authorized funds</i></u></p> <ul style="list-style-type: none"> “Close monitoring of the dealing and trading of the funds under the management of MCs” Keep investors informed at all times and immediately report to the SFC any untoward circumstances relating to the funds under their management, including without limitation, the use of liquidity risk management tools such as any intention to increase or apply any swing factor (or anti-dilution levy) exceeding the one that is disclosed in the offering documents and any decision to defer redemption, suspend creation and/or redemption in the primary market and/or the secondary market trading and potential impact on the fund. The Manager should consult the relevant trustee or custodian before using liquidity risk management tools. <p>(Managers are allowed to increase the swing factor (or anti-dilution levy) beyond the maximum level that has been set out in the funds' offering documents as a temporary measure without SFC's prior approval subject to certain conditions)</p> <ul style="list-style-type: none"> Ensure that all assets of the funds are fairly and accurately valued in good faith and in the best interests of investors and in accordance with the constitutive and offering documents as well as applicable laws and regulations. Consider the need for any fair value adjustment (particularly in respect of less liquid or suspended securities such as high yield bonds or fixed income instruments and suspended stocks) and constantly review the fair value adjustment policies and procedures to ensure their continued appropriateness and effective implementation in light of the rapidly changing market conditions. The process and conduct of fair value adjustment (including any decision to use or not to use fair value price) should be done by the Managers with due care, skill and diligence and in good faith, in consultation with the trustee or custodian of the funds. Exercise due care, skill and diligence in managing liquidity of funds, in particular, ensuring that actions taken in meeting redemption obligations should not have any material adverse impact on the fund and its remaining investors. For example, trying to meet a fund's redemption requests primarily by using the fund's cash or by selling the fund's most liquid assets may have an adverse impact. Use appropriate liquidity risk management tools (such as swing pricing or anti-dilution levy) to properly allocate the costs of redemption (such as transaction costs for liquidation of assets) to

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			<p><i>the redeeming investors, and to ensure fair treatment to investors who remain in the funds.”</i></p> <ul style="list-style-type: none"> • MCs trustees and custodians should give the SFC “<i>early alerts of any material issues affecting their funds, including any intention to increase or apply any swing factor (or anti-dilution levy) exceeding the one that is disclosed in the offering documents5 , any serious contemplation of suspension of dealings and significant decrease in the value of the fund (e.g. a drop of 10 per cent or more in a fund’s net asset value in a single day). They are strongly encouraged to consult the SFC if in doubt.</i>” <p>[Source: SFC Circular to management companies and trustees and custodians of SFC-authorized funds dated 27-Mar-2020]</p>
			<p><u>Reminder on Important obligations to ensure suitability and timely dissemination of information to clients by Intermediaries</u></p> <ul style="list-style-type: none"> • Licensed and registered persons are reminded of “<i>their obligations under the Code of Conduct when distributing investment products, such as funds and bonds, to their clients. In particular, these include</i> <p>(i) <i>the suitability obligations when they make a solicitation or recommendation and</i></p> <p>(ii) <i>the obligation to disseminate information in a timely manner where they hold an investment product directly or indirectly on behalf of their clients.”</i></p> <ul style="list-style-type: none"> • “<i>Given the potential impact of the COVID-19 outbreak on market volatility and liquidity as well as credit quality, licensed and registered persons are reminded to act in the best interests of their clients and exercise extra care when making a solicitation or recommendation or managing investment portfolios for their clients.”</i> <p>[Source: SFC Circular to Intermediaries - Reminder of important obligations to ensure suitability and timely dissemination of information to clients dated 27-Mar-2020]</p>
			<p><u>Alternative order receiving and recording options are available to comply with the regulatory requirements for intermediaries (Eg: Stockbrokers) as per the notes to paragraph 3.9 of the Code of Conduct</u></p> <p>Orders can be recorded under following circumstances when, exceptionally, they are not recorded by the intermediaries’ telephone recording or order management systems.</p>

#	Country	Name of the stock market regulator	Concessions given (concessions given to brokers, mutual funds and other stakeholders)
			<p>(i) “Where orders are accepted by mobile phones outside the trading floor, trading room, usual place of business where orders are received or usual place where business is conducted, intermediaries’ staff members should immediately call back to the intermediaries’ telephone system and record the time of receipt and the order details.</p> <p>(ii) The use of other formats (e.g. in writing by hand) to record details of clients’ order instructions and time of receipt can be used if the intermediaries’ telephone recording system cannot be accessed.</p> <p>(b) Intermediaries may receive client orders through instant messaging where the requirements set out in the SFC’s circular dated 4 May 2018 in relation to record keeping, security and reliability, compliance monitoring and establishing internal policies and procedures are observed.”</p> <p>[Source: SFC Circular to Intermediaries - Extended deadlines for implementation of regulatory expectations and reminder of order recording requirements under COVID-19 pandemics dated 31-Mar-2020]</p> <p><u>Waiver of annual licensing fees of intermediaries, responsible officers and licensed representatives</u></p> <p>The annual licensing fee waiver applies is applicable for the period between 01-Apr-2020 and 31-Mar-2021. Payments of all other fees such as licence applications and transfers fees would not be affected.</p> <p>[Source: SFC Circular to intermediaries, responsible officers and licensed representatives - Waiver of annual licensing fees dated 30-Mar-2020]</p>
1 1	United Kingdom (UK)	Financial Conduct Authority (FCA)	<p><u>Supervisory flexibility over best execution of client orders until the end of June 2020</u></p> <ul style="list-style-type: none"> • Firms are expected to consider current market conditions “when determining the relative importance that firms place on the different execution factors when meeting their obligations, and the venues or brokers they rely upon to achieve best execution”. • FCA will not take enforcement action where a firm: <ul style="list-style-type: none"> – “does not publish Best Execution Reporting (RTS 27) by 01-Apr-2020, provided it is published no later than 30 June 2020 and – does not publish execution venues and policy reports (RTS 28) and Article 65(6) reports, provided they are published by 30 June

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			<p>2020.”</p> <p>[Source: FCA Letter to firms providing services to retail investors about coronavirus (Covid-19) dated 31-Mar-2020]</p> <p><u>Supervisory flexibility over 10% depreciation notifications until the end of September 2020 for firms providing portfolio management services (Investment Managers) and holding retail client accounts that include leveraged investments</u></p> <ul style="list-style-type: none"> • Investment managers are “<i>required to inform investors where the value of their portfolio or leveraged position falls by 10% or more compared with its value in their last periodic statement, and for each subsequent 10% fall in value</i>” • FCA will not take enforcement action till 30-Sep-2020 (for 06 months), where a firm: <ul style="list-style-type: none"> – “<i>has issued at least one notification to a retail client within a current reporting period, indicating their portfolio has decreased in value by at least 10%; and</i> – <i>subsequently provides general updates through its website, other public channels (such as social media) and/or generic, non-personalized client communications. These communications should update clients on market conditions, explain how clients can check their portfolio value and invite clients to contact the firm if they wish; or</i> – <i>chooses to cease providing 10% depreciation reports for any professional clients.</i>” <p>[Source: FCA Letter to firms providing services to retail investors about coronavirus (Covid-19) dated 31-Mar-2020]</p>
1 2	United States of America (USA)	U.S. Securities and Exchange Commission	<ul style="list-style-type: none"> • US SEC has granted exemptions from provisions specified under the Investment Advisers Act and Investment Company Act (by way of issuing orders https://www.sec.gov/rules/other/2020/ia-5469.pdf and https://www.sec.gov/rules/other/2020/ic-33824.pdf) for registered investment advisers and registered management investment companies. Such exemptions include but not limited to; <ul style="list-style-type: none"> ◦ getting company board approval for certain agreements, plans or arrangements as required under the aforementioned Acts

#	Country	Name of the stock market regulator	Concessions given (concessions given to brokers, mutual funds and other stakeholders)
			<ul style="list-style-type: none"> ◦ filing certain reports or disclosures with the Commission ◦ timely delivery of Prospectus to investors of Funds ◦ sending annual/semi-annual reports to Investors/Unit holders, closed-end funds to file with the Commission notices of their intention to call or redeem securities at least 30 days in advance etc. <p>subject to certain conditions.</p> <p>[source: https://www.sec.gov/rules/other/2020/ia-5469.pdf and https://www.sec.gov/rules/other/2020/ic-33824.pdf]</p> <ul style="list-style-type: none"> • US SEC has enabled immediate effectiveness of proposed rule change to facilitate NYSE electronic auctions in light of temporary closure of physical trading floor. [source: https://www.sec.gov/news/press-release/2020-73] • the requirement to manually sign a signature page of documents that are filed electronically with the SEC has been exempted subject to certain conditions. [source: https://www.sec.gov/corpfin/announcement/staff-statement-regarding-rule-302b-regulation-s-t-light-covid-19-concerns] • US SEC has permitted funds to use additional funding and other tools to manage their portfolios for the benefit of investors. <ul style="list-style-type: none"> ◦ Relief permitting registered open-end funds and insurance company separate accounts to borrow money from certain affiliates; ◦ Relief that permits additional flexibility under existing interfund lending arrangements and extends the ability to use interfund lending arrangements to funds that do not currently have exemptive relief; and, ◦ Relief that permits registered open-end funds to enter into lending arrangements or borrowings that deviate from fundamental policies, subject to prior board approval. <p>[source: https://www.sec.gov/news/press-release/2020-70]</p>

#	Country	Name of the stock market regulator	Concessions given (concessions given to brokers, mutual funds and other stakeholders)
			<p>US SEC has granted temporary relief from certain reporting obligations under Rule 606 of Reg NMS specifically related to held orders in NMS stocks, smaller orders for options contracts, and white-labeling broker-dealers.</p> <p>[source: https://www.sec.gov/rules/exorders/2020/34-88478.pdf]</p>

Country	Regulator	Concessions- Listed Entities
India	SEBI (Securities and Exchange Board of India)	<ol style="list-style-type: none"> 1. Relaxation of compliance's with certain provisions of the SEBI (Listing obligations & disclosure requirements) Regulations of 2015 due to the COVID 19 virus pandemic. (March 19,2020) 2. Relaxation of compliance's with certain provisions of the SEBI (Listing obligations & disclosure requirements) Regulation of 2015 and certain SEBI circulars due to the COVID 19 virus pandemic. (March 23, 2020) 3. Further relaxations from compliance with certain provisions of the SEBI (Listing obligations & Disclosure requirements) Regulations 2015 (LORD) and SEBI circular dated Jan 22nd 2020 relating to standard operating procedure due to the COVID 19 virus pandemic. (March 26, 2020) 4. Relaxation from compliance with certain provisions of the SAST Regulations,2011 due to the COVID 19 pandemic (March 27, 2020) 5. Extension of deadlines for submission of financials <p>Sources:</p> <ol style="list-style-type: none"> 1. https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-due-to-the-covid-19-virus-pandemic_46360.html 2. https://www.sebi.gov.in/legal/circulars/mar-2020/further-relaxations-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-lodr-and-the-sebi-circular-dated-january-22-2020-relating-_46436.html 3. https://www.sebi.gov.in/legal/circulars/mar-2020/relaxation-from-compliance-with-certain-provisions-of-the-sast-regulations-2011-due-to-the-covid-19-pandemic_46442.html 4. https://cfo.economictimes.indiatimes.com/amp/news/sebi-allows-listed-companies-to-report-their-q4fy20-fy20-numbers-by-june-end/74707700

Pakistan	Securities and Commission of Pakistan	<p>Regulatory Relief to dilute impact of Corona Virus for Corporate Sector</p> <p>1.Impact of general relaxation in holding annual general meetings on annual financial statements and filing deadlines for first qtr financial statements</p> <p>2.Requirement of disseminating information to shareholders through post</p> <p>3.Filing of Interim Financial Statements other than first quarter financial statements</p> <p>4.Requirements to hold a board of director meeting on once in every quarter</p> <p>5.Companies to make necessary work arrangements for ensuring regulatory compliances</p> <p><i>Source :</i></p> <p>https://www.secp.gov.pk/document/circular-10-of-2020-regulatory-relief-for-corporate-sector-to-dilute-covid-19-impact/?wpdmld=38897</p> <p>(1 Apr 2020)</p>
Indonesia	Financial Services Authority (OJK)	<p>FSA together with Indonesian stock exchange have offered inter Alia the followings concessions;</p> <ol style="list-style-type: none"> 1. Allowing share buyback by Issuers or Public Companies without prior approval of a general shareholders meeting and increasing the maximum treasury stock resulting from the buyback from 10% to 20% from paid up capital. 2. Extending the submission deadlines of 2019 Annual Financial Report, Annual Report of Issuers and Public Companies including Listed Companies for 2 (two) months from the submission due date. 3. Extending the submission deadline of 2020 Interim I Financial Report of Listed Companies for 2 (two) months from the submission due date stipulated by IDX regulation. In conjunction with the extended deadline, IDX will also adjust the affixation of special notation "L" to Listed Company's code. 4. Extending the deadline of Issuers and Public Companies' Annual

		<p>General Shareholders Meeting (AGM) for 2 (two) months.</p> <ol style="list-style-type: none"> 5. Allowing AGM to be conducted by an electronic proxy mechanism through the E-RUPS system. 6. Changing the Auto Rejection limit in IDX's Trading Regulation. 7. Prohibiting Short Selling transactions of all Exchange Members from 2 March 2020 until at a specified date determined by OJK. 8. Implementing a Trading Halt for 30 minutes in the event of JCI experiences a 5% decline. 9. Adjusting shares haircut and risk charge to stimulate the market. <p>Source:</p> <p>https://www.ojk.go.id/en/berita-dan-kegiatan/siaran-pers/Pages/Joint-Press-Release-OJK-and-SRO-Maintain-Continuous-Stock-Exchange's-Orderly,-Fair.aspx</p>
Philippines	SEC- Philippines	<ol style="list-style-type: none"> 1. Extensions given for submission of Annual Reports & interim financial statements 2. Approved guidelines allowing participation in corporate meetings through electronic means 3. Will permit public companies, issuers of other securities and investment companies to submit their reports via email 4. Relaxes requirements for firms seeking extension in submitted financial statements 5. Directed lending & finance companies to implement 30 day extension for loan payments 6. Additional info: SEC Philippines has approved a recommendation to require all publicly listed companies to file SEC form 17c to disclose the risks and impact of COVID 19 on their business operations and risk mitigation's they have taken. <p>Source:</p> <p>1. http://www.sec.gov.ph/wp-content/uploads/2020/03/2020PressRelease_SEC-extends-deadline-.pdf</p>

		<p>for-annual-quarterly-reports-for-companies-affected-by-COVID-19_.pdf</p> <p>2. http://www.sec.gov.ph/wp-content/uploads/2020/03/2020PressRelease_SEC-issues-guidelines-on-remote-meetings-amid-efforts-to-curb-COVID-19-outbreak.pdf</p> <p>3. http://www.sec.gov.ph/wp-content/uploads/2020/03/2020PressRelease_SEC-allows-filing-of-structured-current-reports-via-email-during-enhanced-community-quarantine.pdf</p> <p>4. http://www.sec.gov.ph/wp-content/uploads/2020/03/2020PressRelease_SEC-relaxes-requirements-for-companies-seeking-extension-in-filing-annual-reports.pdf</p> <p>5. http://www.sec.gov.ph/wp-content/uploads/2020/04/2020PressRelease_SEC-directs-lending-financing-companies-to-implement-mandatory-grace-period-for-loans-amid-pandemic.pdf</p> <p>6. http://www.sec.gov.ph/wp-content/uploads/2020/03/2020PressRelease_SEC-asks-listed-companies-to-report-COVID-19-impact-risk-mitigation-actions.pdf</p>
Bangladesh	Bangladesh Securities and Exchange Commission	<p>Relaxations provided via order SEC/SRMIC/04-231/932 by Bangladesh Securities and Exchange Commission;</p> <p>1. All listed companies are given a temporary relaxation regarding compliance with Listing Rules and other regulations pertaining to:</p> <ul style="list-style-type: none"> - Holding of AGM/EGM/Board of Directors' Meetings - Publication and dissemination of price sensitive information - Requirement of monthly/quarterly submissions and other submissions to the Commission and Exchange <p>2. Allowed to use digital platforms in holding AGM/EGM</p> <p>3. Allowed to hold listed companies Board Meetings via Digital platforms</p> <p>Further stock exchanges have been advised to bring the provision pertaining to above to the notice of all the listed entities and also disseminate on their websites)</p> <p><i>Source https://www.sec.gov.bd/slaws/Order_24.03.2020.pdf</i></p> <p>(SEC/SRMIC/04-231/932 -23rd March 2020)</p>
USA	U.S SEC	<p>1. Allow an additional 45 days from the original due date to file annual/quarterly reports that would otherwise have been due from March 1 to July 1, 2020</p> <p>2. Guidance provides regarding disclosure and other securities law obligations that companies should consider with respect to</p>

		<p>COVID-19 and related business and market disruptions.</p> <p><i>Source</i> https://www.sec.gov/news/press-release/2020-73</p> <ol style="list-style-type: none"> 3. Published guidance to help public companies and shareholders, and other market participants affected by COVID-19 comply with federal proxy rules for upcoming annual shareholder meetings by using technology, including virtual meetings, and the Order provides relief related to proxy delivery. <p><i>Source :</i></p> <p>https://www.sec.gov/ocr/staff-guidance-conducting-annual-meetings-light-covid-19-concerns?auHash=zrsDVFen7QmUL6Xou7EIHYov4Y6IfRTjW3KPSVukQs</p> <ol style="list-style-type: none"> 4. Allow Entities affected by the Corona virus are encouraged to contact Commission staff with questions and concerns. <p><i>Source:</i></p> <p>https://www.sec.gov/news/press-release/2020-53</p>
UK	Financial Conduct Authority	<ol style="list-style-type: none"> 1. Additional two months to file audited financial statements 2. Companies are encouraged to consider delaying planned tenders for new auditors, even when mandatory rotation is due 3. Audit partner rotation extend from 05 years to 07 4. delivery of unaudited accounts has been extended to 27 April 2020, and the implementation of IFRS16 has been deferred until the year ended 31 March 2021 <p><i>Source :</i></p> <p>https://www.fca.org.uk/news/statements/joint-statement-fca-frc-pra</p>
Singapore	Monetary Authority of Singapore	<ol style="list-style-type: none"> 1. MAS and the financial industry have collaborated on a package of measures to help SMEs facing temporary cash flow difficulties. The package has few components among other things; <ol style="list-style-type: none"> a) support SMEs with continued access to bank credit and insurance cover

		<p>b) ensure interbank funding markets remain liquid and well-functioning</p> <p><i>Source :</i></p> <p>https://www.mas.gov.sg/news/media-releases/2020/mas-and-financial-industry-to-support-individuals-and-smes-affected-by-the-covid-19-pandemic</p> <p>For other relief measures: refer concessions offered by Singapore Exchange Limited discussed below</p>
Malaysia	Securities Commission	<p>5. One month extension for issuance of periodic reports</p> <p>6. Waiver listing related fees for 12 months</p> <p>7. Entitled to apply for deferment of dates of AGM</p> <p><i>Source :</i> https://www.sc.com.my/api/documentms/download.ashx?id=9047c6e5-8314-4f63-89f9-857659915881</p>
Thailand	Securities and Exchange Commission of Thailand	<p>SEC coordinated the Federation of Accounting Professions In the royal patronage In order to issue an accounting guideline to support the potential impact of COVID-19 and the SEC has resolved to delay the submission period of financial statements of listed companies</p> <p>1. The SEC has waived the period for submission of financial statements which will be closed within May 2020, not more than 3 months from the due date of submission. In the case of the annual financial statements, no more than 4 months from the end of the fiscal year. And will inform the details of the waiver of the period for delivering financial statements to listed companies.</p> <p><i>Source :</i></p> <p>https://www.sec.or.th/TH/Pages/News_Detail.aspx?SECID=8031&NewsNo=57&NewsYear=2563&Lang=TH</p> <p>(Tuesday, March 17, 2020 Version 57/2020)</p>
Australia	Australian Securities and	<p>1. Temporary relief to listed companies to enable them to raise capital quickly by enabling certain ‘low doc’ offers to be made</p>

	<p>Investment s Commissio n (ASIC)</p> <p>to investors even if they do not meet all the normal requirements</p> <ol style="list-style-type: none"> 2. Extensions to hold AGM until end July while supporting holding of AGM using appropriate technology 3. To focus its efforts on challenges faced by COVID 19 <p>Source:</p> <ol style="list-style-type: none"> 1. https://asic.gov.au/about-asic/news-centre/find-a-media-release/2020-releases/20-075mr-facilitating-capital-raising-during-covid-19-period/ 2. https://asic.gov.au/about-asic/news-centre/find-a-media-release/2020-releases/20-068mr-guidelines-for-meeting-upcoming-agm-and-financial-reporting-requirements/ 3. https://asic.gov.au/about-asic/news-centre/find-a-media-release/2020-releases/20-070mr-asic-recalibrates-its-regulatory-priorities-to-focus-on-covid-19-challenges/
<p>Hong Kong</p>	<p>Securities and Futures Commission</p> <ol style="list-style-type: none"> 1. The SFC and the Exchange have consulted the HKSAR Government and understand that:- <ol style="list-style-type: none"> a) Annual general meetings as required under the Companies Ordinance (Cap. 622) and/or the Main Board Listing Rules or the GEM Listing Rules are in general exempted under Paragraph 11 b) Extraordinary general meetings and special general meetings of Hong Kong-listed issuers are exempted under Paragraph 11 if the meeting must be held within the specified period in order to comply with rules and regulations mentioned c) Listed issuers should consider whether it is possible to adjourn or delay their general meetings for a reasonable period until after the specified period has ended. d) Listed issuers who decide to proceed with a physical general meeting during the specified period should adhere to certain conditions e) To keep investors and other stakeholders informed, listed issuers that have called a general meeting during the specified period should, as soon as practicable, publish an announcement including certain information. <i>Source :</i> https://www.sfc.hk/edistributionWeb/gateway/EN/news-andnouncements/news/doc?refNo=20PR3Q(1 Apr 2020)

7. Concessions given by their stock exchanges to their brokers/unit trusts and listed companies

#	Country	Name of the Exchange	Concessions given (concessions given to brokers, mutual funds, listed entities and other stakeholders)
1	India	<ul style="list-style-type: none"> • National Stock Exchange of India Ltd (NSE) • Bombay Stock Exchange Ltd (BSE) 	<p><u>Operational Business Continuity Measures for Stockbrokers</u></p> <ul style="list-style-type: none"> • Members of BSE are permitted for the operation of their trading terminals from locations other than those reported to BSE, as a temporary measure, subject to compliance of the following guidelines. <ul style="list-style-type: none"> – <i>“Members shall frame an internal policy in this regard clearly mentioning the controls & checks put in place to prevent any unauthorized trading activities. The policy shall list down the users and their details who will be permitted to operate from such location and the duration. Such policy shall be duly approved by the Member’s appropriate authority such as CEO/Designated Director/Compliance officer...”</i> – <i>“Members shall have a mechanism in place to monitor such terminals and ensure that the terminals are being operated from such designated alternate locations only and by the approved users.”</i> – <i>“Member shall, before operation of terminals from the alternate locations, provide the list of the approved users, terminal details, segment and the alternate location address to the Exchange”, via email to BSE. The format of reporting given as an Annexure). Further, the said email ID shall be used entirely for the said purpose only. The designated email ID shall be deactivated after 30-Apr-2020.</i> • Temporary relaxation from certain compliance requirements till 30-Apr-2020 <ul style="list-style-type: none"> – <i>“Display of Notice Board/ SEBI Registration certificate/ Authorized person (AP) registration at the location”</i> – <i>“Requirement of operation of terminals from main / branch offices or from the office of an AP.”</i> <p>[Source: BSE Notice No: 20200320-59 and NSE Circular Ref. No: 18/2020 dated 20-Mar-2020]</p> <ul style="list-style-type: none"> – The trading members working from designated alternate locations, as per BSE Notice No: 20200320-59, <i>“shall be exempted from the penal provisions for not maintaining call recordings of orders/instructions received from clients”</i> till 30-Apr-2020 instead of 31-Mar-2020. <i>“However, the trading member shall send a confirmation on the registered mobile number of the client or through other legally verifiable modes, immediately after execution of the order. Stockbrokers shall review and ensure that correct Email ID & mobile numbers are updated in the database of BSE for the client in order to enable the Exchange to send trade confirmations.”</i> <p>[Source: BSE Notice dated 27-Mar-2020 (Notice No: 20200327-33)]</p>

