

Circular (135 /2014)
Thursday, August 28th, 2014

Subject: Deferment of Payments by Borrowers from Banks in Gaza Strip

Pursuant to an understanding reached on Wednesday 27/08/2014, during a meeting held at the Association of Banks in Palestine with credit managers of banks operating in the Gaza Strip in which key principles were agreed for the deferral of loan payments due to the challenging conditions facing borrowers in Gaza, all bank administrations are required to recognize and implement the following:

1. Defer the payments on loans due or potentially due by borrowers (individuals, foundations, companies) since the beginning of the Israeli attack in July 2014 up to the end of 2014.
2. Deferral will be arranged by virtue of an application filed by the borrower and upon their written consent. If written consent has not been obtained, this should not prevent approval of the client's application.
3. No additional commission/interest shall be charged on the deferred payments.
4. The '**assessment of client's conditions**' item in the credit information system to disclose payments due or potentially due by borrowers (individuals, foundations, companies) shall be designated as Code 2, and for the same period defined in item 1 above.
5. These instructions do not apply to clients who were insolvent prior to the Israeli attack on the Gaza Strip.
6. This circular shall enter into force as of the date of issue and until further notice.

In view of the above, the PMA will give positive consideration to exemptions to payments deferred according to the aforementioned provisions, as well as exemptions to the 10% advance payment necessary to conclude scheduling procedures for deferred payments, as stated under the conditions of this circular.

Supervision and Inspection Department

Palestine Monetary Authority