

December 17, 2020

To association representatives

SUGA Yoshihide, Prime Minister
ASO Taro, Minister of Finance and Minister of State for Financial Services
TAMURA Norihisa, Minister of Health, Labour and Welfare
NOGAMI Kotaro, Minister of Agriculture, Forestry and Fisheries
KAJIYAMA Hiroshi, Minister of Economy, Trade and Industry

Cash Flow Support for Companies in Response to Measures to Prevent the Spread of Infection
toward Year-end and New-year Holidays

In response to the expansion of the impact of the COVID-19 infection, the national government has repeatedly requested financial institutions to ensure prompt and smooth cash flow support for companies. We appreciate the steady efforts having been made by financial institutions based on these requests. However, from the perspective of taking the greatest possible measures to prevent any further spread of infection toward the year-end and new-year holidays, the national government has decided to suspend the Go To travel campaign, and prefectural governments are requesting eating and drinking places to reduce operating hours based on the status of the spread of infection in respective prefectures. Under such circumstances, financial institutions, etc. are requested to make further efforts to secure cash flow support toward the year end, when demand for operating capital increases, and thereafter.

The Financial Services Agency published a notice titled "Facilitation of Year-end Finance for SMEs and Small Businesses," on November 30, and a statement by ASO, Minister of State for Financial Services, titled "Request for Thorough Support for Companies Based on the Comprehensive Economic Measures to Secure People's Lives and Livelihoods toward Relief and Hope," on December 8, 2020. We would ask for your thorough cooperation with these requests and also reiterate the following requests. Please properly inform sales personnel and other members of financial institutions belonging to your association.

1. The utmost efforts should be made to ensure support for companies so that the temporary suspension of the Go To travel campaign and other measures against the COVID-19 infection would not hinder the cash management of SMEs and small businesses. With regard to companies that are affected significantly, in particular, financial institutions are required to positively check their fund needs by visiting them or by other means and make prompt and flexible responses, such as the provision of new loans and the alteration of loan conditions, in collaboration with relevant organizations in respective regions as needed. On that occasion, regarding loans for which the period of deferment is about to end, financial institutions should take measures to extend the repayment term or the period of deferment, giving maximum consideration in accordance with the circumstances of respective companies, etc.

2. For the application of effectively interest-free and unsecured loans, the national government intends to ease the requirements concerning sales amounts* so that companies seriously affected by the temporary suspension of the Go To travel campaign and fluctuations in sales amounts can easily utilize this loan program via government and private financial institutions. Financial institutions are requested to broadly disseminate this information, including among sales personnel.

* A comparison between the average sales of the latest six months and the average sales of the same period of the previous year will be newly permitted, in addition to the currently adopted comparison between the sales amount of the last one month and that of the same month of the previous year.

3. Financial institutions should develop a system to properly respond to consultations from companies, etc. In particular, government financial institutions are required to strengthen consultation services, such as the extension of service hours, depending on the needs of companies.

4. In order to secure the effectiveness of these efforts, financial institutions should promptly ascertain and analyze consultations and complaints, etc. from customers received at their consultation offices and make improvements immediately if any problem is found in customer services.