#	Country	Name of the Exchange	Concessions given (concessions given to brokers, mutual funds, listed entities and other stakeholders)
2	Pakistan	Pakistan Stock Exchange	Not available
3	Bangladesh	<ul style="list-style-type: none"> • Dhaka Stock Exchange • Chittagong Stock Exchange 	Not available
4	Singapore	Singapore Exchange Limited (SGX)	<ul style="list-style-type: none"> • International and retail investors will continue to have access to SGX securities and derivatives markets. [source: https://www.sgx.com/media-centre/20200403-sgxs-securities-and-derivatives-markets-remain-open] • Central Depository (CDP) is offering online assistance to their customers wherever possible. <p>[source: https://www.sgx.com/keeping-marketplace-available-and-accessible-you]</p>
5	Malaysia	Bursa Malaysia Berhad	<ol style="list-style-type: none"> i. Rebate of 50% of the annual listing fees for the year 2020 for Listed Issuers. ii. Extension of time to submit regularization plan for PN17/GN3 and 8.03A Listed Issuers from the existing 12 months to 24 months. iii. Automatic 1-month extension to submit quarterly, semiannually and annual financial statements. iv. Greater flexibility for brokers to manage margin accounts; <ul style="list-style-type: none"> • to brokers by removing the requirement to automatically liquidate their client's margin account if the equity in the margin account falls below 130% of the outstanding balance. • Brokers will also not be required to make additional margin calls or impose haircuts on any collateral and securities purchased and carried in margin accounts due to an unusually volatile market. v. Expanding the list of collaterals for purposes of margin financing to accept other collaterals, such as bonds, collective investment schemes, unit trusts, gold and immovable properties for purposes of maintaining their clients' margin account if such collaterals are valued as per the broker's credit policy. vi. Shortened counter service hours by market participants following the Movement Control Order ("MCO") from 10.00 a.m. to 3.00 p.m. during the MCO period. vii. Extension of time for submission of CDS transaction forms to Bursa Malaysia -Aim to aid market participants to weather the sudden changes in their operating conditions or cash flows. <p>[Source: https://www.bursamalaysia.com/about_bursa/media_centre/bursa-malaysia-announces-additional-relief-measures-to-alleviate-the-impact-of-covid-19-on-capital-market-players]</p>
6	Thailand	Stock Exchange of	Aiming to assist listed companies, securities companies, asset management companies, and custodians

#	Country	Name of the Exchange	Concessions given (concessions given to brokers, mutual funds, listed entities and other stakeholders)
		Thailand (SET)	<p>1. For securities issuers:</p> <ul style="list-style-type: none"> • Reduction of registrar fee for listed companies, brokers, and asset management companies by waiving 20 percent of annual fee in 2020. • Lower annual fee additional for firms joining Opportunity Day in 2020-2021 periods, subject to the number of participation and in accordance with meeting procedure. <p>2. For SET members:</p> <ul style="list-style-type: none"> • Fee cut on TFEX transaction consisting of fee for online trading service (Streaming), SET50 Futures and SET50 Options trading and clearing, and considering additional fee cut on other items for this year. • Registration fee cut for DW issuer operated since 2019 period, and more fee reduction for those who have developed products and provided knowledge to investors, under SET criteria. • Free of charge service of increasing trading channel and linkage between brokers and retail investors, especially for brokers developing trading service for retail investors. <p>3. A waive of 20 percent depository fee, from April 1 until December 31, 2020, for depository members, who are brokers and custodian banks, to lessen member expenses amid economic slowdown.</p> <p>[Source: https://www.set.or.th/dat/news/202003/20029647.pdf]</p>
7	Indonesia	Indonesia Stock Exchange (IDX)	<p><u>Continuation of Capital Market Services</u></p> <ul style="list-style-type: none"> • <i>“Split Operation to several alternate working locations.</i> • <i>Work from Home implementation while maintaining continuous service to stakeholders.</i> • <i>Limit on-site events such as socializations, meetings, and other corporate events by using electronic facilities.</i> • <i>Ensure a healthy working environment and protect employees’ health.”</i> <p>[Source: IDX Press Release - OJK and SRO Maintain Continuous Stock Exchange’s Orderly, Fair, and Efficient Trading Activities and Capital Market Services to all Stakeholders dated 23-Mar-2020 (PR No: 033/BEI/SPR/03-2020)]</p>
8	Philippines	Philippines Stock Exchange (PSE)	<ul style="list-style-type: none"> • PSE with the approval of the Securities and Exchange Commission, resolved to amend the lower static threshold from 50% to 30% below the previous close or the Last Adjusted Closing Price, whichever is applicable. [source: https://www.pse.com.ph/resource/memos/2020/CN_2020-0028.pdf] • PSE has shortened trading hours from March 16 to April 14, 2020, consistent with the COVID-19 preventive measures implemented by the government. [source: https://www.pse.com.ph/resource/memos/2020/CN_2020-0017.pdf]

#	Country	Name of the Exchange	Concessions given (concessions given to brokers, mutual funds, listed entities and other stakeholders)
9	Australia	Australian Securities Exchange (ASX)	<ul style="list-style-type: none"> ASX confirms normal market operations with their employees working from home pursuant to identification of a covid-19 positive employee. [source: https://www.asx.com.au/documents/asx-news/asx-update-on-covid-19-mar15.pdf] ASX is closely monitoring market orderliness and the responsiveness of our risk management processes to changing customer exposures during the heightened volatility. This includes making capital and liquidity return requests of our clearing members and intra-day margin calls, both of which are designed to ensure that participants can meet their obligations. [source: https://www2.asx.com.au/about/media-centre/asx-action-on-covid-19]
10	Hong Kong	Stock Exchange of Hong Kong Limited (SEHK)	<p><u>Split Team Arrangement by Exchange Participants (EPs) and Clearing Participants (CPs)</u></p> <ul style="list-style-type: none"> EPs and CPs are “<i>reminded to continue to monitor the situation and implement precautionary measures as advised by the Hong Kong SAR Government from time to time</i>”. EPs and CPs are strongly recommended, alongside general health advice, to have split team arrangement in place in order to ensure robust trading operation. “<i>In case of any suspected or confirmed cases of COVID-19 among their staff and their family members, EPs should inform HKEX</i>” via its hotline. <p>[Source: HKEX Circular - Operational Readiness during Pandemic – Split Team Arrangement dated 11-Mar-2020 (Ref No: MO/DT/049/20) HKEX Circular - Update for Reminder on Operational Readiness during Pandemic – Split Team Arrangement 28-Feb-2020 (Ref No: CD/CDCO/DCASS/045/2020)]</p> <p><u>Business Continuity Management (BCM) framework established by HKEX Group</u></p> <ul style="list-style-type: none"> “<i>HKEX Group as both a listed company, and operator of regulated exchanges and Central Clearing Counterparties (CCPs) has an established and comprehensive BCM framework that seeks to ensure service resiliency, availability and stability across the platforms, during and around unforeseen events, crisis, or out-of-the-ordinary operating environments.</i> With the outbreak of COVID-19 in late 2019 and early 2020, initially in China, then regionally and globally, the Group has enacted its BCM pandemic plan to address potential risks. The Group has issued circulars to remind its participants of the importance of managing their daily operations and obligations in these difficult times. <p>[Source: Business Continuity Management: COVID-19 Preparedness updated on 12-Mar-2020 on HKEX group website]</p>
11	United Kingdom (UK)	London Stock Exchange (LSE)	<p><u>Temporary measures - Coronavirus (COVID-19)</u></p> <ul style="list-style-type: none"> LSE supports the joint statement from the Financial Conduct Authority (FCA), Financial Reporting Council (FRC) and Prudential Regulatory Authority (PRA) which sets out a series of actions and statements

#	Country	Name of the Exchange	Concessions given (concessions given to brokers, mutual funds, listed entities and other stakeholders)
			<p>designed to assist companies across UK markets in light of the unprecedented impact of the Coronavirus (COVID-19) pandemic.</p> <p>[Source: LSE Market Notice dated 26-Mar-2020(Ref: N08/20)]</p>
12	United States of America (USA)	New York Stock Exchange (NYSE)	<ul style="list-style-type: none"> • Floor brokers and Impacted Intermediaries are granted relief from any requirement to make and keep records of oral communications pursuant to Exchange Rule 6.07; provided that: (A) a written record of the oral communication, including date, time, identifying information of the persons participating, and subject matter of the communication • Floor brokers and Impacted Intermediaries are granted relief from any requirement to record the date and time by time-stamp or other timing device pursuant to Exchange Rules 6.07 or 6.08 provided that a record of the date and time, to the nearest minute, is otherwise created and maintained in accordance with Exchange Rule 6.07. • Floor Brokers and Impacted Intermediaries to conduct customer business from locations other than the Exchange's electronic trading floor or the registered branch office of an intermediary <p>[source:https://www.theice.com/publicdocs/futures_us/exchange_notices/ICE_Futures_US_COVID-19_INT_UPDATE_2020318.pdf]</p> <ul style="list-style-type: none"> • The NYSE has taken steps to initiating fully electronic trading, closing their physical Trading Floors temporarily with effect from 23rd March 2020. • While their unique access and order types are unavailable during the Trading Floor closure, many NYSE Floor Brokers are connecting remotely and using general electronic order types, the same way orders are entered by member firms not physically present on the Floor. <p>[source: https://www.nyse.com/article/necessary-step-all-electronic-trading]</p>
		NASDAQ	<ul style="list-style-type: none"> • All electronic Nasdaq-operated equities, options, and fixed income markets will remain in operation during this period, with only critical operational personnel on-site working in either split teams or rotating staff schedules • The Nasdaq PHLX Options Market trading floor in Philadelphia will temporarily close on Tuesday, March 17, until further notice; all options trading will transition to an electronic-only environment <p>[source: https://www.nasdaq.com/press-release/nasdaq-statement-on-north-american-operations-2020-03-15]</p>

Country	Name of the Exchange	Concessions given (concessions given to brokers, mutual funds, listed entities and other stakeholders)
India	NSE (National Stock Exchange)	<p>Circular titled Relaxation in compliance requirements dated 27th March 2020 permits members to operate trading terminals from designated alternative locations in view of the prevailing situation.</p> <p>Source: https://www1.nseindia.com/content/circulars/INSP44009.pdf</p>
	BSE (Bombay Stock Exchange)	N/A
Pakistan	Pakistan Stock Exchange Limited	<p>Stock Exchanges have been copied by the regulator to act accordingly.</p> <p><i>Source :</i></p> <p>https://www.secp.gov.pk/document/circular-10-of-2020-regulatory-relief-for-corporate-sector-to-dilute-covid-19-impact/?wpdmld=38897</p> <p>(1 Apr 2020) refer Securities and Commission of Pakistan offered for listed entities</p>
Indonesia	Indonesian Stock Exchange	Refer concessions offered by FSA together with Indonesian stock exchange.
Philippines	Philippines Stock Exchange	<p>Permitting listed companies to move into a state of voluntary suspension during the quarantine period</p> <p>Sources:</p> <p>https://www.pse.com.ph/resource/memos/2020/TPA_2020-0018.pdf</p>
Bangladesh	Dhaka Stock Exchange	<p>Stock Exchanges have been advised to bring the provision pertaining to Circular issued by the Regulator.</p> <p><i>Source :</i></p> <p>https://www.sec.gov.bd/slaws/Order_24.03.2020.pdf</p>
	Chittagong Stock Exchange	(SEC/SRMIC/04-231/932 -23 rd March 2020)- refer Bangladesh SEC section relating to listed entities

USA	New York Stock Exchange	N/A
	NASDAQ	<p>1. NASDAQ will be seeking authority from the U.S. Securities and Exchange Commission (SEC) to temporarily suspend the price-based and shareholder equity rules for NASDAQ-listed companies</p> <p>2. also discussing with the SEC other temporary rule changes that would help listed companies adversely affected</p> <p><i>Source :</i></p> <p>https://www.nasdaq.com/press-release/nasdaq-pledges-business-and-philanthropic-support-in-response-to-covid-19-2020-03-30</p>
UK	London Stock Exchange	N/A
Singapore	Singapore Exchange Limited	<p>1. Two months extension to hold AGMs</p> <p><i>Source :</i></p> <p>https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings</p> <p>2. S\$3.5 million will be used to support Singapore-listed companies</p> <p><i>Source :</i></p> <p>https://www.sgx.com/media-centre/20200316-sgx-introduces-s5-million-care-package-provide-support-amid-covid-19</p> <p>3. provide a grant of up to S\$5,000 per company to all qualifying Main board and Catalist companies, to help defray the additional costs of organising AGMs in light of the new Ministry of Health guidelines</p> <p><i>Source :</i></p> <p>https://www.sgx.com/keeping-marketplace-available-and-accessible-you</p>
Malaysia	Bursa Malaysia	<p>1. Rebate of 50% of the annual listing fees for the year 2020</p> <p>2. Extension of time to submit regularization plan for PN17/GN3 and</p>

		<p>8.03A</p> <p>3. Automatic 01-month extension to submit financial statements</p> <p><i>Source :</i></p> <p>https://www.bursamalaysia.com/about_bursa/media_centre/bursa-malaysia-announces-additional-relief-measures-to-alleviate-the-impact-of-covid-19-on-capital-market-players</p>
Thailand	The Stock Exchange of Thailand (SET)	<p>1. For securities issuers: Reduction of registrar fee for listed companies, brokers, and asset management companies by waiving 20 percent of annual fee in 2020. In addition, SET will lower annual fee additional for firms joining Opportunity Day in 2020-2021 period, subject to the number of participation and in accordance with meeting procedure.</p> <p>2. For SET members:</p> <ul style="list-style-type: none"> • Fee cut on TFEX transaction consisting of fee for online trading service (Streaming), SET50 Futures and SET50 Options trading and clearing, and considering additional fee cut on other items for this year. • Registration fee cut for DW issuer operated since 2019 period, and more fee reduction for those who have developed products and provided knowledge to investors, under SET criteria. • Free of charge service of increasing trading channel and linkage between brokers and retail investors, especially for brokers developing trading service for retail investors. <p>3. A waive of 20 percent depository fee, from April 1 until December 31, 2020, for depository members, who are brokers and custodian banks, to lessen member expenses amid economic slowdown</p> <p><i>Source : </i><u>https://www.set.or.th/dat/news/202003/20029647.pdf</u></p> <p>(SET News 14/2020 March 12, 2020)</p>
Australia	ASX (Australian Securities Exchange), NSX (National Stock Exchange)	Cannot find any sources that show that either ASX or NSX are giving any additional concessions other than those stated above.

	Australia)	
Hong Kong	The Stock Exchange of Hong Kong Limited	<p>Stock Exchanges have been advised to bring the provision pertaining to Circular issued by the Regulator.</p> <p><i>Source :</i></p> <p>https://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=20PR30</p> <p>(1 Apr 2020) refer Hong Kong regulators offers on listed entities</p>

8. Actions taken by the stock market regulators and stock exchanges to safeguard the safety of its employees

Country	Actions taken by the regulator to safeguard the health and safety of its employees	Actions taken by the exchange to safeguard the health and safety of its employees
India	<p>Securities and Exchange Board of India – SEBI</p> <p>SEBI, on 24th March 2020 has issued a Notification informing the continuation of the functions of the Head Office/Regional Offices/Local Offices of SEBI with minimum number of employees.</p> <p>The above notification shall remain in all parts of the country for a period of 21 days with effect from March 25, 2020.</p> <p>Source : https://www.sebi.gov.in/legal/circulars/mar-2020/sebi-notification-covid-19_46425.html</p> <p>SEBI and Stock Exchanges are prepared to take suitable actions as may be required.</p> <p>Source : https://www.sebi.gov.in/media/press-releases/mar-2020/sebi-statement-on-market-movement_46300.html</p>	<p>National Stock Exchange of India Ltd.- NSE</p> <p style="text-align: right;">N/A</p>
Pakistan	<p>Securities and Exchange Commission of Pakistan (SECP)</p> <p>The SECP, as a precautionary measure to prevent the coronavirus pandemic, has temporary suspended public dealing at its Company Registration Offices (CROs) and has requested to use their online services (https://eservices.secp.gov.pk/eServices/) to file documents/ correspondence, where SEP team available for quick disposal.</p>	<p>Pakistan Stock Exchange Limited (PSX)</p> <p>PSX management, over the last two weeks, under the guidance of the SECP, and in close coordination with it's associated companies and SROs, NCCPL and CDC, had undertaken and enacted comprehensive exercises of trading and technology functionality, risk management process drills and administrative precautionary measures to ensure business continuity and safety for its employees, TREC holders and investors.</p>

	<p>Source : https://eservices.secp.gov.pk/eServices/ https://sdms.secp.gov.pk</p>	<p>Approximately 20 employees at the office to handle the critical functions only, while the remaining over 200 persons were mandated to work remotely from homes.</p> <p>Source : https://www.psx.com.pk/psx/files/?file=144991-1.pdf</p>
Indonesia	<p>Financial Services Authority of Indonesia</p> <p>N/A</p>	<p>Indonesia Stock Exchange – IDX</p> <p>Indonesia Stock Exchange (IDX) has implemented a policy of dividing work areas (split operations) to several work locations since March 13, 2020.</p> <p>IDX has implemented work from home policy starting, March 18, 2020.</p> <p>In addition, IDX has also restricted activities, such as socialization, meetings, and other activities that require interaction with many people, as well as delays in organizing events at the IDX Main Hall and other common areas of the IDX until an undetermined time.</p> <p>IDX trading operations will continue to be normal as usual.</p> <p>Source: https://www.idx.co.id/en-us/news/press-release-detail/?emitenCode=1261</p>
Philippines	<p>Securities and Exchange Commission of Philippine</p> <p>Office of the Chairperson of the Securities and Exchange Commission of Philippine has issued Guidelines to All Concerned Corporation on Preventive Measures against Covid-19 in the Handling of Records at the Securities and Exchange Commission by way of a circular (No 7 Series 2020)</p> <p>In accordance with and acting on the directive of the Office of the President to</p>	<p>The Philippine Stock Exchange, Inc.</p> <p>The Philippine Stock Exchange, Inc. (PSE) on 16th March 2020 has announced the general public in respect of the closure of PSE offices starting from, March 17, 2020, until further notice, consistent with the enhanced community quarantine that is implemented by the government.</p> <p>PSE has further announced that they continue to enjoin everyone to take the necessary precautionary measures to help</p>

	<p>undertake appropriate measures to curtail and eliminate the Covid 19 threat embodied in Proclamation No. 922 dated 8 March 2020, and to provide adequate protection to the frontline service personnel of the Electronic Records Management Division, ICTD (ERMD-ICTD) from undue exposure to the risk of Covid-19, the Securities and Exchange Commission (SEC) is hereby adopting the following procedures at the ERMD-ICTD:</p> <p>1. REQUEST FOR PLAIN/AUTHENTICATED COPY OF SEC DOCUMENTS:</p> <p>Provide two (2) options for the request and retrieval of SEC documents, both plain and/or authenticated, through SEC Express System. Clients may use the following options:</p> <ol style="list-style-type: none"> 1. Online Application. The public may request for SEC documents through a user-friendly, web-based interface that includes online payment and courier delivery of the requested document/s nationwide. The client may log on at www.secexpress.com 2. Call Center Facility. The public may call Hotline Number (02) 8-737-8888 for request, mode of payment and courier delivery of requested document/s nationwide. <p>NOTE: The existing Appointment System and Public Kiosk (ODRS) will be temporarily suspended to avoid face to face contact with the SEC Frontline Employees and the transacting public. All public requests shall pass through Online Application and Call Center Facility.</p> <p>II. FILING/SUBMISSION OF REPORTS AND/OR OTHER</p>
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	<p>DOCUMENTS TO SEC</p> <p>A. Filing/submission of reports and other documents through the SEC Express Nationwide Submission (SENS) with the following procedures:</p> <ol style="list-style-type: none"> 1. Client accomplishes and signs the SEC Express Nationwide Submission (checklist with undertaking, available in the SENS website). 2. Client attaches the checklist and the undertaking to the documents to be submitted. 3. Client proceeds to the courier of his/her choice and may or may not avail of the return copy. Request for return copy may be subject to the availability of service offer by the courier. 4. Courier delivers the documents to the SEC Office. 5. SEC Receiving Officer shall stamp the documents and "Received", put his initial on the documents and distribute copies of documents to the SEC department concerned. <p>B. Filing and submission of reports/documents through the Philippine Postal Corp. or through ordinary mail shall be subject to the following requirements:</p> <ol style="list-style-type: none"> 1. Clients may file their reports/documents through Registered Mail with return card issued by the Philippine Postal Corp.; provided, that clients may file their reports/documents through ordinary mail or private courier duly accompanied by an affidavit of service, if registry service is not available in their official place of business. 2. For return copy, client shall enclose a self-addressed envelope with sufficient amount of stamp/postage. <p>C. The reports/documents submitted to the SEC through registered mail shall be considered filed on the date of mailing as shown by the post office</p>	
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	<p>stamp on the envelope or the registry receipt.</p> <p>Reports/documents submitted through ordinary mail or private courier shall be considered filed on the date of actual receipt thereof by the SEC.</p> <p>D. Validation of forms and contents of reports/documents submitted shall be done by SEC Operating Department requiring the report.</p> <p>E. All filings at the Head Office and Satellite Offices shall be temporarily, suspended until further notice.</p> <p>Source : http://www.sec.gov.ph/wp-content/uploads/2020/03/2020MCNo07.pdf</p>	
Bangladesh	<p>Bangladesh Securities and Exchange Commission</p> <p>N/A</p>	<p>Dhaka Stock Exchange</p> <p>Trading, settlement and official activities of Dhaka Stock Exchange are closed from March 29, 2020 to April 2, 2020. (WFE website) No any other update found about the current situation.</p>
USA	<p>U.S. Securities and Exchange Commission (USSEC)</p> <p>The U.S. Securities and Exchange Commission's efforts are centered, first and foremost, on the health and safety of their employees and all Americans.</p> <p>A majority of SEC staff began teleworking on Tuesday, March 10, and through this transition, the agency has remained fully operational.</p> <p>In the weeks prior to March 9, staff prepared for telework readiness, including conducting network capacity tests, and encouraging all employees to test their remote connectivity. The SEC has also made preparations for remote open and closed Commission meetings if needed. Their experience since the week</p>	<p>New York Stock Exchange (NYSE)</p> <p>The NYSE has plans to continue to operate electronically should the floor need to close. Last week, the NYSE conducted a test of its trading systems to ensure they could open electronically without the floor. Steps are been taken to limit exposure in the building just by separating people and separating communities, so that the people on the trading floor aren't interacting with people on other floors, and they don't have guests coming onto the floor.</p> <p>Source: https://www.cnbc.com/2020/03/13/heres-what-would-happen-if-coronavirus-forced-the-nyse-to-close-its-trading-floor.html</p>

	<p>of March 9 provides us confidence that the agency will continue to be able to maintain operations in a full telework posture.</p> <p>Source:</p> <p>https://www.sec.gov/sec-coronavirus-covid-19-response</p>	
UK	<p>Financial Conduct Authority (FCA)</p> <p>Impact of COVID-19 on UK Financial Services Key Workers</p> <p>The FCA has issued guidelines for the entire industry, identifying only a limited number of people as being ‘key financial workers’, who are required to “fulfill a role which is necessary for the firm to continue to provide essential daily financial services to consumers, or to ensure the continued functioning of markets.</p> <p>The types of roles that the FCA considers as providing essential services are given in the below link.</p> <p>Accordingly they intend to function with limited number of essential employees.</p> <p>https://www.mayerbrown.com/en/perspectives-events/publications/2020/03/impact-of-covid-19-on-uk-financial-services-key-workers</p>	<p>London Stock Exchange Group (LSEG)</p> <p>N/A</p> <p>London Clearing House (LCH) Group</p> <p>LCH continues to operate as normal across all of its clearing services, notwithstanding the recent market volatility and trading volumes.</p> <p>However the LCH group has taken steps facilitate the employees to work from home – remotely or in split site teams across certain businesses and countries.</p> <p>https://www.lch.com/membership/ltd-membership/ltd-member-updates/coronavirus-covid-19-update-lch-group-update-all-lch</p>
Singapore	<p>Monetary Authority of Singapore (MAS)</p> <p>Financial services is one of the essential services exempted from the suspension of activities at workplace premises under the elevated safe distancing measures announced by the Ministry of Health (MOH).</p> <p>All financial institutions will continue to operate, although with reduced staffing on their premises, in line with MOH’s advisory on maximising telecommuting.</p>	<p>Singapore Exchange (SGX)</p> <p>SGX has enhanced its measures to safeguard the well-being of its employees. All international business travel including domestic/inter-state travel for overseas employees has been put on hold until the end of June. Employees have been advised to defer all personal overseas travel. Those working in the offices also follow strict safe distancing measures.</p> <p>The safety of our employees and</p>

