



## CORPORATE GOVERNANCE AND FINANCE DEPARTMENT

# ADVISORY

## ON THE MANDATORY GRACE PERIOD FOR LOAN PAYMENTS DURING THE ENHANCED COMMUNITY QUARANTINE PERIOD

The Securities and Exchange Commission has been receiving reports and complaints against **financing companies (FCs)** and **lending companies (LCs)** that allegedly refuse to comply with Section 4(aa) of Republic Act No. 11469, otherwise known as the Bayanihan to Heal As One Act, and its Implementing Rules and Regulations (IRR).

The Commission advises the public that it takes every report and complaint seriously. Accordingly, a number of FCs and LCs are already being investigated for possible violation of the law, which provide, among others, a thirty (30)-day grace period for all loans with principal and/or interest falling due within the Enhanced Community Quarantine period.

FCs and LCs are mandated to strictly comply with Section 4(aa) of the Bayanihan to Heal As One Act, its IRR and all the other laws, rules and regulations being implemented by the Commission. Moreover, FCs and LCs are hereby warned that any violation or non-compliance shall be dealt with to the full extent of the law.

16 April 2020