CENTRAL BANK OF LIBERIA

Directive No: CBL/RSD/DIR/005/2020
Lifting of Moratorium on Rules on Asset Classification and Provisioning

October 30, 2020

The Central Bank of Liberia (CBL) on March 24, 2020, as part of its policy response to ease the impact of the Coronavirus (COVID-19) pandemic on the Liberian economy, temporarily suspended the rules on asset classification and provisioning on loans extended to the aviation, hospitality, tourism, agricultural subsectors as well as small and medium businesses involved in cross-border trading. The CBL, in collaboration with Mobile Network Operators (MNOs) also suspended charges on mobile money and increased the limit on the transferred amount to facilitate increased use of electronic modes of payments. These decisions were induced by the severe constraints on the cashflows of businesses in these subsectors of the economy and the need to contain spread of the pandemic in keeping with the government's policy with regard to social distancing.

Given the easing of restriction arising from relative slowdown in the pandemic and re-opening of the economy by the government through relaxation of the state of emergency, the CBL hereby announces the lifting of its moratorium. Accordingly, effective November 2, 2020, all banks are required to ensure full compliance with the classification and provision rules in keeping with CBL Regulation No. **CBL/RSD/005/2014, Concerning Asset Classification, Provisions for Loan Losses and Suspension of Interest on Non-Performing Loans and Advances**.

This directive does not, however, bar and/or restrict banks from restructuring facilities on a case by case basis, in keeping with Section 3.15 of CBL Regulation No. **CBL/RSD/005/2014** regarding restructuring of delinquent facilities. The CBL will continue to monitor developments, particularly in instances of loan restructuring to ensure the continued stability of the financial sector.

Banks are urged to fully comply with this directive.

Signed: _____

J. Aloysius Tarlue, Jr.
Executive Governor