	<p>MAS has instructed financial institutions to ensure that their customer-facing locations adhere to all relevant guidance on safe distancing issued by MOH</p> <p>Source : https://www.mas.gov.sg/news/media-releases/2020/financial-services-remain-open-and-available</p>	<p>customers are of utmost importance. We have been working from split sites and from home for almost two months, without any interruptions to our operations. Close to 80% of SGX employees in Singapore will be working from home as per MOH's guidance.</p> <p>Source : https://www.sgx.com/media-centre/20200403-sgxs-securities-and-derivatives-markets-remain-open</p>
Malaysia	<p>Securities Commission Malaysia</p> <p>The SC and Bursa have business continuity measures in place, including backup sites, recovery facilities and alternative communications channels to operate the market in a pandemic situation. Similarly, all market intermediaries have in place business continuity frameworks to ensure continuity of their business.</p> <p>Source : https://www.sc.com.my/resources/media-releases-and-announcements/continued-reliable-access-to-the-malaysian-capital-market-is-vital-for-immediate-and-long-term-market-confidence</p>	<p>Bursa Malaysia</p> <p>The situation is being proactively monitored, and their markets continue to operate as normal and will continue to follow the guidance from the Ministry of Health Malaysia (MOH) and the World Health Organization (WHO).</p> <p>Since January 2020, the Exchange has implemented several precautionary measures to manage the impact of COVID-19. These measures include:</p> <p>ENHANCED VISITOR REGISTRATION PROCESS:</p> <p>Mandatory daily temperature check for all employees and visitor at all entry points Mandatory visitor declaration process</p> <p>OFFICE STATUS:</p> <ul style="list-style-type: none"> - Hand sanitizer dispensers are made widely available -Encouraging good hygiene practices -Increased cleaning and disinfection frequency at all public and high-use areas -Frequent communication and awareness on health messages and updates -Minimise face-to-face meetings with external parties and to conduct meetings electronically as much as possible -Minimise as much as possible participation in any events or mass gatherings. If required, employees are

		<p>required to complete a self-assessment as a preventive measure to curb the further spread of COVID-19 as well as ensuring all employees are aware of the risk when participating and organising an event.</p> <p>BUSINESS CONTINUITY MANAGEMENT:</p> <p>The Exchange has initiated split office operations to ensure business continuity and safeguard market-critical processes. This provides us with the capability to fully operate from any one location in ensuring market connectivity globally.</p> <p>They will continue to monitor the ongoing developments on the pandemic outbreak to pro-actively manage risk in the marketplace and will introduce additional precautionary measures as appropriate.</p> <p>https://www.bursamalaysia.com/about_bursa/media_centre/bursa-malaysia-implements-enhanced-measures-to-manage-impact-of-covid-19</p>
Thailand	Securities and Exchange Commission of Thailand N/A	Stock Exchange of Thailand (SET) N/A
Australia	Australian Securities and Investments Commission (ASIC) ASIC has implemented measures to maintain operations and support and protect staff during this time. This includes implementing stringent hygiene and cleaning protocols, social distancing and flexible working arrangements Source : https://asic.gov.au/about-asic/news-centre/articles/covid-19-information/	Australian Stock Exchange (ASX) In line with ASX policy and the recommendations of health authorities, the employee self-isolated as soon as symptoms were displayed and will remain at home for a period of 14 days. The employee has mild symptoms, is in good spirits and is not required to be hospitalised. Following health guidelines, approximately 20 ASX employees that had close contact with the employee, as

defined by NSW Health, are also self-isolating and working from home for a fortnight.

The employee was based at ASX's Bridge Street office in Sydney and had no recent close contact with third parties, including ASX customers or partners.

A deep clean was conducted over the weekend at our Bridge Street premises. This is incremental to the additional hygiene measures that have been in place for some time. As a further precautionary measure to minimize the risk of the virus spreading, ASX has enacted the next phase of its business continuity plan (BCP). ASX has asked the employees across the various sites – Bridge Street, the Australian Liquidity Centre (ALC), secondary data centre, and interstate and overseas offices – to work remotely until further notice.

The only exceptions are a core group of employees, identified as part of our BCP, who will remain on ASX sites to manage ongoing market functions, mainly in technology, operations and surveillance areas. ASX is executing arrangements for which ASX have prepared. The employees have the capacity to work remotely, which is a normal and regular part of ASX's BCP and testing activity. Many already work flexibly and/or remotely from their various sites. ASX has operated its technology and operations from multiple sites since 2013 to ensure uninterrupted service and optimal resiliency in the event of a crisis. This latest development will not disrupt ASX's normal operations. The health and safety of ASX employees is the top priority. The ASX is taking a range of actions to manage the impact of COVID-19 on people and on the markets

		<p>we operate. These are outlined here: ASX action on COVID-19. The ASX will continue to be informed by the advice of health authorities and the Government, and take a cautious approach to ensure the wellbeing of the people and ongoing confidence of the stakeholders.</p> <p>Source : https://www.asx.com.au/documents/asx-news/asx-update-on-covid-19-mar15.pdf</p>
Hong Kong	<p>The Securities and Futures Commission (SFC)</p> <p>SFC has reconfigured its staffing arrangements to limit coronavirus infection risks, as have many other organisations. These arrangements are for the time being, involve some staff working from home or remotely.</p> <p>Source : https://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=20PR10</p>	<p>Hong Kong Exchanges and Clearing Limited (HKEX)</p> <p>The Group places the utmost importance on managing the health and safety of its staff and the wider community.</p> <p>The Group continues to monitor the evolving situation, including Government guidance and measures initiated, as part of the Preparedness and Response Plan.</p> <p>They further continue to liaise with industry bodies, regulators and experienced business continuity professionals. As part of the Group's response to this pandemic situation, and as used from time-to-time to address other relevant business continuity scenarios, the Group has employed a series of measures to mitigate contagion risk, ensure the ongoing operation of its business services and provide appropriate flexibility to staff during this challenging period.</p> <p>Sources : https://www.hkexgroup.com/COVID_19?sc_lang=en</p>

Hong Kong Securities Clearing Company Limited (HSC)

HSC by its Circular dated 28th February 2020 has strongly recommended its Clearing Participants (CPs) to have split team arrangement in place for their operations.

In case of any suspected or confirmed cases of COVID-19 among their staff and their family members, CPs should inform HKEX via the CCASS hotline.

As per the said Circular CPs are not allowed to make physical deposit or withdrawal at the CCASS Depository Counter or to perform their CCASS operations at the backup centre of HSC, unless they can confirm, and HKEX is satisfied, that their staff or representatives who are using such services have fully complied with the above precautionary measures.

Source :

https://www.hkex.com.hk/-/media/HKEX-Market/Services/Circulars-and-Notices/Participant-and-Members-Circulars/HKSCC/2020/ce_HKSCC_SET_010_2020.pdf

9. Review of measures taken by the Sri Lankan government, the SEC and the CSE to mitigate the risk emanating from COVID-19

Actions already taken

Measures taken by the government of Sri Lanka¹	The Central Bank of Sri Lanka²	The SEC³	The CSE⁴
Special Task Forces comprising relevant authorities have been set up to ensure an efficient health service to battle against COVID 19 and delivery system of essential items across the country.	<p>Licensed commercial banks and National Savings Bank are directed to :</p> <ul style="list-style-type: none"> a. Suspend facilitating importation of all types motor vehicles, other than those excluded specifically under Banking Act Directions No.01 of 2020, under Letters of Credit; b. Suspend facilitating importation of non-essential goods specified in Banking Act Directions No.01 of 2020, under Letters of Credit, Documents Against Acceptance and Advance Payment; and c. Suspend the purchase of Sri Lanka International Sovereign Bonds by licensed banks in Sri Lanka 	<p>Granting relief to all investors affected by the market downturn caused by COVID 19 Pandemic in Sri Lanka under 13 (c) and (h) of the SEC Act.</p> <p>Accordingly, it was decided to grant a moratorium to the clients of all licensed Stock Brokers (Brokers) and registered Margin Providers from the</p>	<p>Suspended the trading of the listed securities on 20th March 2020 and the CSE will remain closed for Trading till 31st March 2019 since the SEC was of view that the prevailing condition are not conducive for the stock market function in a fair, orderly</p>

¹ <https://www.president.gov.lk>

² <https://www.cbsl.gov.lk/en/news/the-central-bank-of-sri-lanka-introduces-urgent-measures-to-ease-the-pressure-on-the-exchange-rate-and-prevent-financial-market-panic-due-to-the-covid-19-pandemic>

³ <http://www.sec.gov.lk/>

⁴ <https://www.cse.lk/home/market> (checked announcements)

		<p>payment of interest on credit extended to them, which are due during the period commencing from 11th March 2020 to 30th June</p>	
<ul style="list-style-type: none"> • Measures taken to contain the spreading of the virus <ol style="list-style-type: none"> 1. Declared special public holidays from 16th – 19th March 2020, followed by declaring work from home from 20th March 2020. 2. Imposed island wide curfew from 20th to 23rd March 2020 3. Extension of the curfew imposed until further notice for the high risk districts such as Colombo, Gampaha Katutura, Kandy and Jaffna, 	<ul style="list-style-type: none"> • In addition, Authorised Dealers of foreign exchange are allowed to issue foreign currency notes as travel allowance only up to a maximum of USD 5,000 (or its equivalent in other foreign currency).during the next three months, with immediate effect 	<p>The Colombo Stock Exchange (CSE) will remain closed for Trading from 01st April 2020 until the curfew is lifted.</p>	

	<p>4. The citizens are banned to travel across the districts.</p> <p>5. Implement proper quarantine centres</p> <p>6. Suspension of all flights arriving in sri lanka with effect from mid night of 18th march 2020 for two weeks.</p> <p>7. Banned the arrival of all incoming passenger ships and planes.</p> <p>8. Continuous search for persons who arrived in Sri Lanka from high risk countries are not in quarantine</p> <p>9. Regulations imposed to avoid public gathering</p> <p>10. Legal actions are taken against the persons who are not comply with the regulations.</p>		
• Measures taken to increase the well being of the citizens during the epidemic	The CBSL decided to reduce the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 50 basis		Taking into consideration the challenges faced by the Listed Entities

<p>1. Announcing essential service category to assist the general public</p> <p>2. Proposed and facilitating home delivery of the essential goods</p> <p>3. Introduced a relief fund "COVID-19 Healthcare and Social Security Fund"</p>	<p>points to 6.00 per cent and 7.00 per cent, respectively</p>		<p>regarding the hosting of the upcoming Annual General Meetings (AGMs) in light of the COVID-19 pandemic, the Colombo Stock Exchange has formulated a "Guidance Note"</p>
<p>4. Granted concessions on paying utility bills, credit cards and tax payments</p> <p>5. A grant of Rs. 5,000 for the low-income segments of society, to tide them over during the COVID19 crisis.</p> <p>6. Advance of Rs. 10,000 without interest to be provided for Samurdhi recipients</p>	<ul style="list-style-type: none"> • Reduce the Statutory Reserve Ratio (SRR) on all rupee deposit liabilities of licensed commercial banks (LCBs) by 1.00 percentage point to 4.00 per cent, with effect from the current reserve maintenance period 		<p>CSE Board of Directors decided to amend the currant methodology with regard to index Based circuit breakers with effect from 20th march 2020 as follows:</p> <p>In the event the S@P SL 20 drop by 5% within the day from the previous market day closure, a market halt to be imposed for 30 Minutes</p> <p>Every further 5% decline- 30 Minutes halt</p>

			Trigger is reached 5%on or after 2.00pm – market will be halted for the rest of the day
	<ul style="list-style-type: none"> Establish Rs. 50 Bn refinance facility to support COVID19 hit businesses 		
	<ul style="list-style-type: none"> Concessions given on existing performing loans and existing non performing loans as at 25.03.2020 		
	<ul style="list-style-type: none"> Permitted licensed banks to provide additional 60 day period to settle loans and advances which are becoming post due during March 2020 		
	<ul style="list-style-type: none"> Extend the deadlines for submissions of statutory returns to the bank supervision and publication of quarterly financial statements 		
<ul style="list-style-type: none"> Measures taken for the smooth operation of the economy during the epidemic <p>1. Instructions for</p>	With the announcement of including the Central bank and licensed banks in to the essential service category, Central bank had taken steps to operate with minimum number of staff and operating minimum number of		

<p>the banking sector to further extend the payback period to another six months</p>	<p>departments whilst other department staff are working from home</p>		
<p>2. Instructions to banks to provide working capital at 4% with 6 months grace period, for all SMEs, Tourism, plantations & farmers, apparel, IT and those in supply chain, who are impacted due to COVID19.</p>			
<p>3. Allowed farmers, estate workers, bankers, fishermen and cleaners to carry on their duties amid curfews.</p>			
<p>4. Ministry of Agriculture launched “Saubhya Gewatte” - One Mn Home Gardens programme to ensure the food security within the country.</p>			
<p>5. Launched national program to locally</p>			

<p>grow 14 crops that are currently imported.</p>			
<p>Introduced a relief fund "COVID-19 Healthcare and Social Security Fund" to combat the novel coronavirus pandemic and the President's Fund had donated Rs. 100 Mn for the fund.</p>			
<p>Financial institutions are instructed by the government to charge max 15% on local credit card transactions up to 50K, minimum payment reduced by 50% & repayment of credit cards below 50K limit to be extended up to 30th April.</p>			
<p>Sri Lankan government involved in taking initiatives with the leaders of South Asian region to combat coronavirus and had contributed \$ 5 million to the SAARC COVID-19 Emergency Fund.</p>			
<p>Discussion of the President of Sri Lanka with the Director General of World Health Organization (WHO) to facilitate multi-lateral &</p>			

bilateral lending agencies to provide a debt moratorium or debt deferment to all vulnerable developing nations, to manage the impact of COVID19.

10. Stimulus packages and the operationalization of them

Country	Stimulus package		The amount of the package	Specific areas/sectors covered via package and the timeline of its implementation
	Yes	No		
Indonesia	Yes		1 st Package - US\$725 million 2 nd Package - US\$8 billion	1 st Package <ul style="list-style-type: none"> ▪ On February 25, 2020, the Indonesian government unveiled a US\$725 million stimulus package to support the tourism, airline, and the property industries in the wake of the coronavirus outbreak. ▪ There is also waiver on taxes for hotels and restaurants in selected regions of the country. ▪ In addition, the government provided extra funding for the Affordable Food Program to help 15 million low-income households buy staple foods. ▪ More incentives will be issued in the coming weeks in the form of easing of export and import rules. <p><i>Source: Article published in aseanbriefing dated 10th March 2020</i></p>

				<p>2nd Package</p> <ul style="list-style-type: none"> ▪ On March 13, 2020, the Indonesian government issued its second emergency stimulus package worth US\$8 billion. ▪ The package provides a range of fiscal and non-fiscal incentives in addition to a special stimulus for small and medium-sized (SMEs) businesses. ▪ The fiscal incentives are primarily for the manufacturing sector and include a reduction in corporate and personal income tax ▪ Non-fiscal incentives aim to ease import and export activities. <p><i>Source: Article published in aseanbriefing dated 10th March 2020</i></p>
Singapore	Yes		<ul style="list-style-type: none"> ▪ 1st Package – S\$800mil to fight and contain the coronavirus outbreak ▪ S\$5.6bil worth of two economic support packages to assist businesses and consumers ▪ 2nd Package - S\$48 billion 	<p>1st Package</p> <ul style="list-style-type: none"> ▪ S\$4 billion will primarily go toward supporting businesses with wage costs. The rest will assist consumers by offering "additional, timely help to more households with cost of living," especially for lower-income families. ▪ Sectors directly affected by the coronavirus -- like tourism, aviation and food -- will get additional support such as property tax rebates and rental

				waivers
				<p>Source: Article published in https://www.thestar.com dated 27th March 2020</p> <p>2nd Package</p> <ul style="list-style-type: none"> ▪ Aims to support local businesses through the deferment of taxes, tax rebates, and loan schemes, as well as supporting low-income workers and self-employed persons through new training programs and cash handouts. ▪ The government will also provide financial assistance to Singaporean households and will exercise greater flexibility on fees and loans. <p>Source: Article published in Asian Tribune on 1st April 2020</p>
Thailand	Yes	1st Package - 400 billion baht 2nd package - 117 billion baht 3rd Package- Planning stage	1st Package	<ul style="list-style-type: none"> ▪ To provide assistance to the general public and to SME entrepreneurs ▪ Includes “soft loans” valued at 150 billion baht, which the Government Savings Bank will lend to commercial banks at just 0.01% interest, so commercial banks can grant loans at 2%. Each bank borrower can take out a loan of no more than 20 million baht. ▪ Includes a moratorium on principal payments, debt payments extension, and the

				<p>right to borrow from special financial institutions such as the Bank for Agriculture and Agricultural Cooperatives.”</p> <ul style="list-style-type: none"> ▪ The government will also reduce withholding tax from 3% to 1% from April to September this year. <p>Source : Article published in https://thethaiger.com/ on 11th March 2020</p> <p>2nd Package</p> <ul style="list-style-type: none"> ▪ The measures include cash handouts worth 45 billion baht (1.2 billion pounds) for 3 million workers outside the social security system, who will also be offered soft loans worth 60 billion baht as well as tax breaks ▪ Separately, small firms will be offered 10 billion baht of loans while the government will also delay business tax payments for companies to help boost their liquidity <p>Source: Article published in https://www.thestar.com dated 24th March 2020</p>
Malaysia	Yes		RM250 billion	<ul style="list-style-type: none"> ▪ Of the total, RM128 billion will be spent on public welfare, RM100 billion will be used to support businesses, while RM2 billion will be used to strengthen the country's economy. ▪ Remaining RM20 billion would be used to tackle the impact of the outbreak, catalysing people-based growth, and encouraging

				<p>quality investment.</p> <ul style="list-style-type: none"> ▪ Comprises special allowances for healthcare providers, one-off cash aid and microcredit scheme for small- and medium-size enterprises (SMEs), among others. <p>Sources: Articles published in https://www.channelnewsasia.com/ dated 27th March and 27th February 2020.</p>
India	Yes		Indian government announced a nearly \$23 billion economic package on 26 th March to support its citizens affected by the Corona virus	<ul style="list-style-type: none"> ▪ The Government provided rations of grains and pulses, free gas cooking cylinders to 83 million families, and cash transfers of \$6.65 a month to about 200 million women for the next 3 months. ▪ A \$2 billion package was cleared to buy protective gear for health care workers, expand testing facilities, and train health care workers across the country. ▪ India is importing 10,000 ventilators from China and has ordered another 30,000 from domestic companies. Private hospitals are setting aside wards and authorities have granted emergency financial powers to the army to set up quarantine facilities. ▪ India had done just over 38,000 COVID-19 tests by 31 March. It has recently allowed private labs to begin to test and approved 12 types of rapid testing kits. Testing has also expanded from

				<p>patients with an association with international travel to include patients with severe acute respiratory illness.</p> <p>Source: Article published on ScienceMag.org , “1.3 billion people. A 21-day lockdown. Can India curb the coronavirus?” dated 31st March 2020</p>
Pakistan	Yes	<p><u>A Rs. 1.2 trillion (\$7 billion) economic plan</u> has been unveiled with a focus on minimizing the economic damage on vulnerable segments of society.</p>		<ul style="list-style-type: none"> ▪ Direct cash support will be provided to 10 million households in the coming weeks. ▪ Secondly, 3 million additional households will be identified through the National Socio-Economic Registry (NSER) and given a cash transfer of Rs. 3,000 per month for the next four months. ▪ The government will identify an additional 2.5 million households and verify them through the local district administration setup. Once verified, these households will also be provided financial support by the federal government. ▪ The government has also announced support funds for businesses which includes Rs. 100 billion in tax refunds and an additional Rs. 100 billion in deferred interest payments. ▪ The State Bank of Pakistan has swiftly cut rates by 225 basis points in the last few days, giving breathing room to both the federal government—the

				largest borrower in the country—and to businesses facing cash flow problems.
Phillipines	Yes	The Phillipines Government rolled out P27.1 billion relief package to counter the impact of COVID-19. This is supposed to support initiatives to better equip health workers and provide relief and recovery measures to individuals and sectors reeling from adverse impact of the pandemic.	<ul style="list-style-type: none"> ▪ P14 billion to help the Tourism Infrastructure and Enterprise Zone Authority (TIEZA). It will be intended to help the Department of Tourism to roll out various programs and projects to support tourism sector. ▪ P3.1 billion – help stop COVID-19 including the acquisition of test kits. This include plan to borrow \$1 billion from multilateral agency. ▪ P1.2 billion – provide unemployment benefits for displaced workers. ▪ P3 billion for Technical Educational Service for Development Administration (TESDA) to provide technical training. ▪ P2.8 billion – allocated for the Department of Agriculture and its Survival and Recovery Program or SURE. ▪ P1 billion for the Department of Trade and Industry for Pondo sa Pagbabago at Pag-Asenso (P3) 	Source: Article published in Atlantic Council, “Coronavirus hits Pakistan’s already-strained economy, and its most vulnerable” dated 30 th March 2020

				<p>or Funds for Change and Development. This includes the micro-financing special loan package for small businesses or corporations.</p> <p>Source: Article published in Europe Solidaire Sans Frontiers, "COVID – 19: its impact on Phillipines – Part 1", dated 2nd April 2020</p>
Bangladesh		N/A		
United States of America	Yes		USD 2 Tn stimulus package	<ul style="list-style-type: none"> ▪ On March 3, 2020, The Federal Reserve made an unscheduled cut to the fed funds rate. It slashed rates by 0.5%, double the amount of its recent moves, and the largest cut since the 2008 financial crisis. ▪ On March 12, the Fed massively expanded reverse repo operations, adding \$1.5 trillion of liquidity to the banking system. ▪ On March 15, the Federal Reserve set out several pieces of monetary stimulus: <ul style="list-style-type: none"> ❖ It cut interest rates by a full percentage point, down to a range of 0.00% to 0.25%. This dropped the fed funds rate to the level it was before the rate increases starting in 2015. ❖ The Federal Reserve restarted quantitative easing with the purchase of \$500 billion in treasurys and \$200 billion in mortgage-backed securities. ❖ The Fed lowered the

interest rate on the discount window by 1.5% to 0.25%.

- ❖ The Fed, as part of a transition to a different type of bank reserves system, lowered reserve requirements to zero, effective March 26. This transition to a new system was already happening but the Fed says this will also help to loosen credit markets.
- ❖ The Fed encouraged banks to use their capital and liquidity buffers to lend, which are funds kept in reserve for tough times.
- On March 16, the Federal Reserve increased reverse repo operations by another \$500 billion.
- On March 17, the Fed introduced two new programs to help preserve market liquidity:
 - ❖ The Commercial Paper Funding Facility (CPFF), which allows the Fed to create a corporation, which can purchase commercial paper, short-term, unsecured loans made by businesses for everyday expenses. The Treasury authorized up to \$10 billion from the Treasury's Exchange Stabilization Fund (ESF) to help cover loan losses incurred under this program. The program will end on March 17, 2021 unless it is extended. This is actually a re-

launch of a program originally launched during the Great Recession, when many businesses were hurt when liquidity in the commercial paper markets dried up.

- ❖ The Primary Dealer Credit Facility (PDCF). Starting March 20, the PDCF will offer short-term loans to banks secured by collateral such as municipal bonds or investment-grade corporate debt. The program will run at least six months, and longer if needed.
- On March 18, the Federal Reserve announced the Money Market Mutual Fund Liquidity Facility (MMLF). This is a new program, to lend money to banks so they can purchase assets from money market funds, like with the CPFF, the Treasury is offering up to \$10 billion to cover loan losses the Fed incurs from the program. In addition, lending under the program will not effect bank capital requirements. The program is scheduled to run until the end of September. This is similar to the AMLF program launched in 2008 after the collapse of Lehman Brothers caused a major money market fund to fail.
- On March 23, the Federal Reserve released another raft of monetary stimulus including:

- ❖ Expanding its asset purchases of both treasuries and mortgage backed securities by an additional \$625 billion this week, and committed to continue purchasing however many assets are needed to "support the smooth functioning of markets"
- ❖ Expanding the scope of what Mortgage-backed securities it will purchase, now including agency commercial mortgage-backed securities. This means they will buy mortgages backed by government agencies like Fannie Mae for commercial properties like offices.
- ❖ Establishing the Primary Market Corporate Credit Facility (PMCCF) to buy bonds and loans banks give to large businesses.
- ❖ Establishing the Secondary Market Corporate Credit Facility (SMCCF) to purchase bonds and bond ETFs to provide liquidity for the corporate bond market.
- ❖ Re-establishing the Term Asset-Backed Securities Loan Facility (TALF) to purchase asset-backed securities backed by things such as auto loans, student loans, or small business loans.
- ❖ Each of these special purpose vehicles will run until September 30, 2020 unless

extended, and the Treasury department will cover up to \$10 billion in loan losses each from the ESF. In total they will provide up to \$300 billion in new financing.

- ❖ Expanding the MMLF to include more different types of money market funds.
- ❖ Expanding the CPFF to include a wider variety of commercial paper assets, and a reduction in the interest rates for loans from the CPFF.
- ❖ It announced that it will soon be rolling out the "Main Street Business lending Program" to support small and medium businesses.
- On March 31st, amid other technical changes, the Federal Reserve lowered capital requirements for banks.
- On March 6, 2020, President Trump signed an \$8.3 billion spending bill, currently called "Phase One" of stimulus efforts, to fund efforts to fight the pandemic. Among other things it:
 - ❖ Funded research on a vaccine
 - ❖ Gave money to state and local governments to fight the spread of the virus

- ❖ Allocated money to help with efforts to stop the virus's spread overseas
- On March 13, House of Representatives passed a stimulus bill, currently called "Phase Two" of the stimulus, which is waiting on a vote in the Senate, that included, among other things:
 - ❖ Free virus testing
 - ❖ Expanded unemployment benefits
 - ❖ Additional funds for Medicaid
 - ❖ A provision requiring paid sick leave for some workers affected by COVID-19
- On March 13, President Trump announced a state of emergency, allowing the Federal Government to distribute up to \$50 billion in aid to states, cities, and territories.
- On March 17, Treasury Secretary Steven Mnuchin announced that individual and businesses will have an extra 90 days past April 15 to pay their tax bills. He estimates this will free up \$300 billion in extra liquidity over this period. Individuals can delay taxes up to \$1 million and corporations up to \$10 million. Notably, tax return form are still due April

15.

- On March 17, Secretary Mnuchin and President Trump suggested a roughly \$1 trillion stimulus package, nicknamed "Phase Three," to the Senate. The package is just a proposal, many of the details are undecided, and any plan would need to be passed by Congress. Included in the proposed package were:
 - ❖ \$500 billion in direct payments, including a more than \$1000 payment to all U.S. adults, excluding millionaires and billionaires
 - ❖ \$50 billion in bailouts for the airline industry
 - ❖ Upwards of \$500 billion for small businesses and other expenditures
- March 17 also saw Democratic leadership in the House of Representatives revise their paid sick leave proposal. In the original version, companies would be required to give workers affected by COVID-19 and qualified for the program, 2 weeks of sick leave at full pay and 10 weeks at 2/3's pay. The revised proposal limits it to 2 weeks with the next 10 only allowed for workers caring for children whose school or day care is closed down. Among

other exemptions the mandate to provide paid sick leave only applies to businesses with fewer than 500 employees. It also sets up a program to reimburse the employers for sick leave pay through a tax credit.

- On March 18, the Senate Republicans approved the Phase Two stimulus package passed by the House earlier in the month without changes. President Trump signed the bill later that day. Senate Majority Leader, Mitch McConnell said that the Senate will stay in session until "Phase Three" of the stimulus is passed.
- On March 19, Senate Majority Leader Mitch McConnell released a draft bill of the "Phase Three" stimulus package. The Republican plan includes the following, among other things,
 - ❖ A tax credit of \$1,200 per adult and \$500 for each child for some families. The amount would be lower for people making between \$75,000 and \$99,000 a year, and none for people making over that amount. For people who pay less than \$1200 in taxes the amount goes down, down to a minimum of \$600 for the poorest people who have no federal income tax liability. And even that \$600 is dependent on making at least \$2,5000 in

qualifying income.

- ❖ \$300 billion in loans to small business with under 500 employees, with loans capped at \$10 million. Part of the loan would be forgiven if the companies don't lay off any employees through the end of June.
- ❖ \$50 billion in loans and loan guarantees for passenger airlines
- ❖ \$8 billion in loans and loan guarantees for cargo airlines
- ❖ \$150 billion in loans and loan guarantees for "other eligible businesses" The Treasury Department has a lot of latitude to decide what falls into this category.
- ❖ The legislation would also cap compensation for "any officer or employee" of the firms receiving loans at \$425,000 a year until March 1, 2022.
- On March 20th, the U.S. Secretary of Education, Betsy DeVos announced that, "All borrowers with federally held student loans will automatically have their interest rates set to 0% for a period of at least 60 days. In addition, each of these borrowers will have the option to suspend their payments for at least two months." Borrowers can contact their student loan

providers to request a suspension of payments for 60 days after March 13, with people who are more than 31 days behind on payments as of March 13 receiving an automatic suspension.

- On March 23, Speaker of the House Nancy Pelosi released the House's plan for Phase Three of stimulus. Among its highlights are:
 - ❖ \$1,500 per person (up to \$7,500 for a household of 5) available to anyone with a taxpayer identification number.
 - ❖ Eliminates cost-sharing for coronavirus treatments and vaccines, increased subsidies for the individual market place, increased incentives for states to expand Medicaid, and a new open enrollment period.
 - ❖ Temporary \$600 a week for workers made unemployed by COVID-19
 - ❖ \$150 billion in support for hospitals to expand treatment for Coronavirus Patients and an additional \$80 billion in additional healthcare funding including loans to hospitals.
 - ❖ Expanded paid family and medical leave
 - ❖ \$500 billion in aid to small

- businesses in grants and loans
- ❖ \$200 billion stabilization fund for state governments and \$15 billion for local governments to deal with the disruption of the Coronavirus
- ❖ Almost \$60 billion for schools and universities
- ❖ Nationwide 15 days early voting and vote by mail to ensure the 2020 election can operate smoothly despite the COVID-19 pandemic, and \$4 billion in assistance to help states implement the requirement.
- On March 25, Congress supposedly reached a deal on the Phase 3 stimulus package, there are limited details as it has not yet passed, but the deal is said to include the following among other things:
- ❖ The \$1200 a person stimulus checks from the republican bill
- ❖ \$600 a week in additional unemployment for 4 months, similar to the democratic bill
- ❖ \$350 billion in small business loans
- ❖ Significantly greater oversight for the \$500 billion in corporate aid, which was originally entirely up to treasury department discretion.
- ❖ \$150 billion to state and local

governments

- ❖ A ban on buybacks for companies receiving government loans for as long as the loans last plus a year
- Late on March 25, 2020 the Senate unanimously passed a \$2 trillion Phase Three stimulus bill, before adjourning until April 20. Although it has not yet been passed by the House or signed by the president, both of those are expected to happen within a week. Included in the bill are:
 - ❖ \$301 billion in direct cash payments, totaling \$1,200 for those earning up to \$75,000 and \$500 per child.
 - ❖ \$500 billion government lending program to companies impacted by the crisis, with a possibility that the government can take equity stakes in companies receiving the loans. Any company receiving assistance will have a ban on stock buybacks for the duration of the loan plus a year. Unlike the previous version of the bill, it will be overseen by an inspector general and a congressional panel. Every loan will be documented and publicly available. This includes \$17 billion for companies deemed important for national security, including Boeing. It also

includes \$29 billion in loans and loan guarantees for airlines. Companies receiving loans would have restrictions on buybacks and dividends and may not make layoffs for 6 months.

- ❖ \$367 billion in federally guaranteed small business loans, with whatever is spent on rent, utilities, or payrolls, not needing to be paid back. Repayment of loans is deferred for six months to a year. Loans would be capped at \$10 million per company and be capped at \$100,000 in payroll per person.
- ❖ \$250 billion to expand unemployment insurance to include gig and freelance workers, increase the length to 39 weeks, and add \$600 dollars a week for four months.
- ❖ \$221 billion in business tax cuts including allowing businesses to defer payroll taxes for the rest of the years, and would temporarily allow businesses to claim deductions for current losses against past profits to claim refunds.
- ❖ \$150 billion in money for state governments
- ❖ \$130 billion for hospitals and other healthcare providers
- ❖ \$25 billion for public transit to make up for lost revenue

- ❖ \$32 billion in cash grants to cover wages at airlines, airlines that receive the money cannot issue dividends or make stock buybacks, in addition they cannot make furloughs or pay cuts through September. Executive pay is also capped.
- ❖ \$48 billion for agriculture and nutrition programs
- ❖ \$27 billion to fund drugs and vaccines for the coronavirus
- ❖ \$10 billion for the postal service to help cope with problems caused by the pandemic.
- ❖ The bill requires companies that service federally backed mortgages to grant a forbearance of up to 360 days to borrowers hurt by the virus. In addition they cannot start or process foreclosures or foreclosure-related evictions for a 60 day period backdated to March 18.
- ❖ Owners of multifamily properties who have federally backed mortgages can get a forbearance for 90 days, on the condition that they do not evict tenants for nonpayment of rent or fees.
- ❖ Student loan payments will be suspended without interest accruing until September 30
- ❖ The bill extends the repayment time people going through

bankruptcy to repay part of their debt from 5 to 7 years, and ensures that people filing for bankruptcy don't have to use their stimulus check to pay past debts.

- ❖ The bill delays a new accounting rule that would require banks to hold more capital and allows the comptroller of currency to allow banks to make larger loans than normal. Banks with under \$10 billion in assets will have higher maximum leverage ratios.
- ❖ Banks will also get more leeway to work with borrowers who are falling behind on payments on consumer loans.
- ❖ Waives early withdrawal penalties for 401(k) of up to \$100,000
- As of March 27, the Phase Three stimulus bill passed over the procedural objections of Thomas Massie (R-KY) after enough congress people were able to travel to Washington to establish a quorum. President Trump signed the bill into law later that day.
- On March 31, President Trump said he would approve a 90 day suspension of tariffs. Both the President and House Speaker Nancy Pelosi have said they want to pass a "Phase 4" stimulus package. Details on proposals

				<p>remain scarce.</p> <p>Sources: Articles published in https://www.federalreserve.gov/ dated 03rd March 2020, Sources: Articles published in https://www.newyorkfed.org/ dated 12th March 2020, Sources: Articles published in https://www.federalreserve.gov/ dated 12th March 2020, Sources: Articles published in https://www.newyorkfed.org/ dated 16th March 2020, Sources: Articles published in https://home.treasury.gov/ dated 17th March 2020, Sources: Articles published in https://www.federalreserve.gov/ dated 17th March 2020, Sources: Articles published in https://www.whitehouse.gov/ dated 06th March 2020, Sources: Articles published in https://www.wsj.com/ dated 06th March 2020, Sources: Articles published in https://www.nytimes.com/ dated 13th March 2020, Sources: Articles published in https://www.wsj.com/ dated 13th March 2020, Sources: Articles published in https://www.politico.com/ dated 17th March 2020, Sources: Articles published in https://edition.cnn.com/ dated 19th March 2020, Sources: Articles published in https://wwwaxios.com/ dated 18th March 2020, Sources: Articles published in https://www.washingtonpost.com/ dated 20th March 2020, Sources: Articles published in https://www.ed.gov/ dated 20th March 2020, Sources: Articles published in https://www.speaker.gov/ dated 23rd March 2020, Sources: Articles published in https://www.wsj.com/ dated 26th March 2020, Sources: Articles published in https://www.nytimes.com/ dated 25th March 2020, Sources: Articles published in https://www.wsj.com/ dated 26th March 2020, Sources: Articles published in https://www.wsj.com/ dated 27th March 2020, Sources: Articles published in https://www.nytimes.com/ dated 27th March 2020, Sources: Articles published in https://www.cnbc.com/ dated 31st March 2020, Sources: Articles published in https://www.marketwatch.com/ dated 31st March 2020</p>
United Kingdom	Yes		GBP 350 Bn stimulus package	<ul style="list-style-type: none"> ▪ On the monetary side, the Bank of England, rolled out stimulus measures on March 11, 2020, including: <ul style="list-style-type: none"> ❖ Lowering interest rates by 0.5% ❖ Lowering capital requirements for U.K. banks, allowing them to

use a reserve they call a "counter-cyclical capital buffer," which is money kept in reserve to increase banks' resistance to global financial shocks.

Allowing nearly \$390 billion in new loans.

- The Bank of England continued monetary stimulus with an unscheduled announcement on March 19. The BOE was buying \$228 worth of U.K. government bonds and corporate bonds and cutting interest rates by 0.15% to 0.1%.
- On the fiscal side, the U.K. finance minister Rishi Sunak announced a budget with nearly \$37 billion in fiscal stimulus on March 11. Among other things, it includes:
 - ❖ A tax cut for retailers
 - ❖ Cash grants to small businesses
 - ❖ A mandate to provide sick pay for people who need to self-isolate, and a subsidy to cover the costs of sick pay for small businesses
 - ❖ Expanded access to government benefits for the self-employed and unemployed
- On March 17, the U.K. unveiled another, larger stimulus package. It includes, among other

things:

- ❖ \$379 billion in business loan guarantees
- ❖ \$23 billion in business tax cuts and grant funding to businesses hit worst by the virus, such as retail and hotel businesses.
- On March 20, the U.K. government announced another round of fiscal measures including
 - ❖ A program to issue grants to companies covering up to 80% of worker's salaries if companies keep them on payrolls rather than lay them off. It will be up to \$3,046 a month per person. This is expected to cost \$95.1 billion.
 - ❖ An increase in safety net tax credits for people who are out of work by \$1,200 a year, with spending worth \$8.5 billion pounds.
 - ❖ \$1.2 billion to support renters
 - ❖ Deferring the next quarter of Value Added tax, estimated to be about \$36.6 billion.

Sources: Articles published in
<https://www.bankofengland.co.uk/> dated 11th March 2020, Sources: Articles published in
<https://www.bankofengland.co.uk/> dated 19th March 2020, Sources: Articles published in
<https://www.theguardian.com/> dated 11th March 2020, Sources: Articles published in
<https://www.gov.uk/> dated 17th March 2020, Sources: Articles published in
<https://www.theguardian.com/> dated 20th March 2020

Australia	Yes		<p>USD 65.6 Bn stimulus package</p> <ul style="list-style-type: none"> ▪ Australia has announced an \$11.4 billion stimulus package on March 12, 2020 including: <ul style="list-style-type: none"> ❖ Payments to small businesses to encourage hiring ❖ One-time payment to people collecting government benefits such as old-age or veterans benefits ❖ Business subsidies to businesses in industries such as a tourism, which have been hit hardest by the coronavirus <ul style="list-style-type: none"> ▪ On March 22, a second stimulus package worth \$54.2 billion including, among other things: ❖ \$15.3 billion in cash payments equal to payroll withholdings for small businesses, up \$60,000 each ❖ \$24.3 billion in small business loans <ul style="list-style-type: none"> ▪ On the monetary side the Reserve Bank of Australia has taken the following measures: ❖ On March 3, it lowered interest rates by 0.25% to 0.50% ❖ On March 16, it announced the start of new types of repo operations. ❖ On March 19, it took several
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				<p>measures including:</p> <ul style="list-style-type: none"> ❖ Lowering interest rates by 0.25% to 0.25% ❖ Starting a \$54 billion lending facility for small and medium sized business ❖ Announced bond purchases to lower the yield of the 3-year Australian treasury bond to 0.25% <p>Sources: Articles published in https://www.pm.gov.au dated 12th March 2020, Sources: Articles published in https://www.theguardian.com dated 21st March 2020, Sources: Articles published in https://www.rba.gov.au/ dated 03rd March 2020 (Reserve Bank of Australia), Sources: Articles published in https://www.rba.gov.au/ dated 16th March 2020 (Reserve Bank of Australia), Sources: Articles published in https://www.rba.gov.au/ dated 19th March 2020 (Reserve Bank of Australia)</p>
Hong Kong	Yes	USD 15.4 Bn stimulus package		<ul style="list-style-type: none"> ▪ Hong Kong announced a significant fiscal stimulus package as part of its 2020-2021 budget on February 26, 2020. Among other things, it includes: <ul style="list-style-type: none"> ❖ A \$1200 cash subsidy to all adult permanent residents ❖ Paying one month's rent for people living in public housing ❖ Cutting payroll, income, property, and business taxes ❖ Low-interest, government-guaranteed loans for businesses ❖ Extra months' worth of

payments to people collecting old-age or disability benefits

Sources: Articles published in
<https://www.budget.gov.hk/> dated 27th February 2020, Sources: Articles published in
<https://www.thestar.com.my> dated 26th February 2020, Sources: Articles published in
<https://www.bloomberg.com> dated 05th April 2020

11. Economic and Market Forecasts - COVID-19 Developments/ Forecasts

Country	GDP growth (%) for 2019 and 2020		Sectors affected by COVID19
	2019	2020 ⁵	
Asian Countries⁶			
India	5.0	4.0	Financial sector ⁷ Tourism International trade(textile) and services (excluding tourism) Impact on the industrial sector (automobiles, pharmaceuticals, electronics, and chemical products) in the short run Energy sector
Pakistan	3.3	2.6	Export of textile and garment sector ⁸ Agriculture(cotton and wheat) Large-scale manufacturing
Indonesia	5.0	2.5	Financial sector ⁹ Tourism and leisure Aviation
Philippines	5.9	2.0	Tourism ¹⁰ Aviation Entertainment Trade(food services) Agriculture and fisheries
Bangladesh	8.2	7.8	Export-oriented <u>readymade garments</u> sector ¹¹ Financial sector(inward remittance) Retail sector Aviation and tourism SME sector
Singapore	0.7	0.2	Tourism and hospitality Aviation Construction/manufacturing and services industries Retail trade and food services Health care and social assistance

⁵ Projected rates have taken to account the impact of COVID19

⁶ Source for GDP forecast :

ADB., 2020. Asian Development Outlook (ADO) 2020: What Drives Innovation in Asia? Asian Development Bank.
<http://dx.doi.org/10.22617/FLS200119-3>

⁷ <https://www.outlookindia.com>

⁸ <https://www.atlanticcouncil.org/>

⁹ <https://thediplomat.com>, <https://bali.com> , <https://thejakarta.post>

¹⁰ <https://reuters.com>,<https://fitchsolutions.com>

¹¹ <https://aljazeera.com> , <https://blogs.lse.ac.uk/southasia/>

Malaysia	4.3	0.5	Travel and tourism ¹²
Thailand	2.4	(4.8)	Tourism Aviation and transport Education Entertainment and sports
Hong Kong	(1.2)	(3.3)	Tourism and business travel ¹³ International Trade Production
<i>Other Countries¹⁴</i>			
USA	2.3	1.9	International trade Leisure and hospitality Service sector Construction
UK	1.4	0.8	Aviation ¹⁵ Non-food retail, hospitality and leisure sectors Manufacturing/ construction Real estate
Australia	1.7	1.8	International trade(export of iron ore, metallurgical and thermal coal, liquefied natural gas and energy products) ¹⁶ Tourism Earnings from education (e.g. departure of foreign students) Agriculture Accommodation and food services

¹² <https://statista.com>

¹³ <https://www.adb.org>

¹⁴Source for GDP forecast :

OECD., 2020. OECD Interim Economic Assessment, Coronavirus: The world economy at risk. International Economic Organisation.
<https://www.oecd.org/coronavirus/en/>

¹⁵ <http://www.pwc.co.uk/covid19>

¹⁶ <https://www.abs.gov.au/>, <https://treasury.gov.au/coronavirus>

12. Synopsis of COVID-19 impact on Global and Sri Lankan economy

A new corona virus disease, also known as COVID-19, was first identified in Wuhan, People's Republic of China, in early January 2020. On 28 January 2020, the World Health Organisation (WHO) declared the outbreak of the novel corona virus as a global emergency.

Based on the current findings, it belongs to the same family of corona viruses that caused the Severe Acute Respiratory Syndrome (SARS) outbreak in 2003 and the Middle East Respiratory Syndrome (MERS) outbreak in 2012. The virus spreads through human-to-human contact, even though it emerged from animal hosts. The infection rate of COVID-19 appears to be higher than that for the seasonal flu and MERS, with the range of possible estimates encompassing the infection rates of SARS and Ebola.

With the unexpected corona virus, the world is facing a potential “black swan event” which interprets as an unpredictable, extremely rare incident that has potentially severe consequences. The current situation also creates a lot of uncertainty over the longer term. There are uncertainties about the scale of the virus, contagion rate, mortality rates, risk of incidence, and more. Such unknown risks, or uncertainties, can have a larger, more paralyzing effect. The issue of credibility has only become more challenging during this crisis and it makes assessing the impact of the virus on the global economy that are much more difficult. The impact will largely depend on the ways that consumers, businesses, and governments may respond to it.

12.1 The negative impact of Covid-19 on the global economy

In general, an epidemiological threat such as the new corona virus can have disruptive effects on the economy in many ways.

1. Decline in the overall production level of the economy as a result of the reasons mentioned below.
 - a. Rising cost of doing business due to disruption of production networks. Disruption to the global supply of raw materials, capital good and other intermediary goods, make it harder for companies to finish their own production and thus cannot bring their products to customers.

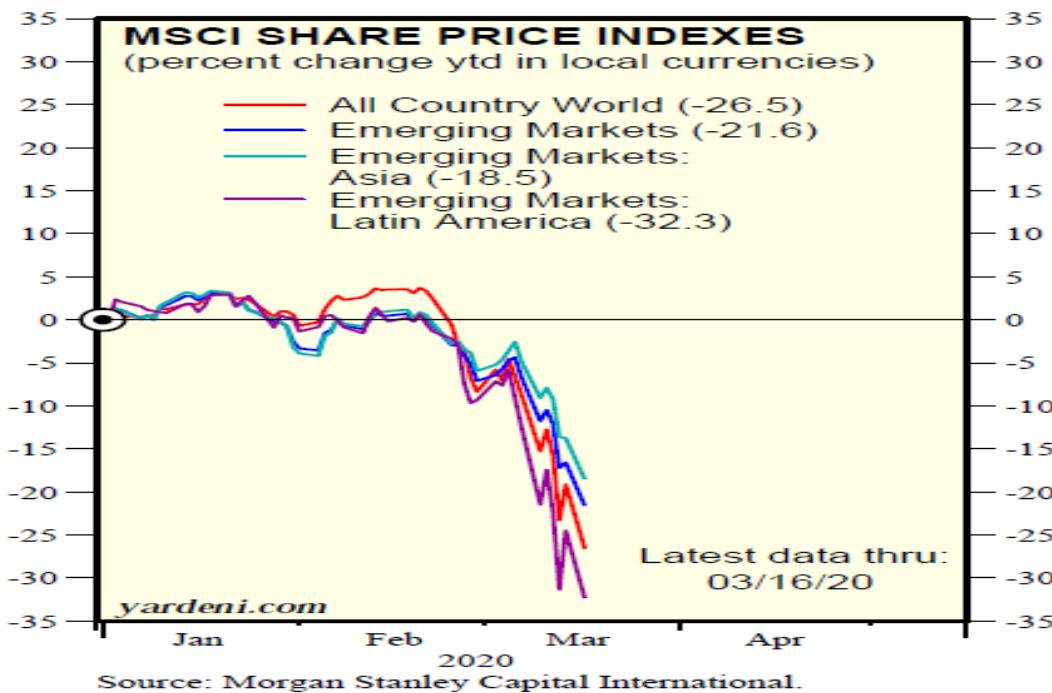
- b. The fear of disease and declined demand can shut down factories.
 - c. Reduced labor supply resulting to mortality. Uncertainty can also waylay workers in affected areas, reducing labor supply.
- 2. Decline in domestic and global demand for goods and services due to the following factors.
 - a. Declined production creates lower demand for raw material and intermediary goods all over the world.
 - b. If people can no longer gather or move around freely, the damage would be most acute for firms that rely on large groups of people coming to them, such as cinemas, theme-parks and shopping complexes. It would, also hurt businesses that depend on travel, (e.g: hotels and airlines).
 - c. As people feel increasingly uneasy about the spread of the virus in the country, it is foreseeable that they will further cut back on some goods and increase their emergency savings instead.
 - d. This health risk poses a real economic risk, as many households have inadequate health insurance, which could leave them with large medical bills when they get sick. This situation would indirectly reduce the demand for other goods and services.
 - e. If informal sector employees and self-employed get sick from the virus and need to stay home, they will not get paid and it will reduce their purchasing power.
 - f. When firms are forced to close, workers likely will receive less money than they otherwise would have expected and, in some instances, will not receive a pay. As a result, these workers will have less to spend.
 - g. Households with large debt would still have to fulfill their commitment despite lower income. The result would be lower demand for other goods and services.
- 3. Lowering both private and public investment.
 - a. Businesses may hold off on investments because they don't know what will happen to supply chains as well as their domestic and international customers. If these effects are

difficult to evaluate, businesses will not know whether they should continue with planned or even new investments.

- b. Since governments have to increase welfare expenses, it will end up with less money for public investments.
 - c. Banks and other financial institutions may restrict and re-price credit because they cannot properly assess short-term risks to particular borrowers, sectors, or countries. Less credit availability could make it harder for businesses, especially smaller ones, to invest and grow.
4. All the factors discussed above will interrupt international trade. Moreover, global and individual country's economic growth prospect would be adversely impacted by them.
5. Impact on financial markets

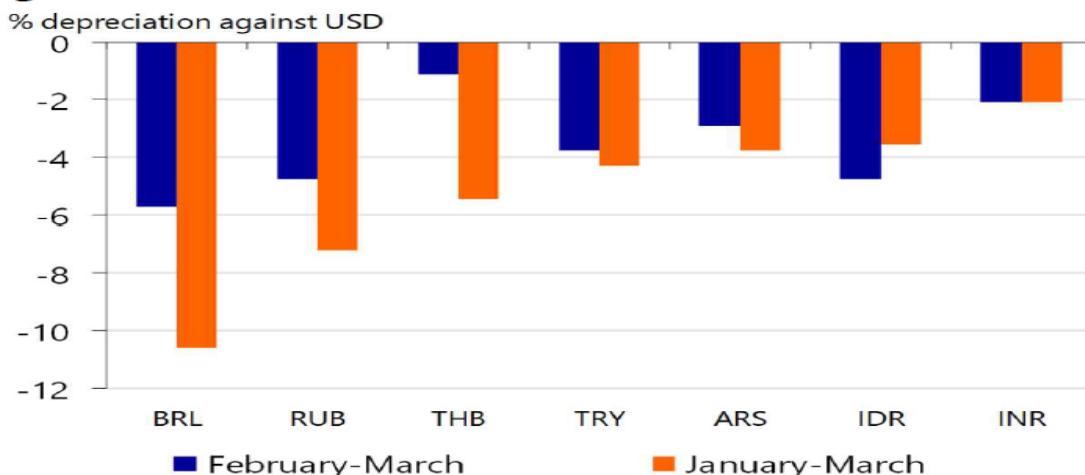
The equity risk premium of a country increases in proportion to its exposure to the decease and vulnerabilities to changing macroeconomic conditions. The economic disruptions caused by the virus and the increased uncertainty are being reflected in lower valuations and increased volatility in financial markets. Amid these developments;

- a. Global markets are usually the first to react to a crisis. When it became clear that the corona virus is not going to go away anytime soon, stock markets across the globe took a hit. MSCI All Country World Index has dropped by 26.5% till 16th March 2020 during this year.



- b. International financial investors could look for the comfort of a safe investment. They could become worried about the unknown risks to the global economy from the corona virus and could look for the safe investment. Traditionally, safe investments like U.S. treasuries, gold, government bonds and certain currencies—such as the USD, yen and the Swiss franc—have rallied sharply. Thus, there can be capital outflow from vulnerable emerging markets to more stable developed market.
- c. More money coming into the United States from abroad typically strengthens the U.S. dollar and weakens the currencies of other countries.

Figure 4: EM currencies have depreciated heavily against USD

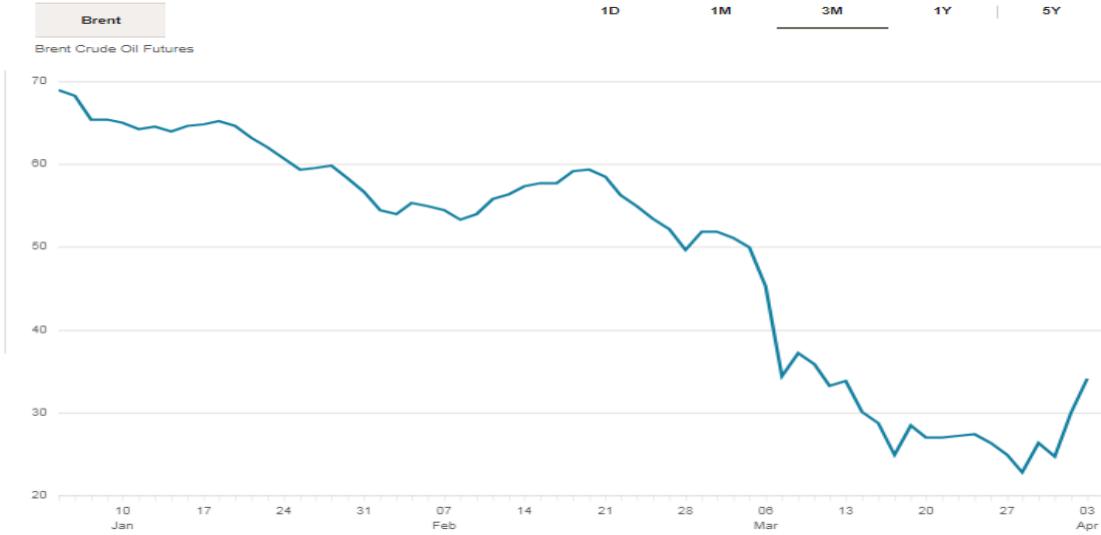


Source: Macrobond

- d. The yield of the benchmark 10-Year US Treasury hit an all-time low as investors moved out of risky assets and into safe-haven assets and increased the demand for gold.
- e. Corporations appear to be more levered today than they were in the 2008 financial crisis, meaning credit quality is becoming a concern. In a macroeconomic shock like the one presented by the corona virus, corporations may face a wave of ratings downgrades if their financial positions begin to deteriorate. If the downgrades are widespread, corporate bond buyers may shy away from playing at all in the market, thus drying up liquidity. The price of high-risk corporate bonds fell sharply.

6. Impact on Commodity Markets

The price of oil tanked by over 18 percent (since the outbreak). If industries (and the global supply chain) are expecting a slowdown, oil is usually the first to drop in value as its demand goes down. These fears have culminated in a sharp “risk-off” move in markets. As stocks have tumbled, safe-haven assets like gold have rallied sharply. Copper and oil prices, both bellwethers of economic health, have swooned.



Source: bbc.com

7. Impact on SMEs

The risks may be even greater for small and medium enterprises (SMEs), and possibly existential for those with large debts to service. Supply chain disruptions, demand contractions, and global economic uncertainty happen against the backdrop of many firms straining under large amounts of debt. They all still need to continue repaying that debt, even if jobs, customers, and tax revenues decline in a weakening economy. These fixed costs then will leave less money to spend on other things. Large amounts of debt often exacerbate an economic slowdown.

8. Long term impact

The fear of an unknown deadly virus is similar in its psychological effects to the reaction to biological and other terrorism threats and causes a high level of stress, often with longer-term consequences (Hyams et al., 2002).

Prices on bonds with a range of maturities reflect an increasing possibility of a recession. In technical parlance, the yield curve has become inverted. Shorter-term interest rates are now higher than longer-term interest rates—the opposite of what happens in normal economic times. Such inversions are typically taken as a sign that financial markets worry about the longer-term outlook for the economy. Financial markets now see a growing risk of a

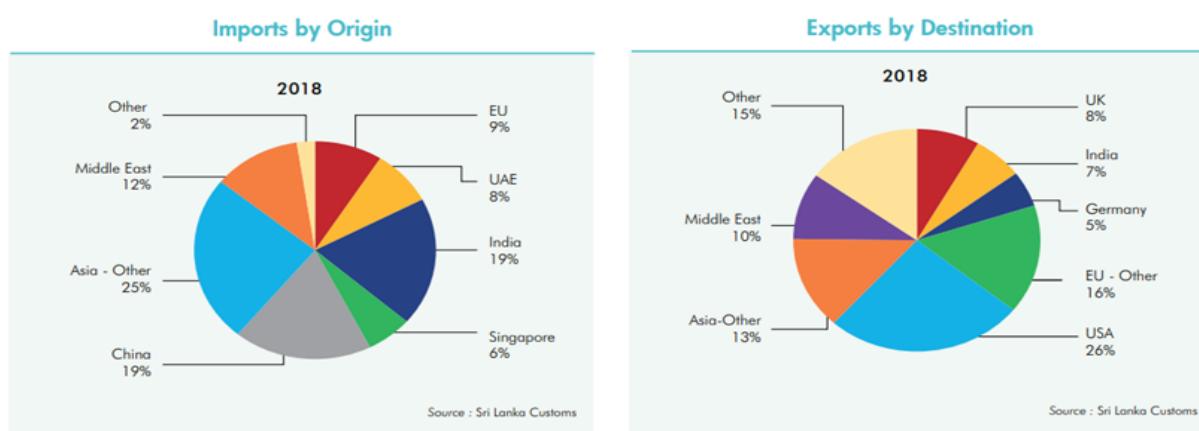
recession. In the same vein, lower long-term interest rates mean that financial markets expect the financial authorities to cut interest rates.

12.2 Impact of COVID-19 on the Sri Lankan economy

The economic implications of COVID-19 are unprecedented. Since economies are much more interlinked with each other through supply chains, migration, and vast volumes of international trade, countries are much more vulnerable to external shocks now than ever before.

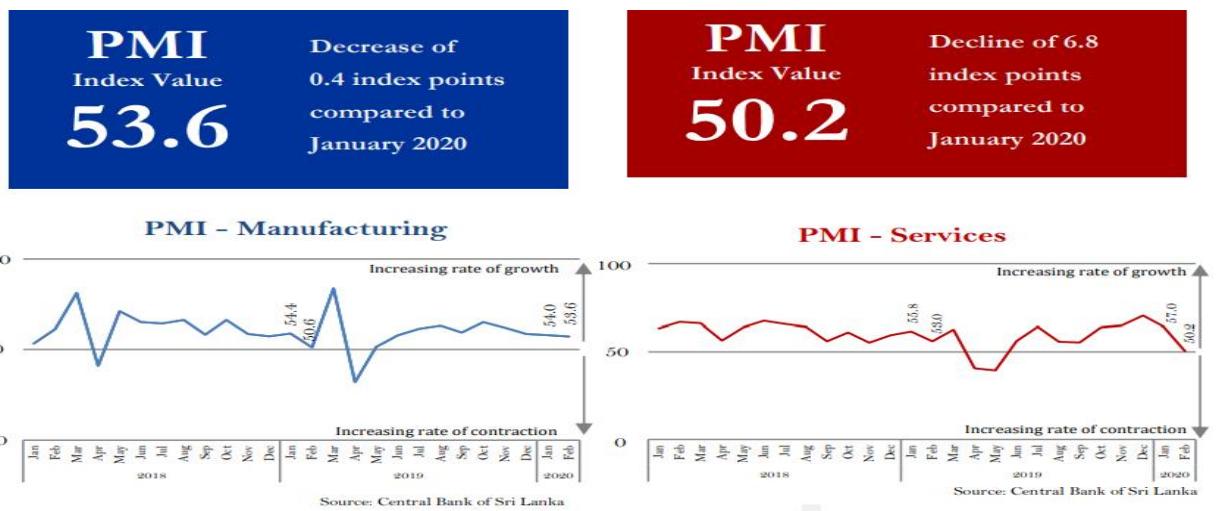
Under such circumstances, the economic implications of COVID-19 on Sri Lanka, hinge not only on the situation within the country, but also on critical markets such as the United States, Europe, and China. Small economies such as Sri Lanka, in particular, whose economic backbone is made up of micro, small, and medium sized enterprises (MSMEs), dependent on export revenue for foreign currency generation, and is simultaneously managing a critical debt and fiscal crisis, are going to be particularly vulnerable.

2. Sri Lanka is also susceptible to delays in accessing raw materials for manufacturing from overseas particularly from China. Thus, Sri Lanka is more vulnerable to the impacts of COVID-19 and a resulting Chinese economic slowdown. Currently, China accounts for 19% of Sri Lanka's imports.



Source: CBSL Annual Report- 2018

3. Apart from China, COVID-19 has now outreach to the USA and UK and other European countries as well. In fact, the European Union, UK and USA are the main export destinations of Sri Lanka and contribute approximately 16%, 8%, and 26% respectively. Therefore, the demand for Sri Lanka exports is going to be severely affected.
4. Daily wage earners and MSMEs, including those in the informal sector, are going to be disproportionately affected during the current crisis. MSMEs account for significant share of total GDP and national employment. Meanwhile, nearly a half of the population is employed in the non-agricultural informal sector.
5. Apart from negative impact from above factors on production, enforcing the necessary social distancing measures, and subsequently, curfews have effectively stalled the local economy. Decline in production in both manufacturing and services sectors are reflected in both Manufacturing Purchasing Manager Index (PMI) and Service Sector PMI.

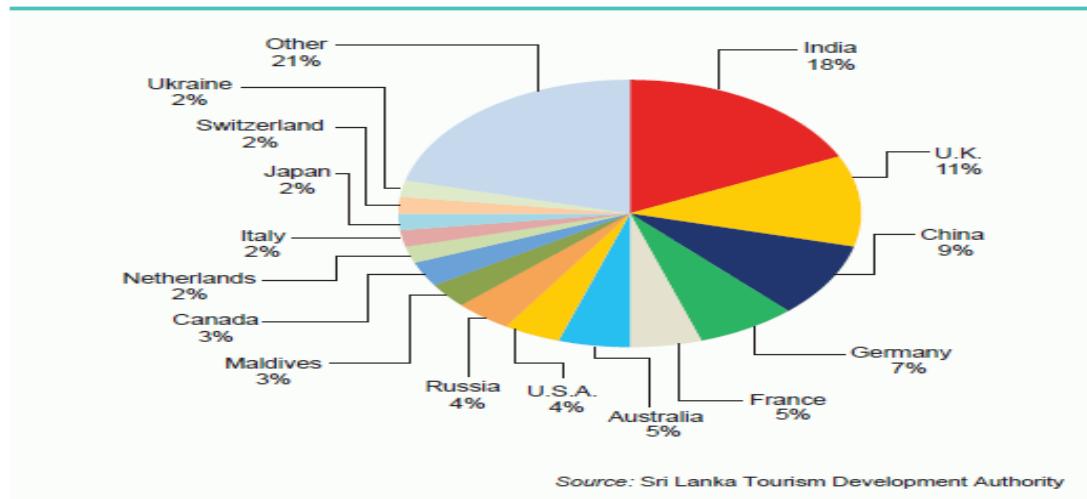


ource: CBSL

6. Along with the significant drop in the level of production as discussed, the decline in both private and public investment have severe impacts on GDP growth rate in Sri Lanka.

7. The tourism sector, which is the third largest foreign income earner of Sri Lanka, has been drastically affected by COVID-19. In fact, major tourism markets of Sri Lanka such as Europe and China have been suffering from the pandemic and therefore imposed travel bans for their citizens. The closing of the Sri Lankan border for foreign passenger arrivals in mid-March, combined with global travel restrictions, will undoubtedly lead to further losses.

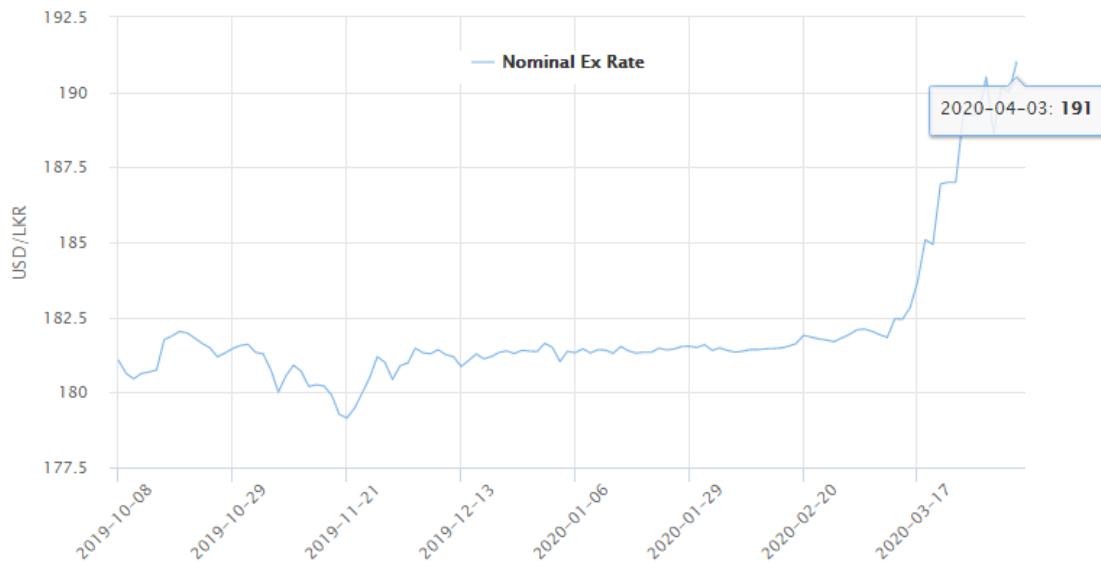
Tourist Arrivals by Country (Jan - Sep 2019)



Source: CBSL

8. Disruptions to production process and lack of demand would force to close factories and SMEs. Further, the drop in global travel will lead to further job losses both in the formal tourism sector as well as ancillary informal services. Therefore, COVID-19 may have bigger impacts on Sri Lanka's employment
9. With a large portion of its population working outside of the country and thus remittances from these exported workers in nations will be severely affected. Particularly, drop in oil price has made a severe economic crisis in oil producing countries such as Saudi Arabia where most of Sri Lankan foreign employees are working.
10. The outbreak has large impact on the rupee which has depreciated substantially on the back of global risk-off sentiment and anxiety among investors.

Exchange Rate Movement-Rupees per USD



Source: CBSL

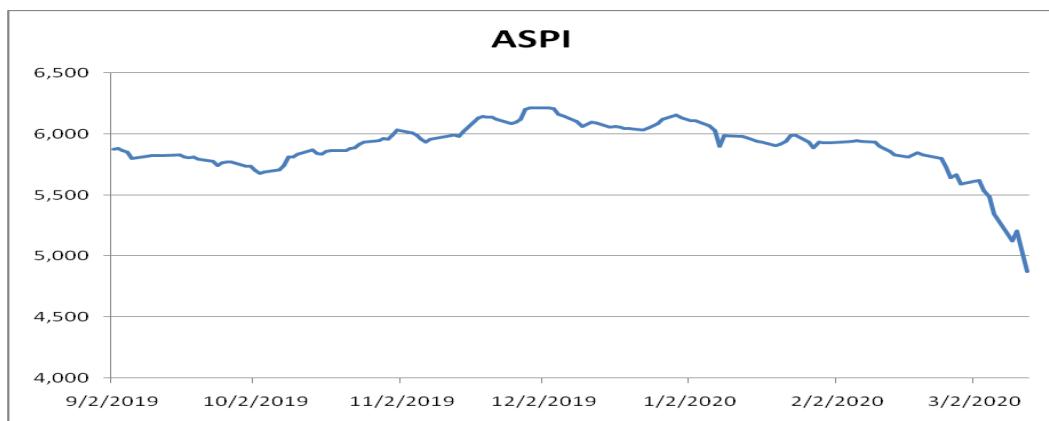
11. As discussed above, two major sources of foreign income i.e. tourism income and worker's remittances would be badly impacted from this epidemic and thus Sri Lanka will experience severe Balance of Payment (BOP) crisis soon. The said sectors earned approximately USD 3.5 billion and USD 6.7 billion in 2019. The currency depreciation would make the condition worst as to Sri Lanka has large outstanding balance of foreign debt.

Summary of External Sector Performance

Category	Jan-Dec 2019 US\$ mn
Exports	11,940
Imports	19,937
Trade balance (net)	-7,997
Earnings from tourism	3,592 (c)
Workers' remittances	6,717
Inflows to the CSE (net) (d)	-35
Inflows to the Government (gross)	6,561
Treasury bills and bonds	596
Long term loans	1,565
International Sovereign Bonds	4,400
IMF-EFF receipts	328
Foreign Direct Investment (e)	772
Overall Balance	377

Source: CBSL

12. Sri Lanka's reliance on imports make it highly vulnerable to external global shocks that may transpire due to COVID-19.
13. Moreover China's economic slowdown, as a major country of foreign investment, could severely affect foreign direct investment (FDI) to the economy.
14. The Colombo Stock Exchange declined by around 20% during 2020 (till 13th March) and have closed numerous times. Since a share is basically a stake in the future output and earnings of a company, the decline in the market exhibits the investors' expectations.



Source: CSE

The Transportation, Automobiles & Components, and Consumer Durables & Apparel are the three of most affected sectors in the CSE during the month of February/2020.

SECTOR	CHANGE %	SECTOR	CHANGE %
Automobiles & Components	-14.51	Health Care Equipment & Services	-4.32
Banks	-5.55	Household & Personal Products	-6.72
Capital Goods	-8.93	Insurance	0.58
Commercial & Professional Services	-9.27	Materials	-10.13
Consumer Durables & Apparel	-12.54	Pharmaceuticals, Biotechnology & Life Sciences	0.00
Consumer Services	-9.88	Real Estate	-7.45
Diversified Financials	-11.56	Retailing	-7.77
Energy	-10.67	Telecommunication Services	-5.02
Food & Staples Retailing	-4.06	Transportation	-22.20
Food, Beverage & Tobacco	-2.79	Utilities	-4.44

Source: CSE

- 15.** Few positive impacts are also possible in these circumstances. First, the significant decline in oil prices would ease import bill in Sri Lanka. Second, there is an opportunity for the government to encourage domestic import substitution industries so that reduce dependence on import. Third, current increase public investment in health sector would enhance quality of the sector in future. The rise of the epidemic paved the way to global discussion on an eminent threat of a food crisis in future and the need to be self-sufficient. As a country that is heavily reliant on agriculture Sri Lanka has an opportunity to be self-sufficient. Excess produce could be exported. In order to be self-sufficient greater focus should be on the fisheries sector which has untapped potential. Technological and infrastructure improvement should be facilitated to cater to local consumption and the export market.

13. Considerations- The Reliefs that may be granted to Sri Lankan Capital Market

In reviewing the actions taken by the respective regulators and exchanges, we can observe certain concessions/reliefs given in order to mitigate the risk amid COVID-19 outbreak. It is important to note that significant amount of reliefs are given in form of non-monetary whereas monetary benefits are given by their respective governments as a whole to boost the economic activity of the countries.

Considering the Sri Lankan capital market size and scale as well as the impact of COVID-19 outbreak to the economy of the country, following are some of the suggestions that may be considered in granting reliefs to the capital market of Sri Lanka. However, it is noteworthy that we are still at the initial stage of the outbreak such that if the COVID-19 outbreak becomes severe, the SEC may have to consider giving more relief measures as and when required (As there are certain countries who have experienced second wave of COVID-19 outbreak). It is important to take into consideration the unique nature of the Sri Lankan capital market in granting relief.

Following are some of the relief measures that may be considered to be given to the capital market of Sri Lanka. The relief measures that could be granted are considered after taking a holistic approach with respect to Sri Lankan capital market.

➤ Relief Measures - Colombo Stock Exchange (CSE)

01. SEC to defer CSE contributions to broker back office and order management systems up until march 2021 (1-year period)

This is a financial benefit that is offered in the context of greater benefit to the eco-system of the equity market. This will be a financial relief offered to them via CSE. Even though this may not create a direct financial relief to the individual broker firms, as the apex regulator in the capital market, the SEC relief measures should provide greater goodness to the industry. The relief measures should consider policy level and infrastructure reliefs rather than focusing on recurrent operational expenses of broker firms.

The infrastructure reliefs will be beneficial to the entire industry as a whole for a very long period. Therefore, it may be considered to defer CSE portion (50%) contribution of broker back office and order management system for a period of one year and the SEC to bear such portion for the same period. Subsequently, CSE shall reimburse their portion to SEC after the end of one year (deferral period). The reimbursement time period to be agreed upon by both parties.

02. Recovering of market days lost as a result of COVID-19

In the event if we assume that the market will remain closed for about five weeks, then the loss number of market trading days will be approximately twenty-five working days (considering the fact that there are no bank and public holidays during those weeks). Hence it is suggested since the banking system is anyways usually work six days a week (certain banks 365 days only the retail section) to keep the market open on Saturdays too and any other day during the week where there is no bank holiday. The justification for the same is because the settlement process can go through on any day a bank is open. Therefore, the number of day's loss of trading as a result of COVID-19 can be caught up by keeping the market open on Saturdays as well as on any other day which is not a bank holiday.

However, it is prudent to consult the stakeholders prior to implementation.

➤ Relief Measures - Licensees

03. Granting flexibility for report submission (the reports that needed to be submitted within a particular timeframe) e.g. compliance reports, monthly accounts etc.

Currently Sri Lankan government has imposed an island wide curfew as well as have suggested for operationalization methods when workplaces reopen after the period of curfew, the maximum staff requirements to mitigate the spread of COVID-19. This could create difficulties for the staff members of intermediary companies to report to work. Considering such difficulties, the usual dates of fixed filing of reports by the market intermediaries with the regulators to be postponed by three weeks for the March reports and three weeks for April reports as an initial measure and depending on the developments of COVID-19 to curtail or extend the relief further.

04. Submission of audited financial reports by market intermediaries

Most of the market intermediary companies' financial year ends by end of March. The COVID-19 outbreak in Sri Lanka arose in the month of March. The country imposed a curfew from mid-March in order to safeguard the citizens of the country from the outbreak. Therefore, it may be considered to give flexibility taking into consideration above factors for the audited financial statements submissions with the regulator. Considering the fact that the auditors needs to be commissioned and the connected activities (updating of the accounts) needs to be finalized, it is suggested to fix the date of submission by an additional ninety days that from the original audited report submission date for the financial year.

05. To grant relief to the rules on the mandatory staff requirement (at the time of license renewal)

Due to the negative sentiments created in the market amid the pandemic, there could be instances in which intermediary companies head of finance, compliance officers etc leaving those companies (who are most likely to be marketable as a result of their qualifications). When the economy is at a downturn it is somewhat difficult to recruit such staff members within a short time frame. Therefore, it could be considered to relax the mandatory staff requirement rule for a period of one year/six months and depending on the pandemic development to extend it further or to curtail the relaxed time frame. It may not be prudent to take action against intermediary companies for not complying with the existing rule as it is beyond the company's control in a scenario such as this. Further, these intermediary companies have been under licensee of the regulator for a considerable period of time.

06. To relax the rules on the minimum number of Registered Investment Advisors (RIA)'s in an intermediary company (at the time of license renewal)

There is a possibility that the investment advisors may leave the industry mainly due to lack of financial attractiveness (commission) of the industry as a result of negative sentiments created by COVID-19. Hence it could be considered to ease the rules on the minimum number of RIA requirement by one year/six months applicable to a market intermediary, even though in the short period there could be a drop in the client service offerings of the firm.

It may not be prudent to take action against intermediary companies for not complying with the existing rule as it is beyond the company's control in a scenario such as this. Further, these intermediary companies have been under licensee of the regulator for a considerable period of time.

07. Continuous Professional Development certificate (CPD requirement at the time of license renewal)

Considering spread of COVID-19 outbreak, it could be considered to ease the attendance requirement for CPD. This is mainly to discourage large gatherings as stipulated by the government. There could be RIA's who haven't completed the CPD requirements as at the date of license renewal.

Therefore, it could be pondered to grant an extension of one year for completing the mandatory CPD requirement or may be to consider the possibility of arranging online CPDs to comply with the requirement. In the event if online CPD programmes cannot be accommodated within this short period of time, it is suggested to recognize any other reputed professional institutes (CIMA, CIM, ICASL, ICSA, ACCA, CFA, IBSL/IBUK, CMA etc).CPD hours gained within the period of January 2020- March 2021 or to recognize any qualification obtained from a recognize professional institute within the said period as fulfillment of our CPD requirements.

There was a proposal to revise the current CPD requirement of two sessions to four sessions starting from August 2020. However, it is suggested to defer the implementation of the said proposal by a minimum of twelve months.

It may not be prudent to take action against intermediary companies for not complying with the existing rule as it is beyond the company's control in a scenario such as this. Further, these intermediary companies have been under licensee of the regulator for a considerable period of time.

08. Market Intermediary Licensing renewal fee -deferment

It is suggested to grant an annual licensing fee renewal deferment or a concession for the market intermediaries. Due to the hardships that have arisen as a result of the pandemic, this relief mechanism will provide some cushion to market intermediaries in the short to medium

term horizon. It is suggested if a deferment is considered, to consider the deferment for one year and in the event a reduction or a concession is given to annual renewal fees to consider a relief for a period of six months {e.g. assuming if the license renewal fee is LKR 50000 per annum then the intermediary company has to generate an additional a turnover of LKR 7.8 Mn (approximately) to meet the license renewal requirement. This amount will be far more grater if the intermediary company has any other businesses that are licensed by the SEC. In that event the turnover mention will be far greater. When the market is on a downward trend the liquidity will be less. Hence the turnover will be less}.

09. RIA rule on call recording

Due to the prevailing situation, it may be difficult for RIA's to come to work such that it may prevent their ability to record order receipt calls as mandated by the rule. Therefore, considering the current constraints arisen as a result of the pandemic, a 30-day call recording relief may be granted to market intermediaries provided that they have alternative mechanism in place to provide the proof of order receipt.

10. To freeze the liquidity deposit paid by the brokers to the CSE

It is suggested to consider in granting a waiver for 30 calendar days (from the date of reopening the market), the deposit that is kept by the broker (floor amount been LKR 3.5 Mn) with the CSE. Justification for the above suggestion is due to the fact that the larger purchase orders are mostly coming via the custodian banks, hence the settlement for same is low to zero to the brokers. In calculating the deposit amount, it is only the purchases done by the broker for an on behalf of clients directly is only captured in the formula.

The liquidity deposit amount is utilized only in the event if a broker has to shutdown business. In such instances this amount is utilized to settle any owing mainly to the regulators. In the recent past there has been only one instance where this has been utilized.

As per the information available, majority of the stockbroker firm's liquidity deposit with the CSE is LKR 3.5 Mn and the rest of the brokers are below LKR 5 Mn (The calculation is done taking into account the previous four weeks purchases excluding the purchases made via custodian banks. The incremental slab is worked on LKR 500 000 basis. Since the market has been closed for approximately four weeks therefore, by considering in granting a

waiver for thirty days there is no significant risk as the existing amounts will be sufficient for the preceding four weeks period).

Especially the Capital Adequacy Ratio (CAR) and other risk mitigation mechanisms are in place considering a waiver of this liquidity deposit doesn't seem to impose a threat.

11. Reducing of trading hours as a result of an unprecedented event

It is suggested to reduce the trading hours of CSE in order to help the social distancing policy of the government for a period of two months. Once the trading of CSE recommences, it is suggested to defer opening of trading by thirty minutes (10.00 am) and to close the trading by at 1.30pm for the day (pre-open 9.30-10.00 am). This will allow market intermediaries to close down their businesses early as well as to open their offices late such that they will be able to leave/enter their office premises early/late when there is less congestion in public places i.e. bus halts, trains etc. This will help to prevent the spread of outbreak. Also, this measure will be in line with government social distancing policies.

This relief especially is required during a period where there are shorter banking hours and, in the event, if the government continues with the imposing of curfews at night. The reason for the suggestion is because the broker has to have sufficient time either to visit the clients or the client to visit the broker for payments and trade confirmations. Hence, until such time the technological advancements are captured and allowed to be used as an option in the rules and flexibility for the stakeholders to use electronic medium as a mechanism.

➤ Relief Measures - Investors/General Public

12. Enhance awareness/education about the market {for retention (intermediary company staff/investors), reassurance for investors/current and potential members who are/will be in the industry}

It is suggested to form a taskforce made up of the entire stakeholders to raise awareness/education about the capital market. As the market sentiments have become bearish as a result of the pandemic, it is paramount to carry out public relational (PR) activities to raise awareness about the market. This will hinder any negative sentiments that

could be created in the market. The above PR campaign will act as a conduit in stopping the brain drain happening in the industry. There is a possibility that staff retrenchment may happen as a result of low revenues for the market intermediary companies.

This will result in reduction in research divisions which may finally contribute to sacrificing on augmented service offerings of the market intermediaries which in the long term can be detrimental to the industry functionalities as a whole. This could hamper attracting young talented blood in to the industry. Further, it is suggested to use all social media networks in reassuring, educating and to keep the continuous repo with the investors/general public.

13. Deferment of interest income charged by market intermediaries from the credit trades carried out by their clients for a period of three months

In the event CBSL is contemplating to give loans at a concessionary rate and if those market intermediaries are in a position to obtain such loans, then the SEC may direct such market intermediaries to pass through the benefit to their clients via charging lower interest rates. It is important not to consider relaxing any margin call rules that are currently in effect or debt clearance rules for the smooth functioning of the market (this will mitigate settlement risk as well as the business risk of the intermediary).

Generally, most of the market intermediaries have borrowed from financing entities at market interest rates in providing credit to their clients. Therefore, it is prudent to request CBSL to grant a concession/relief for such loans so that market intermediary cost of funding is reduced. If such concession is granted, SEC may direct market intermediaries to pass the benefit to their respective clients. This will ensure smooth functioning of the market intermediaries.

Moreover, certain market intermediaries have financed these credits via their shareholder capital. In such instance the impact will have to be borne by such market intermediaries as they will have to bear loss of opportunity cost of funds for a period of three months.

Therefore, it is important that CBSL, SEC and the market intermediaries work together in granting this relief. It is paramount that the SEC relief measures are granted taking into consideration a holistic view rather than a tapered approach targeting a single or few stakeholder (final beneficiaries by directing the intermediary to wave off interest would be approximately 1000 clients who would have traded on credit).

The SEC may consider granting a deferment of interest income charged by market intermediaries from the credit trades carried out by their clients for a period of three months such that ultimate investors will be benefited by the extension of period for settlement. This will help the investors who traded on credit to be benefited in these difficult times.

It is suggested in the event a deferment of interest is implemented to work out the formula on the credit disbursement amount (e.g. to consider a threshold of LKR 1 Mn as an indicative figure and the clients who are below and equal the threshold are entitled for the deferment of interest and to provide the company the option of differing the clients who are above the indicated threshold on a tiered basis worked on the beta factor of the stock, credit worthiness of the client, business relationship with the client, business risk etc. Such a system will ensure the benefit is realized by the worthiest clients as well as this will not hamper market intermediary business/risk model – a detailed report has already been submitted with respect to the methodology), and not on the portfolio value (refer annexure -2 detailed report).

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14. To consider in revising the delayed payment interest component stipulated in the rules

At present the amount that can be charged by a broker is 0.1% per day which amounts to approximately 36% per year. The present market interest rate has been drastically reduced by CBSL. Hence it is suggested to revise the existing percentage of 0.1% per day to an amount which is in line with Treasury bill (zero risk instrument) plus and a fair which justifies the risk. Therefore, it is suggested to reduce it to an amount which is approximately 20% per annum (this is an indicative amount). Further, average weighted prime lending rate (AWPR) too has been reduced. Hence, a risk premium of around 10-12% over and above AWPR is suggested.

➤ Relief Measures – Listed Entities

15. Submission of COVID-19 financial and business impact assessment report (current/potential) by listed entities

As a result of the current constraints, listed entities may find it difficult to submit their quarterly and other financial reports within the specified time period. If those companies are finding it difficult to submit their financials within the specified period, it is suggested for them to submit a detailed report to the market specifying the business and financial implications that they have to encounter as a result of COVID-19 pandemic.

Therefore, a relief may be granted for them for submission of their financials to the market. Furthermore, it is suggested for the companies who are submitting their financials as scheduled to include similar report detailing the financial and business implications that have arisen amid COVID-19 to them. This will allow investors to take an informed investment decision about the listed entities.

Moreover, constraints in social gathering could hamper holding of AGMs, EGMs.

Also delay in submission of financial statements could lead to AGMs and EGMs not holding within the specified timeframe. Considering the aforementioned constraints which listed entities will have to undergo, an extension of 60-day relief period may be granted for listed entities to hold their AGMS and EGMs (note: In deliberating the content with respect to listed entity meetings, reference will have to be made to CSE's published guidance note: annexure 1) .

16. Decline in market capitalization of the main board listed entities

The COVID-19 outbreak has hampered markets around the world leading up to companies trading below their potential value range. This is an uncontrollable event (beyond the control of companies) that resulted in severe decline in market capitalization of listed entities.

There may be companies which are listed in the main board that are near the threshold of main board company continuous listing requirement.

As such companies may fall below the main board market capitalization requirement as a result of the continuous decline in its share price amid COVID-19. Therefore, it is prudent to

consider giving a relief to such companies to stay in the main board for a period of one year, though they fall below the main board threshold requirement.

17. Relief given to listed entities- reconsideration of declared but not yet paid dividends and entitlements

The COVID-19 pandemic struck Sri Lankan economy in a negative manner. The listed entities and the Sri Lankan economy as whole are facing severe challenges amid the outbreak. The outbreak could lead to loss of revenue for the listed entities which in turn could hamper their profitability.

Therefore, it is suggested to allow company management to reconsider and review the ability of the company to make the dividends/other entitlements which were declared prior to the impact of outbreak but not yet paid to the investors given current negative sentiments in the economy. This relief may allow listed entities to keep additional funding cushion amid negative sentiments in the economy.

18. Reduction/Deferment of continuous listing fees charge from listed entities by the CSE

CSE annually charges a continuous listing fee from listed entities based on its market capitalization. Considering the difficulties that have arisen as a result of the outbreak a relief may be granted in the way of deferring annual continuous listing fees or by waving off continuous listing fees for period of one year for listed entities.

The SEC may have to issue a directive to CSE in this regard if the relief is to be granted. This will reduce additional listing burden on listed entities. This suggestion will have to be done in consultation with CSE as the impact on income of CSE as a result of the same will be quite considerable.

19. Waving off initial public offering (IPO) fees charged by the regulator

The decline in market prices/valuations may not create a favorable environment for new companies to get listed on the CSE. The COVID-19 outbreak is expected to create negative economic sentiments such that companies may find it difficult to raise funds from banks. Most of the companies are highly geared and the economic downturn could constraint them in raising additional debt finances.

This will make companies to seek alternative fund-raising methodologies. The waving off of IPO fees charged by the regulator for a period of one year (the company has to submit its IPO application within the timeframe in order to be entitled for the relief) may incentivize those companies to seek capital market as a fund-raising platform. This could lead to Sri Lankan capital market as the preferred source fund raising platform in the medium to long term.

➤ **Relief measures that are suggested to Central Bank of Sri Lanka (CBSL) by SEC to be granted for the betterment of capital market**

20. Reliefs that may be given to Listed Entities – (SEC has already written to CBSL in this regard)

Listed entities have always been an important participant in the Sri Lankan economy. Hundreds of thousands of Sri Lankans are directly employed by listed entities or their subsidiaries, and many more are indirect participants of the supply value chain. Sustainability of the capital market significantly depends on such companies continuously being listed in the market. Due to Covid-19 hardships, if companies decided to stay away from the market, there wouldn't be any securities available for trading. In time to come, value propositions of the market will attract many foreign investors, particularly due to undervalued asset classes. Further, listed entities provide a significant portion of the direct & indirect tax revenue, dividend taxes, fee income etc to the treasury. Therefore, in addition to the relief already proposed by the government, the SEC kindly wishes to seek following additional support to listed entities.

- i. Extend the categories of relief already proposed to limited sectors, to all the sectors of listed companies.
- ii. Extend additional benefits to listed entities in the Health Care sector to boost sector capacity to support national needs by way of accelerated depreciation.

iii. Due to restrictions placed on certain activities, some listed entities may scale down operations in the short-term. Therefore, to offer benefits such as to defer tax payments by at least two quarters to minimise cash-flow impact to allow them to stay afloat.

iv. As Banks and Financial Institutions are directed to offer benefits to the community, to offer relaxation on Capital Adequacy Requirements as an already strained capital market investor base may not be able to inject further capital via right issues or debt capital at this point in time. Further, relaxation on debt impairment models to recognize current extraordinary circumstances could be offered to maintain the viability of the sector.

➤ **To mitigate market disruption as a result of an unprecedented event (proposed measure to the entire market)**

21. Introduction of additional circuit breakers and market halt

Recently we observe high volatility in the market as a result of the negative sentiments created by the COIVD-19 outbreak. Therefore, in order to mitigate such distress in the market, it is proposed to have a three-tiered circuit breaker to the S&P SL20 index. The current circuit breaker is triggered in the event S&P SL20 index falls by more than 5% during a particular trading day. In that event market trading is halted for a period of 30 minutes. It is further proposed, in the event S&P SL20 falls by more than 2.5% after commencing the trading subsequent to it falling by 5%, the market ought to be closed for another 30 minutes.

The two market halts, the first tier of 5% as well as the second tier of at 2.5% (S&P SL20 has fallen altogether by 7.5%) is suggested as a cooling off period for the market. {**the rationale of 2.5% after the 5% break is made mainly because the financial (listed companies last quarterly report ending march as well as the financial year ending report –March) is not available in the market**}.

We are of the view that a 7.5% decline of S&P SL20 could be considered as a significant decline in a given trading day within the context of Sri Lankan market size, liquidity etc.

After resuming the market after the S&P SL20 7.5% decline and subsequent to the cooling off period, if the market continues to fall by another 2.5% (totaling up to 10% drop of

S&PSL 20 index), *it is suggested that the market to be closed upon reaching the final 2.5% (all together S&P SL20 has drop by 10% for the day).*

The three-tiered circuit breaker structure will enable efficient functioning of the market whilst precautionary measures are taken to eradicate distortion in the S&P SL20.

To consider in granting the following relief measures- at policy level by SEC

22. To Consider in relaxing rules pertaining to submission of documents via hard copy to SEC/CSE

This is suggested mainly because of the difficulty in mobility, as well as to restrict the number of outsiders coming into the company. In this circumstance, it is suggested to consider in relaxing the rules for licensee to submit their procedural documents via electronic means to the regulator.

This to be implemented by SEC via a directive if rule revisions will take time. The relaxation is initially considered for a period of four months. As a precautionary measure it is further suggested that the submission to be made with a password protected file.

After the said expiry of rule relaxation period, the relevant hard copies will have to be filled in with the regulator.

23. To consider in relaxing rules pertaining to settlement, post-trade confirmation etc and to adopt electronic means of communication

This is suggested mainly due to the difficulty in the mobility as well as to restrict the number of people entering into the company.

The relaxation of the rule is mainly for activities such as permitting the stockbroker to make online settlements to its clients, to send contract notes (As a precautionary measure it is further suggested that the submission to be made with a password protected file e.g. bank statements) via email etc to the email addresses, bank details that has been given by the clients at the time of opening the accounts and/or subsequent instructions for master file updates. Electronic means of remittances/sending of documents connected to post trades will be as an option available to the licensees upon instructions of the clients.

24. To consider in relaxing rules pertaining to post trade confirmations (contract notes), CDS monthly statements, stock broker/margin provider account statements, settlement payments etc and to adopt electronic means of communication

This is suggested mainly due to the difficulty in the mobility as well as to restrict the number of people entering into the company. The relaxation of the rule is suggested to accommodate electronic means of transfer of funds. Electronic means of transfer of funds on behalf of the purchase proceeds will be as an option available to the clients.

25. To evaluate an alternative system to decentralize the know your customer (KYC) mechanism

It is understood that the suggested system may not be practically possible to implement in the immediate future. Anyways the suggestion is to make use of the technology to decentralize (which means the physical presence of the RIA meeting the client at the client's location or the client meeting the RIA at the RIA's location) and to have a viable alternative mechanism to operationalize KYC and the account opening procedure.

It is suggested to consider electronic method of communication to be captured in the rules and subsequently to follow up filling of the hard copies as an option available, thus to recognize the convenience and to embrace the advancement of technology where possible.

Following are some of the relief measures that may not be conducive to be granted to the capital market of Sri Lanka.

1.Relaxation of Capital Adequacy Requirement (CAR)

CAR is one of the major tools that are used in the Sri Lankan capital market context to mitigate the risk emanating from stockbrokers. Relaxation of CAR requirements may not be conducive as it could lead to excess risk been built up in the market intermediary sector that could affect adversely to the entire capital market. Furthermore, in an instance such as this, where a sudden outbreak of a virus has occurred thus leading towards excess risk been built up in the sector. The measures such as CAR help to mitigate such an adverse impact. Therefore, it may not be prudential to relax requirements of CAR.

2.Relaxation of any other settlement related rules and margin call/debt clearance rules

3. Cash reliefs to market intermediaries

It is difficult to find instances in which capital market regulators around the world have giving cash reliefs to its intermediaries amid COVID-19. Sri Lankan capital market is considered to be a disclosure-based market as such most of the disclosure-based markets have adopted procedure-based reliefs. They have granted relaxation in terms of submission of reports, guidelines on how to conduct AGMS, EGMS etc amid the outbreak. As a country, it is too early to assess the full impact of the COVID-19 to the country's economy. It may be prudent to provide benefits in the way of infrastructure to the capital market as the benefits arise from such will be enjoyed by the market participants as a whole and its good impact will last for generations to come.

It is prudent in the current juncture for the SEC to consider granting reliefs in the form procedural/process related rather than granting cash reliefs to market intermediaries.

Notes:

1. The word Market intermediary used above is in general term and includes stockbrokers/dealers, unit trusts managing companies, margin trading providers and all other licensees. Also, this term should be read within the context of the points that are elaborated.
2. The word license fee includes license/registration fee and this term should be read within the context of the points that are elaborated.
3. Yearend financial statement submission dates by a company, intermediary etc, the time line of financials should be read in the context of the points that are elaborated.

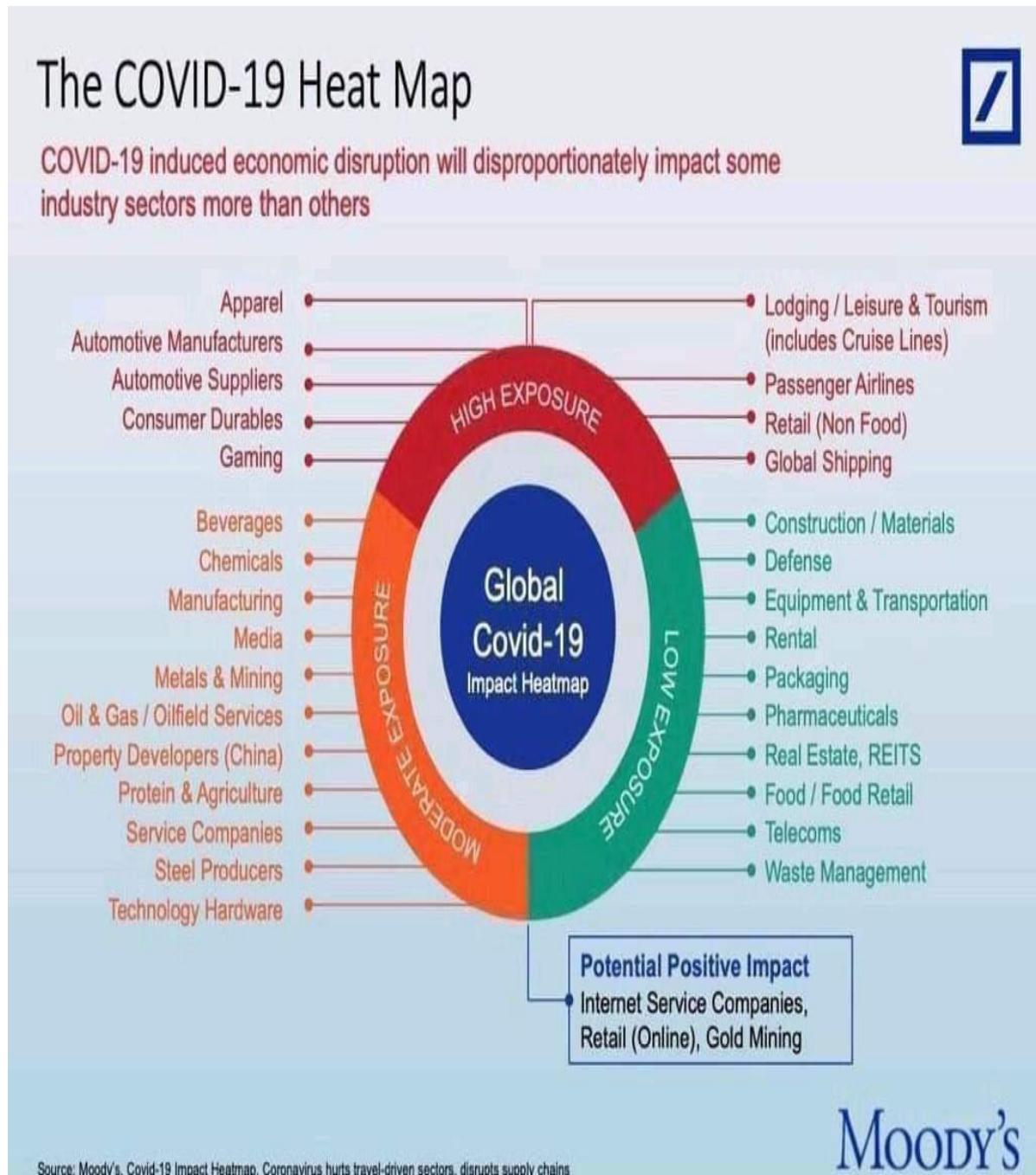
It is prudent to discuss these relief measures prior to finalization together with the participation of respective divisional directors/senior management and the head of the taskforce

14. Members of the Taskforce –Better Regulation

Director General's Office setup a Task-force- Better Regulation under the leadership of Mr. Prabash Wanigatunga comprising 25 staff members where Mr.Rasika Walpitagama acted as the Coordinator of the Taskforce.

- 01** Ms. Manuri Weerasinghe
- 02** Ms. Madhugayanie Balapitiya
- 03** Ms. Ranmini Jayathilaka
- 04** Mr. Wasantha Sunimal
- 05** Ms. Mekhala Jayapala
- 06** Ms. Niroshika Udayanganie
- 07** Ms. Chamari Heenatigala
- 08** Ms. Thakshila Francis
- 09** Ms. Dhanesha Rajapura
- 10** Mr. Kapila Kumara
- 11** Ms. Olivi Solanga Arachchi
- 12** Ms. Marian Sandanam
- 13** Ms. Roshini Peiris
- 14** Mr. D.M Rakhitha Dissanayake
- 15** Mr. Lalinda Dayarathne
- 16** Mr. Dashanka Warnakulasooriya
- 17** Ms. Udani Wickramarathna
- 18** Mr. Dasun Perera
- 19** Ms. Radha Gothami Prathibha
- 20** Ms. Kavisha Kavindi Kumbukage
- 21** Ms. Dulari Muhandiram
- 22** Ms. Poorni Weerasekara
- 23** Mr. Thanishka Tillekeratne

15.Additional Information



SRI LANKA CENTRAL BANK SET UP RUPEES 50 BILLION TO RE FINANCE COVID 19 HIT BUSSINESSES

ELIGIBLE BUSINESSES / SECTORS

Tourism, direct and indirect export-related businesses (apparel, IT, tea, spices, plantation and related logistic suppliers).

Small and Medium Enterprises (SMEs) - manufacturing, services, agriculture (including processing), construction, value addition and trading businesses including authorized domestic pharmaceutical suppliers with turnover below Rs. 1 bn.

Self-employment businesses and individuals who have lost their jobs or income due to the outbreak of COVID-19.

Foreign currency earners (individuals and corporates) who have to repay loans in foreign currency and whose incomes/ businesses have been adversely affected.

IMPORT FACILITIES SHALL NOT BE PERMITTED UNDER THIS RE-FINACE FACILITY

CONCESSIONS FOR EXSISITING PERFROMING LOANS AS AT 25.03.2020

A borrower requesting concessions under this scheme on or before 30.04.2020, the financial institutions shall offer a debt moratorium for the period as given below in respect of all eligible Rupee and foreign currency term loans.

A six-month debt moratorium on the leasing rentals of all threewheelers, school vans, lorries, small goods transport vehicles and buses, and assets such as motor bikes and taxies operated by the self-employed/ owners.

A six-month debt moratorium for affected industries in SMEs -tourism, apparel, plantation, IT and related logistic service providers.

A six-month debt moratorium for all other eligible businesses / sectors

CONCESSION FOR EXISTING NON - PERFORMING LOANS

The penal interest charged up to 25.03.2020 shall be waived off.

All financial institutions shall suspend legal action against non-performing borrower who are included in this scheme.

Rescheduling of loans will take place.

NEW WORKING CAPITAL OR INVESTMENT PURPOSE LOANS

Working Capital Loan of Rs. 25mn per bank per borrower at 4% interest rate to be repaid in 2 years.

Investment purpose loan not exceeding Rs. 300mn per bank per borrower at interest rate of AWPLR plus 1.5% to be repaid within 5 years.



CAPITAL MARKET OPERATIONS AND RELIEF MEASURES IN RESPONSE TO COVID-19



Last updated: 31 March 2020

The Securities Commission Malaysia (SC) has introduced several measures to safeguard and support the integrity of the capital market during this period of unprecedented volatility and uncertainty resulting from the broader market impact of Covid-19.



ENSURING CONTINUOUS TRADING AND MARKET OPERATIONS

The SC, the Exchange and all capital market intermediaries will continue to operate during the MCO

Trading hours of the Exchange:
9am to 5pm

*Mid-day break: 12.30pm to 2.30pm



SUSPENSION OF SHORT SELLING ACTIVITIES

The SC and Bursa Malaysia temporarily suspended short selling activities until 30 April 2020

* except for permitted short selling

BROKERS' MARGIN FINANCING FLEXIBILITIES



Effective until 30 September 2020

Discretion to not make margin calls or impose haircuts on any collateral and securities purchased and carried in margin accounts

Empowered to exercise discretion whether or not to impose force selling measures on clients

Allowed to accept other collaterals such as bonds, unit trusts, gold and immovable properties to maintain their clients' margin accounts

* Brokers, trading and clearing participants and authorised depository agents are encouraged to operate shorter counter service hours



WAIVER OF THE SC ANNUAL LICENSING FEES FOR YEAR 2020

FOR 231
LICENSED ENTITIES



Waiver on the core regulated activity of all Capital Markets Services Licence (CMSL) entities with Profit Before Tax of RM5 million or less during Financial Year 2019

FOR 9,663
LICENSED INDIVIDUALS



Waiver for all individual CMSL holders and Capital Markets Services Representative's Licence (CMSRL) holders



WAIVER OF LISTING-RELATED FEES FOR 12 MONTHS

For companies seeking listing on LEAP or ACE Markets

For companies with market capitalisation of less than RM500 million to be listed on the Main Market

FLEXIBILITIES FOR LISTED ISSUERS



DEFERMENT OF ANNUAL GENERAL MEETINGS

FOR PUBLIC LISTED COMPANIES (PLCs)

Entitled to apply for deferment of dates of AGMs with the Companies Commission Malaysia (SSM), beyond the prescribed 6-month period

*as stipulated under the Companies Act 2016

FOR REITS MANAGERS OF LISTED REITS WITH FYE 31 DECEMBER 2019

2-month extension given to hold AGMs before 30 June 2020

- For Main and ACE Markets on the issuance of quarterly reports and annual reports, due by 31 March 2020 and 30 April 2020
- For LEAP market, issuance of semi-annual and annual audited financial statements, due on 31 March 2020 and 30 April 2020
- For information on the extension of time, refer to Bursa's announcements dated 17 March 2020 and 26 March 2020 at www.bursamalaysia.com



1-MONTH EXTENSION FOR ISSUANCE OF PERIODIC REPORTS



DEFERMENT OF REGULATORY FILINGS AND SUBMISSIONS

Deadline extended for market participants who are required to comply with the regulatory filings and submissions to the SC



PROVIDING TRAINING AND EXAMINATION FLEXIBILITIES

REDUCTION IN THE MINIMUM TRAINING REQUIREMENTS

- CMSRL holders and Employees of Registered Persons: Reduced to 10 CPE points from 20 CPE points effective 1 July for 12 months
- Trading and Marketing representatives: Reduced to 3 days from 5 days
 - * CPE- continuing professional education

ONE-OFF TRAINING SUBSIDY FOR AUDIT OVERSIGHT BOARD REGISTERED FIRMS

- Applicable to firms with less than 10 audit partners up to RM30,000 per firm

*For Approved Training Programmes conducted by the Malaysian Institute of Certified Public Accountants (MICPA)



POSTPONEMENTS OF SIDC COURSES, FAMILIARISATION PROGRAMMES AND SC LICENSING EXAMINATIONS

- Roll-over of fees paid to future dates without any penalty for course participants and examination candidates
- Participants will be informed of new exam dates
- Refunds entitlement without any penalty for course withdrawals or date deferments for SC Licensing examinations
- Further queries, email to

registration@sidc.com.my

For more information and clarification on the measures:



www.sc.com.my/covid-19



regdeferment@seccom.com.my

cau@seccom.com.my

For queries and complaints:



Aduan hotline at +603 6204 8999
(Weekdays, 9.30am-5.30pm)



aduan@seccom.com.my.



@SecComMY

16. Evaluation of the possible relief measures that can be granted to the stakeholders

- Relief Measures that can be granted to the Listed Entities

No.	Relief Measure	Advantages	Disadvantages
01	<p>i. Extend the categories of relief already proposed to limited sectors, to all the sectors of listed companies.</p> <p>ii. Extend additional benefits to listed entities in the Health Care sector to boost sector capacity to support national needs by way of accelerated depreciation.</p> <p>iii. Due to restrictions placed on certain activities, some listed entities may scale down operations in the short-term. Therefore, to offer benefits such as to differ tax payments by at least two quarters to minimize cash-flow impact to allow them to stay afloat.</p>	<p>1. Could be advantageous in the medium to long run for companies to rebuild to a pre corona virus era faster. I.e. rebuilding supply chains etc. thereby helping the market grow as a whole.</p> <p>1. When considering the current situation, Health Care Industry is the most affected. Hence, extending additional benefits to listed entities in the Health Care sector would act as a benefit offered to them.</p> <p>2. If the Healthcare sector of the country is at a superior level, it will benefit the whole country especially in times of pandemic situations.</p> <p>1. The cash that would be used for tax payments could be used for purposes of working capital.</p> <p>2. The cash that would be used for tax payments could be used for purposes of capital investments in order to overcome the issues faced by the listed entities.</p> <p>3. If scale down of certain activities are proposed the entities may reduce wages/opt for pay cuts etc. If the said proposal is implemented, then aforesaid issues might not arise.</p> <p>4. If scale down of certain activities are implemented same would welcome schemes such</p>	<p>1. Sharp increase in costs/loss of revenue to the government</p> <p>2. If adequate foreign funding is not found, it could lead to added pressure on the rupee which could lead to a depreciation of the currency.</p> <p>1. When considering the current situation of the country, not only the health sector but also all the industries in the country is affected. Hence, extending additional benefits to listed entities in the Health Care sector might create issues.</p> <p>1. There is a possibility that some companies might misuse the said relief and use the resources for their own benefit.</p> <p>2. Due to non-collection of taxes the Inland Revenue Department will not be able to collect taxes hence it will affect the overall income of the Government.</p> <p>3. Since the proposal is to differ collection of taxes for at least two quarters, the listed entities may have to pay a considerable amount of money (i.e. taxes for 2 quarters + current quarter) in the 3rd quarter. This might affect the</p>

No.	Relief Measure	Advantages	Disadvantages
		as voluntary retirement schemes/staff layoff etc. So that a considerable number of citizens in the country will be unemployed. If the said proposal is implemented, then above issues will not arise.	cash flow of the 3 rd quarter.
iv.	Banks and Financial Institutions are directed to offer benefits to the community, to offer relaxation on Capital Adequacy Requirements as a capital market investor base may not be able to inject further capital via right issues or debt capital at this point in time. Further, relaxation on debt impairment models to recognize current extraordinary circumstances could be offered to maintain the viability of the sector.	<p>1. Enable to maintain the liquidity level (Statutory Liquid Assets should be 20% of total liabilities) to meet payment and settlement obligations on a timely basis under both normal and stressed conditions and thus contribute to the smooth functioning of payment and settlement systems.</p> <p>2. Banks and Financial Institutions had been struggling with rising non-performing loans, weakening profitability due to rising credit costs and downcast loan growth, even before the outbreak. Therefore, taking out the requirement to classify all credit facilities extended to a borrower as non-performing when the aggregate amount of all outstanding non-performing loans granted to such borrower exceed 30% of total credit facilities would strengthen the profitability, camouflage the extent of asset-quality deterioration and reduced the non-performing loan portfolio.</p> <p>3. If there is no relaxation on debt impairment it would crowd out new lending, eroding both the profitability and solvency of banks. Further, financial system stops functioning normally, and banks can no longer provide credit to the economy. Hence a</p>	<p>1. Maintenance of capital adequacy ratio as stipulated by the Central Bank (before the pandemic) is crucial for the Finance sector as it is important from the point of view of solvency of the finance sector and their protection if epidemic continues.</p> <p>2. Companies who have already complied the capital adequacy ratio as required by the Central Bank may feel the approach taken by the Central Bank is not fair as the such companies put an extra effort and cost to meet the required timelines.</p> <p>3. Bank Supervision and the Non-Bank Supervision Divisions of the Central Bank required to monitor constantly the relief measures offered to the banks and financial institutions to ensure the relief measures offered would not adversely impact the stability of the finance sector.</p>

No.	Relief Measure	Advantages	Disadvantages
		<p>prompt relief would avoid coordination failures among banks.</p> <p>4. Since there is an extended time period to comply minimum capital adequacy ratio, the requirement to raise further finance either by way of rights issue or debenture issue to meet the capital adequacy ratio would not arise in the near term. This will provide some breathing space to the Banks and Financial Institutions that have not met the relevant thresholds.</p> <p>5. Strong assurance has been built up among banking and financial sector in relation to settlement moratorium after any forbearance period ends due to the interference of the Central Bank.</p>	
02	Submission of COVID-19 financial and business impact assessment report by listed entities (To grant a relief for their report submission)	<p>1. Investors can get a better understanding of the effects COVID-19 has had on a particular listed entity, the expectations of the management on the future impact of COVID-19, how the management is responding to evolving events, and how it is planning for COVID-19-related uncertainties that could be material in making investment and voting decisions.</p> <p>2. As the regulator, the SEC can identify the risks/challenges faced by each company in relation to maintaining day-to-day operations, financial reporting systems, internal controls and procedures pertaining to financial reporting and disclosures etc. Based on</p>	<p>1. Some listed entities may tend to selectively disclose information related to the impacts/risks of COVID-19, that would be material to investors for making investment decisions.</p> <p>2. As the regulator, it could be difficult for the SEC to decide what measures to be granted as the impact due to COVID-19 may considerably differ based on the industry/sector in which a listed entity operates.</p> <p>(E.g.-Telecommunication Services vs Food, Beverage and Tobacco industries)</p>

No.	Relief Measure	Advantages	Disadvantages
		such impacts, the SEC can evaluate and decide whether such relief measures can be implemented or not.	
03	Decline in market capitalization of the main board listed entities (companies failing to meet the continuous main board market capitalization requirement as a result of the decline in market capitalization to remain in the main board for a period of one year)	<p>1. Due to the proposed decision, the companies can remain compliant with listing rules applicable to market capitalization of the main board listed companies.</p> <p>2. The proposed decision would help Companies to remain in the main board for a one-year period without any adverse impact to the reputation of the Company.</p> <p>3. The decision would provide the company management an adequate time period (one year) to concentrate on the business development and thereby enhance the market value of the share.</p> <p>4. Market capitalization does not measure the equity value of a company. It shows the future value of the Company in the market to its investors. Therefore market price is not necessarily reflecting the value of the company. Therefore one-year relaxation of the rule can be considered.</p> <p>5. Share prices are often over or undervalued by the market; i.e. the market price determines only how much the market is willing to pay for its shares. Therefore market price/capitalization, in certain occasions does not reflect the real value of the Company. Therefore one-year relaxation of</p>	<p>1. Market capitalization measures the worth of a company in the open market, as well as the market's perception of company's future prospects, as it reflects what investors are willing to pay for its stock. The decline of market capitalization will show a negative sentiment on company affairs. Therefore to remain in the main board for a period of one year without meeting the continuous market capitalization requirement signals the reduction of the worth of the company.</p> <p>2. Market capitalization allows investors to understand the relative size of one company to another. Thus, declining market cap for a long period (one year) signals the reduction of company's relative size in the market.</p> <p>3. Main board companies are generally large cap companies with good reputation. They are stable companies in which investors like to invest. Thus it's important to such companies to meet market cap requirements within a shorter period of time.</p> <p>4. Most of such companies are diversified businesses entities and doing business with foreign parties. Decline of market cap will have a negative impact on their business activities. Thus such companies are required to maintain the market cap at a</p>

No.	Relief Measure	Advantages	Disadvantages
		the rule can be considered.	<p>stable level all the time.</p> <p>5. Generally market capitalization corresponds to a company's stage in its business development. Typically investment in large cap stocks are considered more conservable than investments in a small cap or mid cap stocks, potentially posing less risk in exchange for less aggressive growth potential. Therefore main board companies are required to maintain the market cap at a stable level.</p>
04	Reconsideration of declared but not yet paid dividends and entitlements by the company management- To reconsider and review the ability of the company to make the dividends/other entitlements which were declared prior to the impact of outbreak but not yet paid to the investors given current negative sentiments in the economy.	<ol style="list-style-type: none"> 1. The proposed decision will help to increase retained earnings and the shareholders equity position and thereby to increase the value of the Shares of the Company. 2. This would enhance financial strength, credibility and earning capacity of the business. As a result, the borrowing capacity of the company will increase. 3. This would strengthen the liquid capital position of the company. 4. Unpaid dividends are one of the most economical and convenient sources of finance, as no expenses or legal formalities are involved. 5. No fees or mortgage is created on the company's assets. The company is free to use its assets for raising loans in future. 6. No risk of control being diluted as there is no increase in the number of shareholders. Management remains independent as no restrictions are put on the management. 	<ol style="list-style-type: none"> 1. Dividends provide a stable income stream to its investors even if the market price drops. Thus the decision may result in dissatisfaction among the shareholders as they do not get the expected rate of dividend. 2. Dividend information gives a signal about future prospects of the company. Hence, shares become less attractive to investors when the company unable/reluctant to pay dividends. (stable dividends over a good period of time will give a good picture about the fundamentals of the company.) 3. Dividends and other types of benefits to shareholders delivers loyalty by sharing part of the company's profit with shareholders. Due to the proposed decision, the investors may not get a chance to obtain their profit share. 4. Dividends provide investors with consistent realized income/return unlike capital gains realized only when the shares are actually sold. Thus, the decision may

No.	Relief Measure	Advantages	Disadvantages
			<p>result in dissatisfaction among the shareholders</p> <p>5. Over retention of profits within the company may prompt management to issue bonus shares. Frequent capitalization of reserves may result in over-capitalization.</p>
05	Reduction/Deferment of continuous listing fees charge from listed entities by the CSE	<p>1. In the current context, majority of the listed entities are deprived of their revenue sources. Therefore, it will be advantageous from the viewpoint of listed entities to reduce their expenses.</p>	<p>1. Reduction of source of income for the CSE</p>
06	Waving off initial public offering (IPO) fees charged by the regulators (Both SEC and CSE)	<p>1. A Company already in the process of getting listed may consider withdrawing their IPO due to current situation. As such, waiving off the IPO fee will reduce the costs to be incurred by such company which may result the company to go ahead with the listing process.</p>	<p>1. Reduction of source of income for the CSE and the SEC.</p>

- **Relief Measures that can be granted to the Stock Exchange**

No.	Relief Measure	Advantages	Disadvantages
01	SEC may grant relief or defer CSE contributions to the broker back office and order management systems up until march 2021 (1 year period)	<p>1.CSE will not have to bear costs for this initiative until such when normal trading will resume and CSE will have steady cash inflows.</p> <p>2.CSE can better manage their working capital and utilize such funds to their other urgent needs during this period</p> <p>3.Costs during the year for which relief is granted could be accumulated and charged from the CSE post March 2021.</p> <p>4.Brokers would not have to bear additional financial burden to continue operations with their back office and order management systems</p>	<p>1. If payments are not made to broker companies (by CSE or IF CSE portion is not undertaken by the SEC), it might reflect negatively in stock broker organization's financials at a time where there are no capital market activity.</p> <p>2. SEC will have to bear additional financial contribution</p> <p>3. The CSE/regulatees may opt to request other capital expenditure reimbursements from the SEC which have to be considered very carefully.</p>

- **Relief Measures that can be granted to the Investors**

No.	Relief Measure	Advantages	Disadvantages
01	Enhance awareness/education about the market	<p>1.It might prevent abrupt short sighted activities that investors would be compelled to do soon after market resume operations (sell sectors that are presently being hit by the Coronavirus epidemic, eg: hotels).</p> <p>2.Will provide opportunities for new investors to enter the market considering the discounted market prices</p> <p>3.Boost the overall market sentiments of all stakeholders</p> <p>4.As citizens are staying at home, it may be possible to reach wider audience and they have ample time to absorb and consider their investment decisions leisurely.</p>	<p>1. Might not be able to reach all investor categories as curfew is effective throughout the island.</p> <p>2. Due to the safe distancing measures which have to be maintained until the outbreak is completely over, electronic media will have to be used which may be costly</p>

- Relief measure – Introduction of a Circuit Breaker amid pandemic

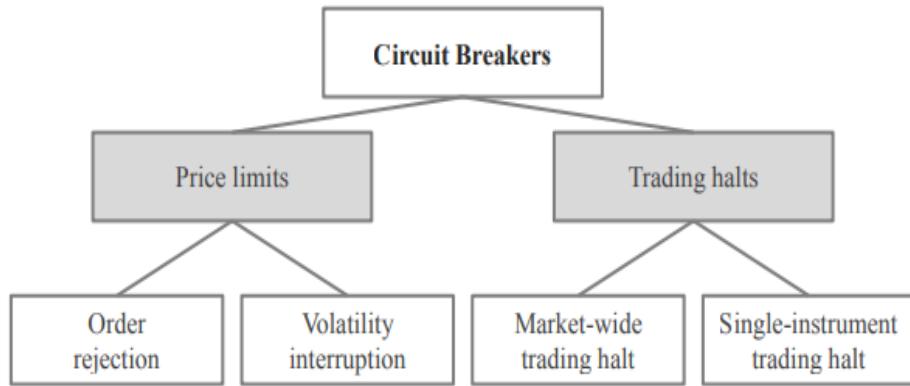
No.	Relief Measure	Advantages				Disadvantages
01	<p>Introduction of additional circuit breakers and market halt- The current circuit breaker is triggered in the event S&P SL20 index falls by more than 5% during a particular trading day. In that event market trading is halted for a period of 30 minutes. It is further proposed, in the event S&P SL20 falls by more than 2.5% after commencing the trading subsequent to it falling by 5%, then the market</p>	<p>1) As a common feature of Index Based Circuit Breaker rules (<i>also known as Market Wide Circuit Breaker Rule</i>) in place, it can be seen that the halt will persist for entire day if last threshold limit is reached, thus it will ensure during the day floor value to the index (<i>As per a survey conducted by World Federation of Exchanges in 2016 out of 17 exchanges 10 exchanges have stated that irrespective of last triggering time a halt extend up to entire day prevails in their Market Wide Circuit Breaker rule; detailed information is depicted below in the table</i>). The recommended Circuit Breaker (CB) rule carries that feature and ensures a maximum possible drop for S&P SL20 index during a day and also prevent steeper fall of entire market.</p>				<p>1) Recommended Circuit Breaker Rule with relatively smaller maximum threshold will hinder the price discovery and disregard market fairness. As per a survey conducted by World Federation of Exchanges in 2016 lowest of maximum threshold with the condition of rest of day halt was reported as 10%.</p> <p>2) Considering the weights of individual largest cap constituent (John Keells Holdings PLC) and largest cap constituent sector (Financials) of S&P SL20 index higher sensitivity is observed stemming from largest cap constituent and the sector towards the index. Thus a price impact solely on the largest cap constituent or the sector may cause significantly to trigger the market halt.</p>
		Single Level CB	Two Levels CB	Three Levels CB	Total	
	Rest of the day halt irrespective of last triggering time	1	3**	6		
	Rest of the day halt depends on the triggering time	5*	2	-		
	Total	6	5	6		
	<i>(WFE 2016 Survey Result Summary)</i>					

<p>may need to be closed for the rest of the day.</p>	<p><i>*-Previous Circuit Breaker Rule enforced under circular no 2-12-2012 on 28th December 2012 was included here</i></p> <p><i>**-Recommended Circuit Breaker Rule will be captured under this category</i></p> <p><i>Existing rule enforced under circular no 10-3-2020 on 22nd March 2020 is not fallen under any of the category identified under the survey.</i></p> <p>2) Current Circuit Breaker Rule in place will trigger the second halt at 10% decline of S&P SL20 index with the possibility of further continuous decline; in contrast recommended Circuit Breaker rule will trigger the same at 7.5% drop and freeze the market thereon for the entire day. Therefore in terms of mitigating the risk of market value reduction recommended rule will serve in safer way.</p> <p>3) Since the market get halted for rest of the day after last triggering point is reached, there will be sufficient period of time to rearrange the credit positions for accounts under the margin trading agreements and broker credit.</p> <p>4) Nature of trading behavior of majority of Sri Lankan investors during abnormal adverse or favorable market conditions mainly driven by the prevailing market sentiment with very lower consideration towards fundamentals. As a result of this wider price volatility may occur with uncontrollable trading sentiment. Hence substantial amount of investors need significant cooling off time to be aware on precise reasons which cause the triggering</p>	<p>Therefore said price impact may freeze the entire market even if large numbers of securities were trading at normal circumstances. This will badly impact to the confidence of the investors.</p> <p>By considering same phenomenon stated above the last threshold of 7.5% may not be adequate to eliminate the impact of high dominance by few securities.</p> <p>According to facts published by S&P Dow Jones as at 28th February 2020, largest cap constituent i.e. John Keells Holdings PLC; represents 16.1% weight and largest constituent sector i.e. Financials; represents 62.2% weight. Considering those facts following calculations have been carried out.</p> <p><i>If JKH share price experiences during the day maximum possible</i></p>
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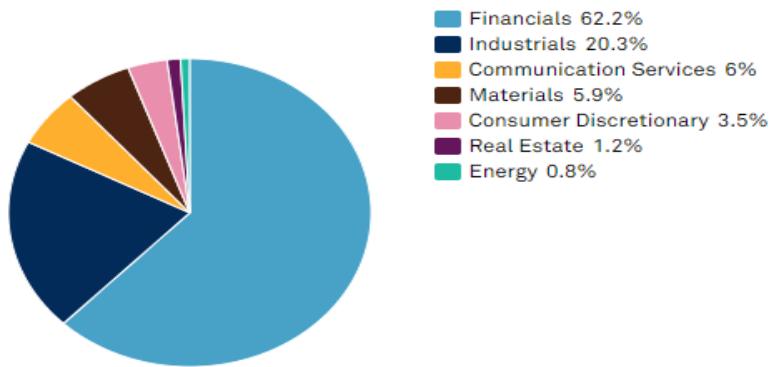
	<p>of circuit breaker and react there on. Therefore the second level market halt extending up to end of the day will enhance the quality of the investment decision being made.</p> <p>5) In terms of mitigating the risk of market volatility and ensure the fairness and orderliness of the market recommended two level Circuit Breaker rule is much prudent than previous single level Circuit Breaker rule and existing continuous level Circuit Breaker rule. As depicted in the table “WFE 2016 Survey Result Summary” 11 exchanges equivalent to 65% have adopted two or three level Circuit Breaker rule.</p>	<p><i>price change which is 20% (<u>20 % is the maximum order validation price limit for a security during a day for both sides</u>) approximate impact to the index will be 3.22% whereas similarly Financial sector maximum impact will be 12.44%. Therefore feasibility of last threshold limit should be evaluated with the focus to the constituent weight contribution of the S&P SL20 index.</i></p> <p>3) The narrow gap between the first and second threshold and short cooling off period may provoke additional selling forces of the market who tries to sell off before market being closed for the entire day. This can lead to accelerate the triggering of last threshold of 7.5%.</p> <p>Under the same scenario possibility of market being frozen for the entire day within 30 minutes and few seconds is high.</p>
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Classification of circuit breakers (*illustration based on Abad and Pascual, 2013*).



Sector Weightage of S & P Sri Lanka 20 Index in Colombo Stock Exchange as at 28th February 2020



Relief Measures that can be granted to market intermediaries

No .	Relief Measures	Advantages	Disadvantages
1	Granting Flexibility for report submissions by market intermediaries (the reports that needed to be submitted within a particular time frame. E.g. Compliance reports, Monthly reports)	<p>A. During the considered period the respective firms may have to employ minimum number of staff according to the safety measures declared by the government. Because of that, the required number of staff who attend in preparing such reports will not be able to submit the same during the stipulated time. Therefore, granting flexibility for report submissions would be helpful for the respective firms due to the challenges they face during this particular time period.</p> <p>B. Allowing market intermediaries to attend such tasks with less number of employees.</p> <p>C. After this global pandemic situation the market will be volatile to greater extent and it will take reasonable time to settle the market activities to a normal state. Therefore granting flexibility for report submission would allow them to pay more attention and employ the other staff mainly on market activities and their respective operational activities.</p>	<p>A. Might adversely affect the systems and procedures which will be difficult to identify Non compliances timely.</p> <p>B. Intermediaries may try to take undue advantage of the relief given. For e.g. time to cover up non compliances they already had at the time of imposition of the curfew.</p>
2	Granting relief submission of audited financial reports by market intermediaries	<p>A. Preparing audited financial statements usually takes time and the external auditors also take more time to review the</p>	<p>A. This may have a negative impact on reporting time frames in future.</p>

		<p>financials. Due to the adverse conditions there will be more staff and time constraints for the firms. Therefore, granting flexibility for the submission of audited statements will be beneficial for market intermediaries.</p> <p>B. Allowing market intermediaries to attend such tasks with less number of employees.</p>	
3	To grant reliefs to the rules on the mandatory staff requirements	<p>A. If the rules can be relaxed with respect to the mandatory staff requirements, the respective firms can employ their staff to work from home or on roster basis.</p> <p>B. The above enable the firms to comply with government rules and regulations currently imposed.</p> <p>C. It could be a safety measure for the employees since social distancing is continued.</p> <p>D. Firm's cost such as electricity and office maintenance cost can be reduced if employees are working from home.</p>	<p>A. Certain employees can be faced with infrastructure issues such as laptops, internet and etc.</p> <p>B. There can be cyber security threat since employees are accessing the system through various devices.</p> <p>C. Attention given to each and every client can be lessen</p> <p>D. Investors who are used to place orders by visiting the firm premises and those who are not familiar with the technical devices may face issues in placing the orders.</p>
4	To relax the rules on the minimum number of registered investment advisors	<p>As per the CSE rules it is required to employ minimum of 2 Registered Investment Advisors and not complying of the same will</p>	<p>A. Attention given to each and every client can be lessen</p>

	(RIA)'s in an intermediary company	<p>cause to suspension of the license.</p> <p>A. Therefore, relaxing this rule will enable the company to operate with available resources until the position is filled.</p> <p>B. This helps the continuity of the business operations of the firm during the adverse time period.</p>	
05	Granting Relief- Continuous Professional Development certificate (CPD requirement)	<p>1. Time and cost savings due to less number of CPD's to organize.</p> <p>2. Can avoid people gathering and thus reduce spreading of the virus. Accordingly it is less risky in considering the present health situation.</p>	<p>1. SEC may not be able to complete transition of Investment Advisor's (IA) from previous Qualification Framework (QF) to new QF as mandated in our directive since all IA's have to complete required number of mandatory CPD's.</p> <p>2. IA's may not be able to complete licensing requirements since less number of CPDs.</p> <p>3. SEC may not be able to cover important areas such as DVP and other market and regulatory changes on time.</p> <p>4. SEC would lose the income generated from conducting CPD programmes</p>

06	<p>Market Intermediary</p> <p>Licensing renewal fee-deferring for a period of one year and in the event a concession is given to collect the fees after six months</p>	<p><u>Benefits to the Market Intermediaries</u></p> <p>1. Market intermediaries have completely lost their businesses with the curfew imposed by the government in view of the Covid 19 pandemic situation. Hence deferring the renewal fee for a period of one year would help to reduce the cost burden on them.</p> <p>2. Even though the day-to-day income of market intermediaries have stopped still the institutions have to continuously bear the salary expenses of their employees (plus other mandatory expenditure) at least for the coming 3-4 months. Therefore, deferring the renewal fee would be a comfort for the businesses.</p> <p><u>Benefits to the SEC</u></p> <p>3. Majority of market intermediaries are long standing businesses in the industry which were compliant with the rules and regulations of the SEC. Accordingly, the SEC by deferring the renewal fee for an year enhances and strengthens the trust and confidence its regulates have on it whilst increasing the goodwill.</p>	<p>1. SEC loses its income obtained from the renewal fees and it will impact SEC's cash flows. Even though the fee is paid in a year the SEC loses the time value of money.</p> <p>2. Government has already granted certain concessions such as waiving off of instalment payments of loans obtained from government banks for a certain period etc. Hence, may be deferring the renewal fee is in fact not required at this moment and may be granted at a later stage.</p> <p>3. When this time's renewal fee is deferred there will be an accumulation of the renewal fee at the time of the next renewal of market intermediaries which could also be an extra burden on the institutions.</p> <p>4. If the global epidemic continues, the global economy will be led to a recession as the World Bank predicts. In such a case the situation will be worsened with respect to all segments</p>
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	<p>4. Around the world number of regulators has granted various concessions to their regulates and stakeholders. Hence by taking these measures the SEC would be reflected as an organization that facilitates smooth functioning of its regulates during difficult time periods.</p> <p><i>Benefits to the overall system</i></p> <p>5. By these reliefs, proper functioning of these institutions are facilitated during global calamities like this. These reliefs, up to a certain extent ensure that the regulates do not run into sudden bankruptcies which ultimately affects many investors and the overall financial system as well.</p>	<p>in the economy. If that becomes the case deferring the renewal fees would not at all be a good measure.</p> <p>5. Even the institutions which could afford to pay the renewal fee currently might opt to defer the payment which would become a bad practice.</p>
07	<p>Registered Investment Advisor (RIA) rule on call recording-a 30 day call recording relief to be granted to market intermediaries provided that they have alternative mechanism in place to provide the proof of order receipt.</p>	<p><i>Answer is based on the assumption that the recommendation is based on Stock Broker Rule 3.2¹⁷.</i></p> <p><i>Benefit for the industry</i></p> <p>1. It may seem conducive to avoid malpractices or disputes (between clients and brokers) that may occur</p>

¹⁷ In the event it is not the guideline, the answer could change.

	<p>if investment advisors trade on non-discretionary accounts at their own will or if investors change their instructions based on market momentum.</p> <p>If the recommendation is adopted it is important to clearly specify the modes accepted as ‘alternative mechanisms’ to maintain the spirit of the given recommendation. If not fictitious claims and modes of communication may be presented at a point of dispute.</p>	<p>not strictly adhered to under normal circumstances it may be important to reconsider the need to <i>expressly</i> give such a relief and shift the liability towards the individual advisors to record instructions through alternative modes.</p> <p><u><i>Disadvantage for the industry</i></u></p> <p>2. With reference to alternative mechanisms it is important to consider the practicality and the access to certain devices especially by clients. For an example, certain clients may not have access to email. Further, if an advisor wishes to record a telephone conversation from his cell practical issues may prevent him from doing so.</p>
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08	<p>Deferment of interest income charged by market intermediaries from the credit trades carried out by their clients for a period of three months</p>	<p><i>Comments should be read line with the Directive issued by SEC on 31st March 2020.</i></p> <p><u>Benefit for SEC</u></p> <p>1.Better policy direction.</p> <p>Deferment of interest income is more suitable than refraining from charging interest. However in terms of providing clarity it is suitable to include a time period the interest could be delayed when providing the relief.</p> <p><u>Benefit for market intermediaries</u></p> <p>2. Deferment of interest is conducive than refraining from charging and recovering interest in the light of the going concern of certain market intermediaries(margin providers) to a <u>limited</u> extent(refer disadvantages)</p>	<p><u>Disadvantage for market intermediaries</u></p> <p>1.The Directive was issued to enable market intermediaries to pass on the benefit they will derive from the decisions announced by the CBSL. According to section 1 of the Circular issued by CBSL on 31st March 2020 it is questionable if market intermediaries fall under the categories entitled for relief.</p> <p>In the event market intermediaries don't fall under the said category the entities will not be in a position to give the required relief to investors.</p> <p>2.The magnitude of the banking sector enables the industry to give concessions to a certain extent. Yet it is important to take into account the fragility of the brokering industry and intermediaries. For an example, even if we delay payment we may hit the core business function of margin providers. The continuation of such entities and payment of salaries to employees will</p>
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		<p><u>Benefit of investors</u></p> <p>3. Ease the financial pressure on investors given the current market condition¹⁸.</p> <p><i>If market reopens under given conditions the initial margins will fall which will increase force selling if investors fail to maintain margins. Increase in force selling in a decreasing and volatile market is detrimental. Hence it is requested to take suitable measures (just a wild thought of increasing the initial margin level) .</i></p>	be at risk.
Relief measures that <u>may not be conducive</u> to be granted to the Capital Market of Sri Lanka			
09.	Relaxation of Capital Adequacy Requirement (CAR) - Relaxation of CAR requirements may not be conducive as it could lead to excess risk been built up in the market intermediary sector that could affect adversely to the entire capital market.	<p>Initial assessment of the committee is that the relaxation of CAR is not advisable as it could lead to excess risk been built up in the market.</p> <p>Under the current market conditions, the relaxation of CAR is not a good move. However we see an unprecedented development in the CSE due to the impact of COVID19. However temporarily relaxation of CAR and minimum share holder fund requirements does not create an excessive risk as claimed. Further it will boost up market activity in the short run.</p>	

¹⁸ When maximizing investor betterment perhaps we could also look into the initial margin requirements and the increase in force selling that may arise if the market opens under the given conditions and investors fail to maintain margins. Increase in force selling may be detrimental to the market.

10	Cash reliefs to the market intermediaries	***	<ol style="list-style-type: none"> 1. Difficult to decide on the basis to grant cash reliefs and the limits on cash reliefs. 2. The capacity of the SEC to give such relief 3. Assurance of repaying the amounts given 4. Firms may try to get undue advantage
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*** Cash reliefs to the market intermediaries may not be conducive due to possible challenges outlined under the disadvantages and it seems prudent for the SEC to grant procedural / system related reliefs rather than cash reliefs.

However, if any firm is in the dire need of cash, the SEC can assess the possibilities of providing loans for such market intermediaries with the collaboration of banks and/or the government.

General Observations

1. It is important to consult the required Directors/Heads of Divisions with regard to the specific recommendations on market intermediaries and listed companies.
2. Some of the relief measures can be accommodated only on requests made by the market intermediaries or listed companies. For an example: *creating flexibility for submission of compliance reports etc.*

Relief Measures that can be granted to the staff of SEC and staff of market intermediaries

No.	Relief Measure	Advantages	Disadvantages
01	<p>Reducing of trading hours as a result of an epidemic</p> <p>It is suggested to reduce the trading hours of CSE in order to help the social distancing policy of the government for a period of two months. Once the trading of CSE recommences, it is suggested to defer opening of trading by thirty minutes and to close the trading by at 1.30pm for the day.</p>	<p>1. Usual trading hrs of CSE is 9.30 a.m. to 2 p.m. As a relief it is recommended to commence trading by 10.00 a.m. and conclude by 1.30p.m.</p> <p>CSE is located at the WTC, major business center in the heart of Colombo; working sector in both towers will be rushing to the building to report to their respective work places before 9.00a.m. which will result in large number of staff of different offices will meet at the WTC premises i.e. entrance, lobby, escalators and elevators.</p> <p>Therefore delaying of trading hours by $\frac{1}{2}$ hour and conclude $\frac{1}{2}$ hour early will help staff of CSE and Member Firms to avoid the usual rush at the WTC entrance, lobby, escalators and elevators. They could reach their offices after the others entered the WTC building. This would facilitate the social distancing to a greater extent.</p> <p>2. By shifting trading by $\frac{1}{2}$ hour staff who use public transport also could avoid usual crowded office</p>	<p>1. By shifting the trading hours, the staff who travel in semipublic transport services (private Staff Transport Services) at early fixed and schedule times might have to wait at the WTC common areas for additional 30 minutes until office opens and after the closure of the office. In both ways staff will expose to the risk grid. Other alternative available for the staff is to use public transport system which is also not a good option with regard to social distancing.</p> <p>2. COVID 19 has high risk of spread level, it is advised to ensure that the families too to be secure and safe at all times. Therefore, delaying trading by $\frac{1}{2}$ and commence work late at CSE and broker member firms may affect negatively in terms of families transport is concerned. If everybody start work at usual time, the whole family can travel to Colombo together using private transport and drop dependents to their respective work places, education centers etc. Staff member also can</p>

		<p>trains and busses to come to Colombo. As normal slow trains are less crowded passengers could easily maintain minimum distance between each other.</p> <p>3. Staff will have adequate time to reach workplaces being in one meter distance lines in order to enter to the public transport system, WTC building etc. where it take more time than normal situation. At the same time if the trading conclude by $\frac{1}{2}$ hour early they could attend to back office functions earlier than that of other days and leave office early. Therefore delaying of trading hours by $\frac{1}{2}$ hour and conclude $\frac{1}{2}$ hour early will help staff to manage their time by adjusting their daily routines accordingly.</p> <p>4. $\frac{1}{2}$ hr time difference will help the staff to attend to work and go back with relax mind-set. They do not have to be in a rush and $\frac{1}{2}$ hr option has been given them the freedom to choose the proper transport facility, and to attend to their personal day to day functions also with care.</p>	<p>report to work on time and return back on time with the family members safely.</p> <p>3. Even if the commencement of trading is shifted from 9.00am to 9.30am, certain essential personnel who facilitate trading operations (such as employees involved in IT, Regulatory Affairs and back office functions) and Office Assistants including the cleaning staff will be required to report to work, prior to the commencement of trading.</p> <p>Accordingly, such persons will not be able to avoid the overcrowded usual office hours, as they need to report to work earlier than the other officers. Hence, it appears that shifting of trading by half an hour would not be a relief to those categories.</p>
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Although shifting trading hours by $\frac{1}{2}$ hour and conclude $\frac{1}{2}$ hour early would applicable only to the CSE and it help to maintain Social Distancing to a certain extent however we as the cluster 3 members believe that alone may not acceptable to avoid spread of COVID 19 in the work places.

Therefore as far as the other capital market participants are concerned we would like to propose following as additional Relief Measures as recommendations to curb the spread of COVID 19 pandemic.

Additional Relief Measures that can be considered to be given for the staff of SEC and staff of market intermediaries

No.	Alternative Recommendations	Advantages
1.	PCR test to be carried to identified COVID 19 infected employees at the work place within the 1 st week	<p>As about 20% of persons infected with COVID-19 does not show any symptoms and about 60% shows mild symptoms,</p> <p>This would help to identify if any COVID 19 carriers are there in the work place.</p>
2.	<p>Disinfect the WTC common buildings and office premises prior to commence any operations with the help of Sri Lanka Army; and</p> <p>Request Overseas Reality (Pvt) Ltd to take the following Engineering Controls;</p> <ul style="list-style-type: none"> -Installing high-efficiency air filters. - Increasing ventilation rates in the WTC Building. - Installing a drive-through window for customer service. 	<p>CSE and some of broker firms are housed at most famous commercial business center in the business city, neighboring internationally reputed hotels. Therefore there will be a risks of using common facilities at the building and therefore disinfecting the WTC building is essential to ensure that the employees are safe and secure.</p> <p>Also regular sterilizing of the office premise, surfaces (e.g. desks, tables and door handles,) and objects (e.g. telephones, keyboards), scanning devices including photocopy machines and fax machines are essential to ensure safety of the staff at work places.</p>
3.	<p>Make all the persons compulsory wearing face masks and required protective gears.</p> <p>Temperature should be checked before they enter into the office.</p> <p>Have surgical masks and other protective gears available to offer anyone who develops respiratory Symptoms.</p> <p>Advise employees in advance that if they have any symptoms or feel unwell, they should not attend.</p>	<p>Face masks, gloves and other protective gear can help stop spread of corona virus.</p> <p>As confirmed corona virus is spread by droplets that can release into the air when an infected person talk, cough or sneeze. This can be transmitted to a normal person through the eyes, nose and mouth, either directly or after touching a contaminated object.</p> <p>Therefore, wearing protective gears help spread of corona virus in a work place.</p>

Additional Relief Measures that can be considered to the Capital Market of Sri Lanka

No.	Relief Measures	Advantages
1.	Provide Tax free or concessionary arrangements to broadcast Investor Awareness Programmes in National Electronic Communication Media in all three languages.	<ul style="list-style-type: none"> 1. Most effective mechanism to reach out the national and international community to regain the confidence of the Sri Lankan Capital Market. 2. As no community gathering is required it helps to maintain social distancing. 3. Attract local and international investors
2.	Promote a culture of technology enable platforms such as teleconferencing and video conferencing for meeting and events. Provide required bandwidths at a concessionary rates with support of Information Communication Technology Agency (ICTA) and Telecommunication Regulatory Commission (TRC)	<ul style="list-style-type: none"> 1. Reduce the number of people getting exposed to the community 2. No personal gathering to a common place 3. It is a process of making the industry ready in case the second wave hits, to commence “Work from Home” more effectively and efficiently.
3.	Identify key personnel ‘key personnel of the organization’ who are required to function the office and the market.	<ul style="list-style-type: none"> 1. Reduce the number of staff attendance per day 2. Roster available staff so that they do not have to report to work daily 3. Easy to arrange seats to maintain at least one meter distance 4. Minimize public exposure while traveling etc
4.	Directive to be issued to catch up the lost market days (approximately 21 days) on the public holidays falls on week days during the next 8 months of the year.	<ul style="list-style-type: none"> 1. Able to catch the lost market days and manpower hours 2. As other offices are not working, community exposure could minimize 3. Able to earn lost income

Chronological order of the activities pertaining to the report

1. Development of a draft summary document pertaining to country responses to COVID-19-
26.03.2020
2. Preliminary consideration of relief measures 04.04.2020
3. Taskforce formulation of SEC 04.04.2020
4. Formulation of areas covered via answering template-04.04.2020
5. Finalization of interim report- 06.04.2020
6. Submission of interim report to the SEC Commission- 08.04.2020
7. Accommodating the suggestions given by the SEC Commission to the report and the necessary research/analysis work – 15.04.2020
8. Circulation of report to all the directors for their views/comment's deadline- 20.04.2020
9. After incorporating the views/comments of the directors' final report submission to DG -
21.04.2020
10. Summary document of the report (executive summary, relief measures, matrix of the advantages and disadvantages submitted to DG -21.04.2020
11. Additional areas were identified and included for deliberation 25.04.2020
12. Summary Relief Measures document finalization -27.04.2020
13. DG circulated Summary Relief Measures among Divisional directors/senior management for consideration- 30.04.2020

Annexures:

1. **Annexure 1-CSE Guidance Note AGM Final**
2. **Annexure 2- Margin Providers Credit**